

THE UNITED NATIONS: URGENT PROBLEMS THAT NEED CONGRESSIONAL ACTION

BRIEFING BEFORE THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

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THE UNITED NATIONS: URGENT PROBLEMS THAT NEED CONGRESSIONAL ACTION

TUESDAY, JANUARY 25, 2011

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10 o'clock a.m., in room 2272 Rayburn House Office Building, Hon. Jean Schmidt (acting chairman of the committee) presiding.

Mrs. SCHMIDT. I want to call this briefing to order. This briefing of the Committee on Foreign Affairs will come to order at 10:06 in the morning. Unfortunately, our chairwoman, Ileana Ros-Lehtinen, is unable to be in Washington this week. She is at her family's side. Her mother is in failing health from complications with Alzheimer's and so I would ask that we all remember she and her mother and her family in this very troubled time. It's very difficult to lose a loved one, especially a parent. So Ileana asked me to chair this briefing and I was very gracious and happy to accept.

I will now recognize myself for 7 minutes to read the chairman's opening statement, which should be considered attributable to her. As I said, this is her statement.

"As I said at this committee's last hearing on United Nations reform, 'With significant leadership by the United States, the United Nations was founded on high ideals. The pursuit of international peace and development, and the promotion of basic human rights are core, historic concerns of the American people. At its best, the U.N. can play an important role in promoting U.S. interests and international security, but reality hasn't matched the ideals.'

"Accordingly, U.S. policy on the United Nations should be based on three fundamental questions: Are we advancing American interests? Are we upholding American values? And are we being responsible stewards of American taxpayer dollars?

"Unfortunately, right now, the answer to all three questions is 'No.'

"Here's some simple math: With no strings attached, we pay all contributions that the United Nations assesses to us—22 percent of their annual budget—plus billions more every year. According to the OMB, in Fiscal Year 2009, the U.S. contributed well over \$6 billion to the U.N.—at a time of high unemployment, skyrocketing deficits, crushing debt, and other great economic and fiscal challenges to our nation.

“What have we gotten in return from the U.N.? Here are a few examples.

“The U.N. Development Program fired a whistle-blower who revealed that the United Nations Development Program’s office in North Korea was not being managed properly, and was being exploited by Kim Jong Il’s regime.

“In 2008, a Senate subcommittee found that: The U.N. Development Program’s local staff was selected by the regime, and UNDP paid staff salaries directly to the regime—in foreign currency—with no way to know the funds weren’t being diverted to enrich the regime; UNDP prevented proper oversight and undermined whistleblower protections by limiting access to its audits and refusing to submit to the U.N. Ethics Office’s jurisdiction; the regime used its relationship with UNDP to move money outside North Korea; and UNDP transferred funds to a company tied to an entity designated by the U.S. as North Korea’s financial agent for weapons sales.

“The UNDP briefly pulled out of North Korea, but now they’re back, and this time they can select staff from a list of three candidates hand-picked by the regime, not just one candidate.

“That’s what passes for reform at the U.N.

“U.S. taxpayers are also paying over one-fifth of the bills for the U.N.’s anti-Israel activities, including the U.N. Human Rights Council, a rogues’ gallery dominated by human rights violators who use it to ignore real abuses and instead attack democratic Israel relentlessly. The council was also the fountainhead for the infamous Durban Two conference and the Goldstone Report.

“One more example: An independent Procurement Task Force uncovered cases of corruption tainting hundreds of millions of dollars in U.N. contracts. In response, the U.N. shut down the Task Force. When the head of the U.N.’s oversight office tried to hire the chairman of the task force, former U.S. prosecutor Robert Appleton, as the top investigator, the U.N. Secretary-General blocked it.

“Well, the U.N. may not want him, but we’re pleased to have Mr. Appleton here today.

“Ironically, the U.N.’s current chief investigator—who has reportedly failed to pursue cases—is now under investigation himself for retaliating against whistle-blowers!

“Ambassador Susan Rice says that the U.S. approach to the U.N. is, ‘We pay our bills. We push for real reform.’ Instead, we should be conditioning our contributions on ‘reform first, pay later.’

“In the past, Congress has gone along by willingly paying what successive administrations asked for—without enough oversight. This is one of the first true U.N. reform hearings held by this committee in almost 4 years, but it won’t be the last.

“Right now, the vast majority of countries at the U.N. General Assembly pay next to nothing in assessed contributions, creating a perverse incentive because those who make decisions don’t have to pay the bills. So I,” meaning Ileana Ros-

Lehtinen, “am going to reintroduce legislation that conditions our contributions—our strongest leverage—on real, sweeping reform, including moving the U.N. regular budget to a voluntary funding basis. That way, U.S. taxpayers can pay for the U.N. programs and activities that advance our interests and values, and if other countries want different things to be funded, they can pay for it themselves.

“This will encourage competition, competence, and effectiveness.

“The voluntary model works for UNICEF and many other U.N. agencies, and it can work for the U.N. as a whole.

“One more point: Some of the U.N.’s defenders like to cite some good U.N. activities to gain support for funding bad ones. However, we’re not here to play ‘Let’s Make a Deal’ with hard-earned U.S. taxpayer dollars. Each U.N. office, activity, program, and sub-program, country by country and function by function, must be justified on its own merits.

“UNICEF programs to help starving children cannot excuse the United Nations Relief and Works Agency’s having members of Hamas on its payroll. The World Health Organization’s vaccination programs cannot excuse the Human Rights Council’s biased actions.

“My colleagues, reforming the U.N. should not be a Republican or Democrat issue. It is in the interest of all Americans. And so I hope and trust that U.N. reform efforts will be strongly bipartisan.”

That concludes the chairwoman’s opening remarks. Following the opening remarks by our ranking member, we will follow the protocol of other briefings in this Congress and proceed directly to oral statements by our presenters.

I am now pleased to recognize our distinguished ranking member, Mr. Berman, for his opening remarks.

[The prepared statement of Chairman Ros-Lehtinen follows:]

Opening Remarks
Delivered by the Honorable Jean Schmidt, Chairman Pro Tempore
Attributable to the Honorable Ileana Ros-Lehtinen, Chairman
Committee on Foreign Affairs
Briefing: “The United Nations: Urgent Problems that Need Congressional Action”
January 25, 2011

This briefing of the Committee on Foreign Affairs will come to order.

Unfortunately, Chairman Ros-Lehtinen was unable to be in Washington this week. She is at her family’s side due to her mother’s failing health from complications of Alzheimer’s disease. She and her family are in our thoughts and prayers.

The Chairman has asked me to chair this briefing in her stead, and I was happy to accept. I will now recognize myself for 7 minutes to read the Chairman’s opening statement, which should be considered attributable to her.

[STATEMENT OF ROS-LEHTINEN]

“As I said at this Committee’s last hearing on United Nations reform, ‘With significant leadership by the United States, the United Nations was founded on high ideals. The pursuit of international peace and development, and the promotion of basic human rights are core, historic concerns of the American people. At its best, the U.N. can play an important role in promoting U.S. interests and international security, but reality hasn’t matched the ideals.’

“Accordingly, U.S. policy on the United Nations should be based on three fundamental questions: Are we advancing American interests? Are we upholding American values? and are we being responsible stewards of American taxpayer dollars?

“Unfortunately, right now, the answer to all three questions is ‘No.’

“Here’s some simple math: With no strings attached, we pay all contributions that the U.N. assesses to us—20 percent of their annual budget—plus billions more every year. According to the OMB, in Fiscal Year 2009, the U.S. contributed well over 6 billion dollars to the U.N.—at a time of high unemployment, skyrocketing deficits, crushing debt, and other great economic and fiscal challenges to our nation.

“What have we gotten in return from the U.N.? Here are a few examples.

“The U.N. Development Program fired a whistle-blower who revealed that UNDP’s office in North Korea was not being managed properly, and was being exploited by Kim Jong Il’s regime.

“In 2008, a Senate subcommittee found that: UNDP’s local staff was selected by the regime, and UNDP paid staff salaries directly to the regime—in foreign currency—with no way to know the funds weren’t being diverted to enrich the regime; UNDP prevented proper oversight and undermined whistleblower protections by limiting access to its audits and refusing to submit to

the U.N. Ethics Office's jurisdiction; the regime used its relationship with UNDP to move money outside North Korea; and UNDP transferred funds to a company tied to an entity designated by the U.S. as North Korea's financial agent for weapons sales.

"The UNDP briefly pulled out of North Korea, but now they're back, and this time they can select staff from a list of three candidates hand-picked by the regime, not just one candidate.

"That's what passes for reform at the U.N.

"U.S. taxpayers are also paying one-fifth of the bills for the U.N.'s anti-Israel activities, including the U.N. Human Rights Council, a rogues' gallery dominated by human rights violators who use it to ignore real abuses and instead attack democratic Israel relentlessly. The Council was also the fountainhead for the infamous Durban Two conference and the Goldstone Report.

"One more example: an independent Procurement Task Force uncovered cases of corruption tainting hundreds of millions of dollars in U.N. contracts. In response, the U.N. shut down the Task Force. When the head of the U.N.'s oversight office tried to hire the chairman of the task force, former U.S. prosecutor Robert Appleton, as the top investigator, the U.N. Secretary-General blocked it.

"Well, the U.N. may not want him, but we're pleased to have Mr. Appleton here today.

"Ironically, the U.N.'s current chief investigator—who has reportedly failed to pursue cases—is now under investigation himself for retaliating against whistle-blowers!

"Ambassador Susan Rice says that the U.S. approach to the U.N. is, 'We pay our bills. We push for real reform.' Instead, we should be conditioning our contributions on 'reform first, pay later.'

"In the past, Congress has gone along by willingly paying what successive Administrations asked for—without enough oversight. This is one of the first true U.N. reform hearings held by this Committee in almost 4 years, but it won't be the last.

"Right now, the vast majority of countries at the U.N. General Assembly pay next to nothing in assessed contributions, creating a perverse incentive because those who make decisions don't have to pay the bills. So I am going to reintroduce legislation that conditions our contributions—our strongest leverage—on real, sweeping reform, including moving the U.N. regular budget to a voluntary funding basis. That way, U.S. taxpayers can pay for the U.N. programs and activities that advance our interests and values, and if other countries want different things to be funded, they can pay for it themselves.

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“UNICEF programs to help starving children cannot excuse the United Nations Relief and Works Agency’s having members of Hamas on its payroll. The World Health Organization’s vaccination programs cannot excuse the Human Rights Council’s biased actions.

“My colleagues, reforming the U.N. should not be a Republican or Democrat issue. It is in the interest of all Americans. And so I hope and trust that U.N. reform efforts will be strongly bipartisan.”

[END STATEMENT OF ROS-LEHTINEN]

Mr. BERMAN. Madam Chairwoman, thank you very much for yielding me this time and initially let me say that I think all of us, our thoughts and our prayers are with Ileana as she is by her mother's side at this very difficult time and understand why she's not here.

Madam Chairwoman, the flaws, shortcomings, and outrages of the United Nations, both past and present, are numerous and sometimes flagrant. These include the Human Rights Council's obsession with and biased treatment of Israel. As the chairwoman pointed out, the membership, a rogue's gallery of human rights abusers who have worked to hijack that organization's agenda; the anti-Israel vitriol spewed from innumerable U.N. platforms, led by the Committee on the Exercise of Inalienable Rights of the Palestinian People; the oil for food scandal; sexual violence perpetrated by U.N. peacekeepers; the unnecessarily high vacancy rates and other problems at the Office of Internal Oversight Services; and the overlapping jurisdiction of agencies, the duplications of services, and inefficient procurement practices of the U.N. as a whole

And like almost all Americans, I'm repelled by these examples of corruption, mismanagement, and bias. But there is another side to the U.N. ledger and it's wrong to ignore it. The United Nations often plays an essential role in supporting American foreign policy and national security interests. From UNDP's work organizing the recent referendum in South Sudan to the wonderful work of the UNHCR and its efforts to protect and resettle refugees to the Security Council resolutions imposing sanctions on Iran, the U.N. acts as a force multiplier for U.S. interests.

During the Bush administration, we saw a significant rise in U.N. peacekeeping costs. Why? Because President Bush understood that having blue helmets on the ground reduced or eliminated the need for U.S. troops. The U.N. peacekeeping presence in Haiti is perhaps the clearest example of how the U.N. systems advances our own interests at a far lower cost than direct U.S. intervention.

In an analysis of that U.N. force, the Government Accountability Office concluded it would cost twice as much for the United States to carry out a similar peacekeeping mission using our own troops. So what should we do about the many shortcomings we've referenced? I strongly believe that the best way to successfully achieve the improvements that are needed is to work with our allies to constructively engage the U.N. on a reform agenda. Experience has shown that this strategy is much more effective than withholding our dues. Not only did previous attempts to force us into arrears that the U.N. failed to achieve the significant reforms that have taken place in the last few years, but they severely weakened our diplomatic standing. Had we been in such deep arrears last year, does anyone honestly think it would not have impeded our ability to get an additional round of Iran sanctions through the Security Council?

The many reform efforts currently underway in New York, Geneva, and elsewhere in the U.N. system are a testament to the strategy developed under both the Bush and Obama administrations to work with the U.N. to enact common sense reforms, many of which were laid out in a 2005 report co-authored by former Speaker Newt

Gingrich and Senator George Mitchell. The fruits of the Gingrich-Mitchell work were clearly evident with the establishment of the U.N. Ethics Office 4 years ago.

The same can be said about the creation of an independent Audit Advisory Committee, a body now headed by former U.S. Comptroller General David Walker, to review the activities of the Office of International Oversight Services and the U.N. Board of Auditors.

The recent creation of the U.N. Woman Organization and the U.N.'s Delivering as One Pilot Initiative have demonstrated the U.N.'s determination to remedy the fragmentation and organizational incoherence that have plagued parts of the U.N. system and has resulted in overlapping mandates, lack of coordination, waste of resources.

Much more remains to be done to develop a fully transparent and financially accountable budget process. Strengthen program monitoring and evaluation, streamline the U.N. Secretariat, promote a strong culture of ethics and accountability, and encourage U.N. agencies to work together to achieve greater cost savings. But make no mistake about it, there has been progress on the reform front.

I would also like to take a moment to further discuss the issue of the U.N. Human Rights Council. As we all know, the council was created to replace the thoroughly discredited Human Rights Commission. Unfortunately, the previous administration chose not to constructively engage the council in its early days, thus ceding the organization to the same block of nations who take advantage of every opportunity to attack and to delegitimize Israel in international fora. I supported the Obama administration's decision to join the council in the hopes of reforming the organization and transforming it into a serious voice on human rights in the U.N. system.

In less than 2 years, progress has been made on the council. The U.S. has used its voice as the leading global advocate for human rights to push strong council action on a number of significant human rights abuses from the ethnic violence in Kyrgyzstan to the recent standoff in Ivory Coast. And the Obama administration deserves significant credit for its successful diplomatic campaign to deny Iran a seat on the council.

Notwithstanding these important accomplishments, the anti-Israel vitriol that all too often emanates from the council and the inclusion of serious human rights violators among the council's membership remains a deep stain on the U.N.'s reputation.

Madam Chairwoman, in closing, let me just say again that I agree with you that the U.N. needs significant reforms. Where I think we differ in our approach is the best way to achieve those reforms. Based on our experience in recent years, I would argue that we have a much greater chance of success if we work inside the U.N. with like-minded nations to achieve the goals that I think both sides on this committee and in our Congress share.

With that, I yield back my remaining time.

Mrs. SCHMIDT. Thank you very much, Congressman Berman. The chair is pleased to welcome our six presenters. Mr. Brett Schaefer is the Jay Kingham fellow in International Regulatory Affairs at the Heritage Foundation's Margaret Thatcher Center for Freedom,

focusing primarily on the U.N. He previously served at the Pentagon as an assistant for International Criminal Court Policy from March 2003 to March 2004.

Ms. Claudia Rosett is a journalist-in-residence with the Foundation for Defense of Democracies. She previously worked for 18 years at the Wall Street Journal.

Mr. Hillel Neuer is an international lawyer and the executive director of UN Watch, a human rights NGO in Geneva. He previously practiced commercial and civil rights litigation in New York and served as a law clerk for an Israeli Supreme Court Justice.

We are pleased to welcome Mr. Peter Yeo back to the committee. He is currently the vice president for public policy and public affairs at the United Nations Foundation and executive director of the Foundation's Better World Campaign. Mr. Yeo previously served for 10 years as the deputy staff director on the committee's Democratic staff, first for ranking member Sam Gejdenson, then for our late chairman, Tom Lantos, and then for our current ranking member, Mr. Berman, while he was chairman.

Another former Foreign Affairs Committee alum will brief us today, Mr. Mark Quarterman. He is currently senior adviser and director of the Program on Crisis, Conflict, and Cooperation at the Center for Strategic and International Studies. Mr. Quarterman previously served at the U.N. in a number of capacities for almost 12 years, including as chief of staff to the U.N. Commission on Inquiry into the assassination of the former Prime Minister of Pakistan and in the U.N.'s Office of Legal Affairs and Department of Political Affairs. Before that, Mr. Quarterman served as a staff member for our committee's Africa Subcommittee and as a program office at the Ford Foundation for South Africa and Namibia.

Last but not least, Mr. Robert Appleton served as the chairman of the United Nations Procurement Task Force, a specially-created anti-corruption unit that conducted hundreds of investigations of fraud and corruption in the U.N. He also served as a special counsel and deputy chief legal counsel to the Independent Inquiry Committee investigation into the U.N. Oil-for-Food Programme, also known as the Volcker Committee. More recently, he was selected to serve as the lead investigator for the U.N.'s Office of Internal Oversight Services, but his selection was not approved, and we'll no doubt hear more about that later. Mr. Appleton served for about 13 years as an assistant United States attorney in the District of Connecticut, prosecuting a wide range of national and international Federal criminal offenses. Mr. Appleton presently serves as director of investigations and senior legal counsel in the Office of the Inspector General in the Global Fund to Fight AIDS, Tuberculosis and Malaria in Geneva. Mr. Appleton is presenting his remarks in his personal capacity.

Again, the chair thanks all of our briefers and we remind them to keep their respective oral summaries to no more than 5 minutes each, and having watched Ms. Ros-Lehtinen for one time, I know she's adamant about the 5 minute rule. So I might give you a few seconds over, but don't test the waters.

Anyway, thank you all for coming and right now, I believe, Mr. Schaefer, we will hear your testimony.

STATEMENT OF MR. BRETT SCHAEFER, JAY KINGHAM FELLOW IN INTERNATIONAL REGULATORY AFFAIRS, MARGARET THATCHER CENTER FOR FREEDOM, THE HERITAGE FOUNDATION

Mr. SCHAEFER. I would like to thank the committee for inviting me to today's briefing.

The past six decades have seen dozens of reform proposals both from inside the United Nations and outside. For the most part, these reforms have been ignored, cosmetic, watered down or defeated outright. As a result, the U.N. and many of its affiliated organizations remain hindered by outdated or duplicative mandates and missions, poor management practices, ineffectual oversight, and a general lack of accountability.

A key reason for the lack of reform in the U.N. is the practice of granting equal voting rights to each nation over budgetary management issues, even though they have vastly different financial contributions. The bulk of U.N. member states simply do not pay enough to the U.N. for mismanagement, corruption, or inefficiency to concern them. For instance, Sierra Leone is assessed at 0.001 percent of the U.N. regular budget and 0.0001 percent of the peacekeeping budget. The U.S., by contrast, is assessed 22 percent and 27.14 percent, respectively. Therefore, while Sierra Leone and the dozens of other organizations with similar assessments pay less than \$35,000 per year to the U.N. in these budgets, the United States pays billions of dollars.

With this in mind, it's hardly surprising that the United States cares deeply about how the U.N. is managed and how those funds are used, but most countries simply don't care very much about it. Yet, these are the countries that possess most of the votes. The combined assessments of the 128 least-assessed countries to the United Nations, enough to pass those budgets, totals less than 1 percent of the U.N. regular budget and less than one third of 1 percent to the U.N. peacekeeping budget. These countries, combined with influential voting blocks can and do block U.S. attempts to implement reforms and curtail budgets. The U.S. can't fix this problem with diplomacy alone.

Moreover, while American administrations are often interested in pressing for reform, the reform agenda is frequently abandoned in favor of short-term political objectives. That is why the State Department is rarely aggressive in pressing for reform at the U.N.

The reluctance to press for U.N. reform occurs under most administrations, but it has been particularly apparent over the past 2 years under the Obama administration as it sought to distance itself from the previous administration's policies at the U.N. Criticism of the U.N. is rarely uttered by Obama administration officials and its U.N. reform agenda is notable only for its lack of detail and enthusiasm.

Luckily, U.N. reform doesn't necessarily require an eager administration. Past successful U.N. reform efforts have typically shared one thing in common, congressional involvement backed by the threat of financial withholding. Congressional intervention led to U.S. budgetary restraint in the 1980s and the 1990s. It led the U.N. to create the Office of Internal Oversight Services, the first

Inspector General equivalent in the history of the United Nations. And it led the U.N. to reduce U.S. assessments earlier this decade.

Regrettably, Congress has neglected its oversight role in recent years. Only a handful of U.N. oversight hearings have been held and U.N. reform legislation has not been seriously considered. Without Congress spurring action, the U.N. has been free to disregard calls for reform.

Meanwhile, U.S. contributions are at an all-time high. Congressional scrutiny is overdue.

Let me finish my statement by highlighting some reforms that I think deserve particular attention. First, the discrepancy between obligations and decision making is perhaps the greatest impediment to U.N. reform. The U.S. unsuccessfully pressed for weighted voting in the 1980s and got consensus voting on budgetary issues as a compromise. That compromise has since been shattered and the U.N. budget has been approved over U.S. objections. Congress needs to revisit the issue and consider options to increase the influence of major contributors over the U.N. budget.

Second, the U.N. regular budget has grown even faster than the U.S. budget over the past decade. A few things could be done to curtail that growth and streamline the budget. 1) reestablishing the zero nominal growth policy for the United States to the U.N. regular budget which would prevent further increases in the future and lead to a gradual reduction through inflation. 2) sunseting all U.N. mandates and revitalizing the mandate review. Nearly all U.N. mandates remain unreviewed, but if the preliminary reports are indicative, up to half of all U.N. mandates could be outdated or irrelevant.

Finally, the Human Rights Council continues to disappoint. The key problem with the council is the membership. Congress should withhold U.S. funding to the council until credible and serious membership standards are adopted, including forcing regional groupings to provide competitive slates for elections.

In conclusion, if the United States does not press this issue and back diplomatic carrots with financial sticks, U.N. reform will continue to be sound and fury with little substance. The U.N. is patient. It will publish reports and promise reforms. Action will always be imminent but rarely realized. Nothing perseveres like bureaucratic inertia. I have a whole stack of U.N. reports on my desk to prove the point that U.N. reform is always promised, but very rarely implemented.

If Congress wants U.N. reform, it must heed the history and demand quick action and link specific reforms to financial withholding. The U.N. may have five official languages, but the bottom line speaks loudest.

Thank you very much and I look forward to your questions.

[The prepared statement of Mr. Schaefer follows:]



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CONGRESSIONAL BRIEFING

**United Nations:
Urgent Problems That Need Congressional Action**

Briefing before
The United States House of Representatives
Committee on Foreign Affairs

January 25, 2011

Brett D. Schaefer
Jay Kingham Fellow in International Regulatory Affairs
Margaret Thatcher Center for Freedom
The Heritage Foundation

My name is Brett Schaefer. I am the Jay Kingham Fellow in International Regulatory Affairs at The Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

The United Nations was created to maintain international peace and security, promote self-determination and basic human rights, and protect fundamental freedoms. Regrettably, the past 65 years have yielded more disappointment than success realizing these high aspirations.

A great deal of the blame for this failure is due to divergent interests among the member states that have prevented the organization from taking decisive, timely action.

However, the UN system itself is partly to blame. The UN and many of its affiliated organizations are beset by outdated or duplicative missions and mandates, poor management practices, ineffectual oversight, and a general lack of accountability. As former Deputy Secretary-General Mark Malloch Brown recently stated to *The New York Times*, “There’s a huge redundancy and lack of efficiency” in the UN system and that the budget is “utterly opaque, untransparent and completely in shadow.”¹

These problems waste resources and undermine the UN’s ability to discharge its responsibilities effectively. The past six decades have seen dozens of initiatives from governments, think tanks, foundations, and panels of experts aimed at reforming the UN to make it more effective in meeting its responsibilities.² Although these reform efforts have seen rare success, for the most part they have failed due to opposition among the majority of the UN member states. Indeed, the U.S. almost always finds itself on the losing side in UN debates and votes when it proposes reforms to improve UN management, oversight, and accountability.

This happens because the bulk of the UN member states simply do not pay enough to the UN for inefficiency, waste, or corruption to trouble them. For instance, Sierra Leone is assessed 0.001 percent of the UN’s regular budget and 0.0001 percent of the peacekeeping budget. The U.S. is assessed 22 percent and 27.1 percent, respectively. Therefore, while Sierra Leone and the dozens of other countries with the same assessments pay less than \$35,000 per year to these budgets, the U.S. pays billions. With this in mind, is it surprising that the U.S. cares about how the UN is managed and how the funding is used, while most countries do not?

Yet, these are the countries that possess most of the votes. The combined assessment of the 128 least-assessed countries—two-thirds of the General Assembly—totals less than 1 percent of the UN’s regular budget and less than one-third of 1 percent of the peacekeeping budget, even though that group alone can, according to UN rules, pass the budget. These countries, combined with influential voting blocs in the UN, can and do block U.S. attempts to implement reforms and curtail budgets.³

There is another problem. American administrations are often interested in pressing for reform, but frequently that long-term agenda is abandoned in favor of achieving political objectives that are more immediate. Pressing for reform ruffles feathers at the UN. When the

¹ Matthew Saltmarsh, “A Bloated UN Bureaucracy Causes Bewilderment,” *New York Times*, January 5, 2011, <http://www.nytimes.com/2011/01/06/world/europe/06iht-nations06.html>.

² See Brett D. Schaefer, “A Progress Report on UN Reform,” Heritage Foundation Backgrounder No. 1937, May 19, 2006, at www.heritage.org/Research/InternationalOrganizations/bg1937.cfm.

³ See Brett Schaefer, “Who Leads the United Nations?” Heritage Foundation WebMemo No. 1054, December 4, 2007, at <http://www.heritage.org/research/reports/2007/12/who-leads-the-united-nations>.

U.S. is lobbying for votes on a resolution, the last thing our diplomats want to do is anger a mission by pressing for budgetary cuts or other reforms.

UN reform requires a longer perspective. The rare reform successes frequently share one thing in common: congressional involvement backed by the threat of financial withholding.

- After failing to arrest rapid growth in the UN budget in the early 1980s, former U.S. Ambassador to the UN Jeane Kirkpatrick testified that “[t]he countries which contribute more than 85 percent of the UN budget regularly vote against that budget, but are unable to prevent its increases because the countries who pay less than 10 percent of the budget have the votes.”⁴ This led Congress to pass the 1985 Kassebaum–Solomon amendment to the Foreign Relations Authorization Act for fiscal year (FY) 1986 and FY 1987, which withheld 20 percent of U.S. assessed contributions to the UN regular budget and specialized agencies until weighted voting on budgetary matters was adopted. Weighted voting was not adopted, but the UN did agree in 1986 to the consensus-based budgeting process (giving, in effect, each country an informal veto over the budget) as an informal rule, which helped greatly to constrain budget growth. Although this arrangement broke down in the mid-2000s, it provides a key insight into UN budgetary reform.⁵
- After former U.S. Attorney General Richard Thornburgh, who served as UN Under-Secretary-General for Administration and Management in 1992 and 1993, informed Congress of his failed attempts to persuade Secretary-General Boutros Boutros-Ghali to clamp down on mismanagement and waste, Congress decided to withhold UN funds until the General Assembly created an inspector general to monitor, audit, and inspect UN operations. The Office of Internal Oversight Services (OIOS) was created in 1994 as the UN’s primary investigative and auditing unit. Although it lacks true independence and is understaffed, the OIOS has contributed to savings and has exposed instances of mismanagement.
- As a condition for payment of accumulated arrears to the UN, Congress specified a series of reform benchmarks in the Helms–Biden United Nations Reform Act of 1999. Among other conditions, the legislation required the UN to reduce the U.S. assessments for the regular budget and the U.S. peacekeeping budget. The UN reduced the U.S. regular budget assessment to 22 percent and reduced America’s peacekeeping assessment, albeit not to the 25 percent sought by the U.S.

In addition, fear of congressional action, including financial withholding, helped to spur the UN to adopt new rules for UN peacekeepers to prevent sexual abuse and criminality, the UN to establish the Volcker commission to investigate the Iraqi Oil-for-Food program, and led the UN Development Program to suspend operations in North Korea until new procedures were adopted.

Regrettably, Congress has neglected its oversight role in recent years. UN reform legislation has not been seriously considered for years, and only a handful of UN oversight

⁴ Edward C. Luck, “Reforming the United Nations: Lessons from a History in Progress,” Academic Council on the United Nations System Occasional Paper No. 1, 2003, at <http://www.reformwatch.net/fixers/58.pdf>.

⁵ The UN began violating this policy in 2006, culminating in passing the UN’s 2008-2009 biennial regular budget over the “no” vote of the U.S. Published on January 29, 2008 by Brett Schaefer, “Congress Should Withhold Funding for Spendthrift U.N.,” Heritage Foundation WebMemo No. 1786, at <http://www.heritage.org/research/reports/2008/01/congress-should-withhold-funding-for-spendthrift-un>

hearings have been held in recent years. Meanwhile, U.S. contributions to the UN are at an all-time high.

That is why I am very pleased that the committee decided to hold a briefing on UN reform. History indicates that the quickest and most effective way of convincing the UN to implement reforms is for Congress to be strongly involved in its oversight role and, when necessary, to drive the process forward through financial incentives.

U.S. Contributions to the UN at an All-Time High

The United States is facing a budgetary crisis. In the coming months and years, Congress and the Administration will grapple with tough decisions on where and how much to reduce spending. Although U.S. contributions to the UN system are not a large part of the budget, there is no reason to exclude those contributions from the overall effort to identify areas where taxpayer dollars could be better spent. Indeed, UN budgets have grown even faster than the U.S. budget over the past decade.

America's recent contributions to the UN dwarf those from 10 years ago. According to the Office of Management and Budget, total U.S. contributions to the UN system were more than \$6.347 billion in FY 2009, compared to contributions totaling just \$3.183 billion in FY 2001.⁶ Increases have occurred throughout the UN system:

- *UN regular budget.* The UN regular budget has more than doubled from \$2.49 billion for the 2000–2001 biennium to the \$5.16 billion under the 2010–2011 budget approved by the General Assembly on December 23, 2009.⁷ This level of growth is extraordinary. The UN regular budget has increased even faster than the U.S. budget over that period. Already, the UN Secretary-General is projecting an increase in the 2012–2013 biennial budget of more than \$300 million. The U.S. is assessed 22 percent of the UN regular budget. The Administration's budget for FY 2011 requested \$516.3 million for the UN regular budget.
- *UN peacekeeping budget.* The UN peacekeeping budget increased more than threefold from \$1.7 billion in 2000–2001⁸ to \$7.2 billion in 2010–2011.⁹ However, this does not include the possibility of new or expanded missions, such as the proposed expansion for the mission in Cote d'Ivoire or UN support of the African Union mission in Somalia. The U.S. is assessed more than 27 percent of the UN peacekeeping budget. In dollar terms, the State Department's Contributions to International Peacekeeping Activities account was \$2.12 billion for FY 2010.
- *Other UN assessed contributions.* The State Department's Contributions to International Organizations account includes contributions to the UN regular budget, the UN Capital Master Plan, the Rwandan and Yugoslavian tribunals, 11 other UN organizations, and a

⁶ Brett Schaefer, "A Short United Nations To-Do List for the New Congress," by Heritage Foundation WebMemo No. 3064, November 18, 2010, at <http://www.heritage.org/research/reports/2010/11/a-short-united-nations-to-do-list-for-the-new-congress>

⁷ Brett Schaefer, "Time to Rein in the UN's Budget," Heritage Foundation Backgrounder No. 2368, February 3, 2010, at <http://www.heritage.org/research/reports/2010/02/time-to-rein-in-the-uns-budget>

⁸ Ibid.

⁹ United Nations, "General Assembly Adopts Peacekeeping Budget of \$7.2 Billion for Financial Year 1 July 2010 to 30 June 2011," Department of Public Information, June 24, 2010, at <http://www.un.org/News/Press/docs/2010/ea10955.doc.htm>

number of international organizations not affiliated with the UN.¹⁰ This account totaled \$880.5 million in 2000 and \$1.68 billion in 2010.¹¹ Excluding contributions to the UN regular budget, U.S. contributions to organizations that it categorized as part of the UN system were estimated in 2000 to be \$375 million in FY 2000¹² and \$645.5 million in FY 2010.¹³

- *Voluntary contributions.* The U.S. also provides voluntary contributions to a host of UN programs, funds, bodies, and other entities and as supplementary support for activities also funded through the assessed budgets. It is difficult to obtain a definitive figure on these contributions because they fluctuate and can originate from parts of the U.S. government other than the State Department, such as USAID or the Department of Agriculture.¹⁴ The State Department account for these contributions (International Organizations and Programs) was \$394 million for FY 2010.¹⁵ However, the Congressional Research Service estimated that in 2001 the U.S. provided “\$2.2 billion in voluntary contributions to UN-affiliated organizations and programs.”¹⁶ Last fall, the President’s National Commission on Fiscal Responsibility and Reform noted that the U.S. gives the UN system “more than \$3.5 billion in ‘voluntary’ funds each year.”¹⁷

When the U.S. and other governments are being forced to tighten their belts, it is reasonable to expect the UN and its affiliated organizations to similarly scrutinize their activities to determine how to trim their budgets to emphasize priorities. The rapid expansion of UN budgets over the past decade has been combined with minimal attempts at prioritization. Congress should not be shy in suggesting budgetary cuts.

Fighting for Budgetary Restraint in Turtle Bay

From the late 1980s through the 1990s, the U.S. insisted on a “zero growth” policy for the UN regular budget. An agreement reached in the 1980s (spurred by the Kassebaum–Solomon

¹⁰ The U.S. assessment for these organizations differs. For instance, the International Maritime Organization, the Universal Postal Union, and the International Telecommunications assessed the U.S., respectively, 3.18 percent, 5.92 percent and 7.34 percent of their budgets in 2010. Most of the organizations, however, base their assessment on the UN assessment and charge the U.S. between 20 percent and 25 percent of their assessed budgets. See http://assets.opencrs.com/rpts/RL33611_20100308.pdf.

¹¹ United States Department of State, “Congressional Budget Justification Fiscal Year 2009,” Table: Department of State Appropriations – Ten-Year History, p. 12, at <http://www.state.gov/documents/organization/100326.pdf> and United States Department of State, “Congressional Budget Justification Fiscal Year 2011,” Table: Department of State Appropriations – Ten-Year History, p. 14 and 542, at <http://www.state.gov/documents/organization/136355.pdf>.

¹² The United States Budget for Fiscal Year 2000, “State Department,” p. 710, at <http://www.gpoaccess.gov/usbudget/fy00/pdf/sta.pdf>.

¹³ United States Department of State, “Congressional Budget Justification Fiscal Year 2011: Volume 1 Department of State Operations,” p. 542, at <http://www.state.gov/documents/organization/136355.pdf>.

¹⁴ Brett Schaefer, “U.S. Funding of the United Nations Reaches All-Time High,” Heritage Foundation WebMemo No. 2981, August 13, 2010, at <http://www.heritage.org/research/reports/2010/08/us-funding-of-the-united-nations-reaches-all-time-high>.

¹⁵ United States Department of State, “Congressional Budget Justification Fiscal Year 2011: Volume 2 Foreign Operations,” p. 131, at <http://www.state.gov/documents/organization/137936.pdf>.

¹⁶ Vita Bite, “UN System Funding: Congressional Issues,” Congressional Research Service, Updated September 10, 2003, at <http://fpc.state.gov/documents/organization/24669.pdf>.

¹⁷ National Commission on Fiscal Responsibility and Reform, “Co-Chairs’ Proposal,” November 10, 2010, at http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/Illustrative_List_11.10.2010.pdf.

amendment) required the UN regular budget to be adopted through consensus. This gave the U.S. and other countries a “veto” over the budget. By insisting on the zero growth policy, the U.S. was, for the most part, able to hold the UN regular budget stable, excluding adjustments for currency fluctuation and, later, for inflation.

However, America’s desire to involve the UN in Iraq and Afghanistan and to fund them through the UN regular budget, rather than the peacekeeping budget where the U.S. assessment is higher, set the stage for undermining this constraint on the regular budget. These proposed UN missions were expensive, and the other member states insisted that they be funded through an increase in the overall UN regular budget rather than by forcing politically difficult fights over what programs should be cut to finance the new missions.

In the end, the U.S. acquiesced to an increased budget. Once the zero growth budget policy was abandoned, it opened the floodgates. The UN regular budget has more than doubled in the past 10 years. It is past time to rein this budget in.

The first step in this process is to reestablish the zero growth policy and identify the baseline for zero growth. Congress could use the dollar level the first year of the 2010–2011 UN biennial budget or another amount. Once established, Congress should instruct the Administration to use its “voice and vote” to oppose any increase in overall resources the UN regular budget beyond the baseline. This freeze would, through inflation, gradually reduce the size of the budget.

However, it would also leave intact the current funding structure of the regular budget, which funds a number of activities that it should not. Specifically, the UN regular budget is broken down into 36 budget lines (or fascicles).¹⁸ When examining the UN regular budget, it is quickly apparent that most fascicles fund activities that should be independently supported by the member states. For instance, the UN regular budget for 2010–2011 provides over \$500 million for the Economic Commission for Africa, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Europe, the Economic Commission for Latin America and the Caribbean, and the Economic and Social Commission for Western Asia. Each of these commissions claims to contribute to the economic development by promoting cooperation and integration. This may be a fine goal, but how is it unique and additive to the efforts of the World Trade Organization, the International Monetary Fund, the World Bank Group, the regional development banks, the European Union, the African Union, ASEAN, and the other dozen or so UN organizations that also try to promote economic development and cooperation? This is an open question at best.

There may be a demand for the activities of the Economic Commissions, but it is hard to determine because they receive funding primarily through the assessed UN regular budget of which the U.S. pays 22 percent (\$110 million for the economic commissions in 2010–2011). The US should demand that these organizations be spun out of the regular budget and forced to support themselves through voluntary contributions as do other UN organizations. If they provide a valued service, they will attract support. If not, they will adapt or wither.

¹⁸ United Nations Fifth Committee, “Proposed programme budget for the biennium 2010-2011,” A/64/6 Sections I-36, available at <http://www.un.org/en/ga/fifth/64/ppb1011sg.shtml>.

Some fascicles actually provide funding to largely autonomous UN organizations that receive independent funding. In most cases, the amount of funding they receive from the UN regular budget is a small fraction of their overall budget. For instance:

- The UN Environment Program (UNEP) receives \$14.3 million from the 2010–2011 UN regular budget, but was projected to receive over \$420 million in voluntary extrabudgetary funding.
- The United Nations Relief and Works Agency for Palestine Refugees (UNRWA) in the Near East was provided \$48.6 million from the 2010–2011 UN regular budget, but was projected to receive over \$2 billion in voluntary extrabudgetary funding.

The UN Agency for Human Settlements (HABITAT), the United Nations Office on Drugs and Crime (UNODC), the Office of the United Nations High Commissioner for Refugees (UNHCR), and the Office for the Coordination of Humanitarian Affairs (OCHA) all were projected to receive less than 10 percent of their funding from the UN regular budget.

These organizations may do good and valuable work, but funding them through the UN regular budget is unnecessary. Moreover, the amounts are minimal compared to their other sources of funding. The U.S. should try to focus the UN regular budget on supporting the direct activities of the main bodies of the UN (the Security Council, General Assembly, International Court of Justice, and the Secretariat) and have indirect activities, such as commissions, be funded independently. Such an effort could result in the UN regular budget being reduced by 20 percent to 30 percent. The U.S. would then have the option of keeping its proportional share of these funds or providing them voluntarily to the same or other UN organizations.

Fascicles supporting activities directly related to the operation of the main UN bodies deserve to be included in the regular budget. However, even there, opportunities for saving millions of dollars remain unimplemented. For instance, the UN spends enormous amounts on translation, editing, printing, and publishing documents. Secretary-General Kofi Annan proposed relocating or outsourcing these activities to lower cost locals in 2006.¹⁹ Little has been done to follow through on this recommendation. Similarly, the UN conference budget is enormous. Opportunities for telecommuting and other cost cutting should be investigated.

Reinstate the Mandate Review and Insist on Sunsetting UN Mandates. Moreover, there is a general unwillingness on the part of the member states to prioritize UN regular budget expenditures to accommodate new concerns. The General Assembly passed the 2005 Outcome Document, which instructed the Secretary-General to provide “analysis and recommendations, including on the opportunities for programmatic shifts that could be considered for early General Assembly consideration.”²⁰ The Secretary-General created a Mandate Registry²¹ to provide, for

¹⁹ United Nations Secretary-General, “Investing in the United Nations: For a Stronger Organization Worldwide,” A/60/692, March 7, 2006, at <http://www.un.org/reform/investingimn/investing-in-un.shtml>.

²⁰ UN General Assembly, “2005 World Summit Outcome,” A/RES/60/1, para. 163(b), October 24, 2005, at <http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN021752.pdf>

²¹ As the UN noted, “Mandates are not easily defined or quantifiable: a concrete legal definition of a mandate does not exist. Guided by the Summit Outcome Document and subsequent discussions, and in order to facilitate the current mandate review exercise, we have, however, identified an agreed upon...working definition: a mandate is a request or a direction for action by the UN Secretariat or other implementing entity, that derives from a resolution of the General Assembly or one of the other relevant organs.” United Nations, Mandate Registry, “Frequently Asked Questions,” at <http://webapps01.un.org/mandatereview/display?AQ.do:jsessionid=2064543609E7B82F18FD1B0107436925F>

the first time, a comprehensive list of the more than 9,000 individual mandates of the General Assembly, Security Council, and ECOSOC. However, he did not identify specific mandates for elimination or recommend programs or activities to be sunset or eliminated.

While halting and weak, this process was immensely revealing of the need for the review and illustrated the difficulties involved in trying to eliminate outdated or irrelevant mandates. For example:

- *Mandates dating back decades remain active.* For instance, according to the registry, there is an active, recurrent mandate adopted in 1946 regarding “the possible transfer of certain functions, activities and assets of the League of Nations.” A 1956 resolution, renewed within the past five years, calls on the UN to assist a committee examining the “effects of atomic radiation.” This mandate became largely redundant in 1957 with the creation of the International Atomic Energy Agency (IAEA), but it remains in effect.
- *Lack of implementation.* Opposition by a number of member states has stalled the mandate review. The mandate registry has not been updated since 2006. Only a very small number of mandates have been eliminated.²² The most recent report from the co-chairmen of the mandate review was issued in August 2008. It concluded that only 155 (56 percent) of the 279 mandates in the Humanitarian cluster were “current and relevant” and that only 18 (35 percent) of the 52 mandates in the African Development cluster were current and relevant.²³ There is no evidence that these outdated or irrelevant mandates have been terminated or altered to improve their relevance. In a sad twist, the General Assembly and the Secretariat have instead quietly killed the mandate review process because it provided a basis and methodology for eliminating mandates.

Lack of progress on reviewing UN mandates greatly inhibits the UN’s ability to allocate funds according to priorities and eliminate unnecessary tasks, personnel, and functions that drain and divert resources. To restore fiscal restraint in the UN regular budget, Congress should:

- **Restore the U.S. policy of zero growth for the UN regular budget.** The U.S. zero growth policy for the UN budget helped to constrain growth in the late 1980s and 1990s. Congress should endorse a zero nominal growth policy, establish a baseline for the UN regular budget as the dollar cap that the U.S. will pay for assessed contributions to the UN regular budget for future years, and instruct the Administration to use its “voice and vote” to oppose any increase in overall resources and staff for the UN regular budget.
- **Hold hearings on the UN regular budget and insist that the Administration seek to end the practice of funding non-core activities through that budget.** Focusing the UN regular budget on supporting the activities of the main bodies of the UN could result in the UN regular budget being reduced by 20 percent to 30 percent. Seeking cost savings through outsourcing, telecommuting, and other measures proposed in previous UN reports should also be explored.

²² The latest progress in actually eliminating mandates is from 2006: “To date, out of the 399 non-renewed mandates older than five years to be examined, only 69 have been agreed by all Member States to be completed and put aside.” See Irene Martinetti, “Sluggish Progress on UN Mandate Review,” Center for UN Reform Education *UN Reform Watch* No. 18, August 16, 2006, at <http://www.centerforunreform.org/node/62>

²³ UN General Assembly, “Mandate Review: Co-Chairs’ Report,” August 8, 2008, p. 3, at <http://www.un.org/ga/president/62/letters/cochairsmandatereview080808.pdf>.

- **Establish a stronger relationship between UN budget decisions and financial contributions.** The divorce between obligations and decision-making is perhaps the greatest cause of the decades-long intransigence on UN reform. If the UN is to be a more effective, efficient, and accountable body, budgetary decision making must be linked to financial responsibilities. One way is for the UN to adopt a system of voting on budgetary matters that gives major donors a greater say in budgetary decisions.²⁴ If that is not possible, at least the financial burden should be spread across UN membership more evenly by adjusting the scale of assessments.
- **Insist that the UN revitalize the mandate review.** A robust review of UN mandates accompanied by U.S. demands that outdated, irrelevant, or duplicative mandates be eliminated could save tens, even hundreds, of millions of dollars. To support this, Congress should seek to have the UN adopt sunset clauses for all mandates so that they that would automatically terminate after the biennium unless they have been certified as relevant by the review.
- **Keep the U.S. account current.** The UN has retained funds owed to American taxpayers from the Tax Equalization Fund and possibly from other accounts.²⁵ These funds involve hundreds of millions of dollars. Congress should pass legislation instructing the Administration to seek reimbursement of all the amounts appropriated by Congress for various purposes in the UN or its affiliated agencies that were not expended at the end of each calendar or fiscal year as appropriate or that are otherwise owed to the U.S.

Increasing UN Oversight and Accountability

Oversight and accountability at the UN has historically been weak. The UN did not have anything even resembling an Inspector General until 1994, when the Office of Internal Oversight Services (OIOS) was created following U.S. demands for such an office. Earlier this decade, three major scandals—the corruption of the Iraqi Oil-for-Food program, sexual abuse committed by UN peacekeepers, and corruption and mismanagement in UN procurement—spurred calls for stronger oversight and accountability.²⁶ The scandals provoked a series of UN reports and resolutions identifying the problems and proposing solutions. Regrettably, these efforts largely have been weak or temporary.

- *Ethics Office and whistleblower protections.* The General Assembly instructed the Secretary-General in 2005 “to scrupulously apply the existing standards of conduct and

²⁴ For more details, see Published on December 15, 2009 by Brett Schaefer, “The U.S. Should Push for Adjustment in UN Dues,” Heritage Foundation WebMemo No. 2735, December 15, 2009, at <http://www.heritage.org/research/reports/2009/12/the-us-should-push-for-adjustment-in-un-dues>.

²⁵ Brett Schaefer, “The UN Should Pay What Its Owes the U.S. from Its Tax Equalization Fund,” Heritage Foundation WebMemo No. 3052, November 8, 2010, at <http://www.heritage.org/research/reports/2010/11/the-un-should-pay-what-its-owes-the-us-from-its-tax-equalization-fund>.

²⁶ For information on these issues, see Independent Inquiry Committee, “Documents,” at www.iic-offp.org/documents.htm; U.S. Government Accountability Office, “United Nations: Lessons Learned from Oil for Food Program Indicate the Need to Strengthen UN Internal Controls and Oversight Activities,” GAO-06-330, April 25, 2006, at www.gao.gov/new.items/d06330.pdf; U.S. Government Accountability Office, “United Nations: Procurement Internal Controls Are Weak,” GAO-06-577, April 27, 2006, at www.gao.gov/new.items/d06577.pdf; and hearing, “United Nations Organization Mission in the Democratic Republic of Congo: A Case for Peacekeeping Reform,” Subcommittee on Africa, Global Human Rights and International Operations, Committee on International Relations, U.S. House of Representatives, 109th Cong., 1st Sess., March 1, 2005, at http://commdocs.house.gov/committees/intrel/hfa99590.000/hfa99590_of.htm.

develop a system-wide code of ethics for all United Nations personnel [and] submit details on an ethics office with independent status.”²⁷ The Secretary-General adopted a whistleblower protection policy in 2005, and the General Assembly approved resources for a new Ethics Office charged with enforcing that policy. Regrettably, the authority of the Ethics Office was quickly crippled in a dispute with the UN Development Program. When UNDP fired a whistleblower in March 2007, the Ethics Office investigated and concluded that the firing was retaliatory. UNDP rejected the conclusions of the Ethics Office and rejected its authority over UNDP. Secretary-General Ban Ki-moon sided with UNDP against his own Ethics Office and released a bulletin allowing each “separately administered organ or programme” to establish its own Ethics Office equivalent and its own ethics standards and procedures.²⁸ As observed by the Government Accountability Project, which is dedicated to defending whistleblowers and enhancing whistleblower protections,

whistleblower policies at the UN Secretariat, UNDP, WFP, UN Children’s Fund (UNICEF) and UN Population Fund (UNFPA), [are] inconsistent, weakened by arbitrary loopholes and, on the whole, less comprehensive than the original UN policy established in 2005. These policies should be rewritten to, at a minimum, meet the standards set out in the original UN policy.²⁹

- *Financial disclosure.* UN financial disclosure requirements on UN staff above a certain level were adopted in 2006.³⁰ Most UN employees subject to disclosure requirements submit their forms and summaries are posted online.³¹ However, public disclosure of financial interests is entirely voluntary. In most cases, covered UN employees submit the following statement: “In accordance with General Assembly Resolution A/RES/60/238, I have chosen to maintain the confidentiality of the information disclosed by me in order to comply with the Financial Disclosure Programme.” Even those choosing to disclose some information typically provide only the broadest details, such as stating that they own a home or have a checking account.

The weak nature of the financial disclosure policy is troubling. As the Secretary-General notes, disclosure “demonstrates that UN staff members understand the importance of the general public and UN Member States being assured that, in the discharge of their official duties and responsibilities, staff members will not be influenced by any consideration associated with his/her private interests.”³² The unwillingness of the Secretary-General to require even a minimum level of public financial disclosure for high-level UN officials undermines accountability and, considering UN privileges and immunities, inhibits the ability of national authorities to investigate alleged crimes and wrongdoing.

²⁷ UN General Assembly, “2005 World Summit Outcome,” A/RES/60/1, para. 161(d).

²⁸ Secretary-General’s bulletin, “United Nations system-wide application of ethics: separately administered organs and programmes,” ST/SGB/2007/11, November 30, 2007.

²⁹ Government Accountability Project, “United Nations,” at <http://www.whistleblower.org/program-areas/international-reform/united-nations>.

³⁰ Secretary-General’s bulletin, “Financial disclosure and declaration of interest statements,” ST/SGB/2006/6, April 10, 2006.

³¹ United Nations, “Ethical Standards: Voluntary Public Disclosure of Financial Disclosure and Declaration of Interest Statements,” 2009, at http://www.un.org/sg/PublicDisclosure_2009.shtml

³² Secretary-General, “Ethical Standards: Voluntary Public Disclosure of Financial Disclosure and Declaration of Interest Statements,” at <http://www.un.org/sg/PublicDisclosure.shtml>.

- *Procurement Task Force (PTF)*. When the extent of UN fraud and mismanagement under the Iraqi Oil-for-Food program became clear, the U.S. was able to convince the UN to create the United Nations Procurement Task Force to investigate and pursue allegations of fraud and mismanagement. The PTF began work in January 2006 and over the next three years uncovered fraud, waste, and mismanagement in UN procurement and other activities involving contracts valued at more than \$630 million. The evidence unearthed by the PTF led to misconduct findings against 17 UN officials and the conviction of a senior UN procurement official. Regrettably, the PTF did its job too well. As punishment for pursuing cases against Singaporean and Russian nationals, those countries led a successful effort to eliminate the PTF in December 2008.³³

Across the board, UN oversight and auditing capabilities suffer from insufficient resources, political pressure and a lack of institutional support. Indeed, a recent report by the UN's Joint Inspection Unit concluded that UN auditors are under-qualified, under-resourced, and lack institutional support.³⁴ Although the UN has a few other oversight bodies (the Joint Inspection Unit, the Independent Audit Advisory Committee, and the Board of Auditors) the day to day tasks of oversight and investigations fall to the OIOS. As detailed in a leaked internal report to Secretary-General Ban Ki-Moon from Under-Secretary-General Inga-Britt Ahlenius, who was in charge of the OIOS until last summer, the OIOS is subject to political pressure that undermines its independence. Among the harsh assessments relayed by Ahlenius:

There is no transparency, there is lack of accountability. Rather than supporting the internal oversight which is the sign of strong leadership and good governance, you have strived to control it which is to undermine its position. I do not see any signs of reform in the Organization.

I regret to say that the [UN] Secretariat now is in a process of decay. It is not only falling apart into silos—the secretariat is drifting, to use the words of one of my senior colleagues. It is drifting into irrelevance....

Your actions are not only deplorable, but seriously reprehensible. No UN Secretary-General before you has questioned the authority delegated to the [undersecretary-general of OIOS] to appoint the staff in OIOS. Your action is without precedent and in my opinion seriously embarrassing for yourself.³⁵

The absence of a truly independent UN inspector general is a serious problem as is the ad hoc and weak nature of UN transparency and accountability. It underscores the UN's irresponsibility in refusing to extend the mandate of the independent Procurement Task Force, which was taking great strides in uncovering mismanagement, fraud, and corruption in UN

³³ Brett Schaefer, "The Demise of the UN Procurement Task Force Threatens Oversight at the UN," Heritage Foundation WebMemo No. 2272, February 5, 2009, at <http://www.heritage.org/Research/Reports/2009/02/The-Demise-of-the-UN-Procurement-Task-Force-Threatens-Oversight-at-the-UN>

³⁴ See Joint Inspection Unit, "The Audit Function in the United Nations System," JIU/REP/2010/5, Geneva 2010, at http://www.foxnews.com/projects/pdf/Audit_Function_in_the_UN_System.pdf. For a news story discussing the report, see George Russell, "UN Auditors are Under-Qualified, Overstretched, Say Inspectors," January 14, 2011, at <http://www.foxnews.com/world/2011/01/14/auditors-qualified-stretched-say-inspectors/>.

³⁵ Colum Lynch, "Blistering insider memo describes UN chief's actions as 'seriously reprehensible,'" July 19, 2010, at http://turticbay.foreignpolicy.com/posts/2010/07/19/blistering_insider_memo_describes_un_chief_s_actions_as_seriously_reprehensible.

procurement. Since the PTF's demise, its investigations have fallen to the OIOS to pursue. But those investigations into mismanagement, fraud, and corruption have not been actively pursued.³⁶

The UN needs more transparency, accountability and independent oversight and the U.S. should insist on it. To address this, Congress should:

- **Demand that the UN adopt a rule mandating that UN officials publicly disclose in some detail their financial disclosure reports and permitting law enforcement authorities access to the full financial disclosure information upon formal request.** The policy was adopted to increase transparency and accountability, but the implementation has only served to continue past opacity.
- **Enhance UN ethics standards and whistleblower protections.** Congress and the Administration should solicit advice from experts on whistleblower and ethics standards on how to improve UN rules, regulations, and practices and apply them across the UN system.
- **Demand independent funding for the OIOS and clear authority for the Under-Secretary-General to hire and fire staff.** The Ahlenius report revealed that she felt that the independence and integrity of the OIOS was under assault by the Secretariat. The duties of an inspector general require independence and the OIOS needs to be insulated from political interference in the conduct of its duties. As observed by the Government Accountability Office, "UN funding arrangements constrain OIOS's ability to operate independently as mandated by the General Assembly and required by international auditing standards that OIOS has adopted."³⁷ This continues to be a problem that Congress should seek to address. OIOS reports should also be made, as a standard procedure, publicly available on its website.

UN Peacekeeping

One of the United Nation's primary responsibilities is to help to maintain international peace and security. UN peacekeeping debacles in the 1990s led to a necessary reevaluation of UN peacekeeping. However, as troubling situations have arisen in recent years, many of them in Africa, the Security Council has found itself under pressure to respond and "do something" even though it may violate the central lesson learned in the 1990s that "the United Nations does not wage war."

In total, at the end of November 2010, the UN peacekeeping involved than 123,000 personnel involved in UN peacekeeping, political, or peace-building operations, including international and local civilian personnel and UN volunteers. The UN is currently overseeing the deployment of more uniformed personnel than any single nation, except the United States, has outside of its borders. As a result, UN peacekeeping is now being conducted with unprecedented pace, scope, and ambition. Increasing demands have revealed ongoing, serious flaws.

³⁶ As reported just last week, "The acting chief of the U.N. division that investigates wrongdoing in the world body is currently under investigation himself for allegedly retaliating against two whistle-blowers." USA Today, "U.N. investigations probe chief under investigation," January 19, 2011, at http://www.usatoday.com/news/world/2011-01-19-united-nations-probe_N.htm.

³⁷ Government Accountability Office, "United Nations: Funding Arrangements Impede Independence of Internal Auditors," GAO-06-575, April 2006, at http://www.gao.gov/new_items/d06575.pdf.

- *Audits and investigations over the past few years have revealed substantial mismanagement, fraud, and corruption in procurement for UN peacekeeping.* An OIOS audit of \$1 billion in UN peacekeeping procurement contracts over a six-year period found that at least \$265 million was subject to waste, fraud, or abuse.³⁸ According to a 2007 OIOS report, an examination of \$1.4 billion of peacekeeping contracts turned up “significant” corruption schemes that tainted \$619 million (over 40 percent) of the contracts.³⁹ An audit of the UN mission in Sudan revealed tens of millions of dollars lost to mismanagement and waste and substantial indications of fraud and corruption.⁴⁰ Moreover, the OIOS revealed in 2008 that it was investigating approximately 250 instances of wrongdoing ranging from sexual abuse by peacekeepers to financial irregularities. According to Inga-Britt Ahlenius, former head of the OIOS, “We can say that we found mismanagement and fraud and corruption to an extent we didn’t really expect.”⁴¹
- *Incidents of sexual exploitation and abuse by UN peacekeepers and civilian personnel are widespread and often go unpunished.* There have been numerous reports of UN personnel committing serious crimes and sexual misconduct, from rape to the forced prostitution of women and young girls. UN personnel have also been accused of sexual exploitation and abuse in Bosnia, Burundi, Cambodia, Congo, Democratic Republic of Congo, Guinea, Haiti, Kosovo, Liberia, Sierra Leone, and Sudan.⁴² The U.S. and other member states successfully pressured the UN to adopt stricter requirements for peacekeeping troops and their contributing countries. Contact and discipline teams are now present in most UN peacekeeping missions, and troops are now required to undergo briefing and training on behavior and conduct.⁴³ However, these crimes continue⁴⁴ and

³⁸ United Nations, “Peacekeeping Procurement Audit Found Mismanagement, Risk of Financial Loss, Security Council Told in Briefing by Chief of Staff.” Press release, February 22, 2006, at <http://www.un.org/News/Press/docs/2006/sc8645.doc.htm>.

³⁹ The task force had looked at only seven of the 18 UN peacekeeping missions that were operational during the investigation. UN Office of Internal Oversight Services, “Report of the Office of Internal Oversight Services on the Activities of the Procurement Task Force for the 18-Month Period Ended 30 June 2007,” October 5, 2007, at http://www.eyeonthem.org/assets/attachments/documents/5522_report_OIOS_activities_procurement_task_force_30_june_2007.doc; George Russell, “Report Details Progress in Battle Against Corruption at UN Office,” Fox News, October 11, 2007, at <http://www.foxnews.com/story/0,2933,301255,00.html>.

⁴⁰ Colum Lynch, “Audit of UN’s Sudan Mission Finds Tens of Millions in Waste,” *The Washington Post*, February 10, 2008, p. A16, at <http://www.washingtonpost.com/wp-dyn/content/article/2008/02/09/AR2008020902427.html>.

⁴¹ Louis Charbonneau, “UN Probes Allegations of Corruption, Fraud,” Reuters, January 10, 2008, at <http://www.reuters.com/article/latestCrisis/idUSN10215991>.

⁴² See Kate Holt and Sarah Hughes, “UN Staff Accused of Raping Children in Sudan,” *The Daily Telegraph*, January 4, 2007, at <http://www.telegraph.co.uk/news/main.jhtml?xml=news/2007/01/03/sudan03.xml>; Kate Holt and Sarah Hughes, “Sex and the UN: When Peacemakers Become Predators,” *The Independent*, January 11, 2005, at http://www.stopdemand.org/afwecs0112878/ID_5/newsdetails.html; and Colum Lynch, “UN Faces More Accusations of Sexual Misconduct,” *The Washington Post*, March 13, 2005, p. A22, at <http://www.washingtonpost.com/wp-dyn/articles/A30286-2005Mar12.html>.

⁴³ United Nations Contact and Discipline Unit, “About CDU: Conduct and Discipline Teams,” at <http://cdun.unlb.org/AboutCDU/ConductandDisciplineTeams.aspx>.

⁴⁴ Corinna Csáky, “No One to Turn to: The Under-Reporting of Child Sexual Exploitation and Abuse by Aid Workers and Peacekeepers,” Save the Children, 2008, at http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/27_05_08_savethechildren.pdf. See also BBC News, “Peacekeepers ‘Abusing Children.’” May 27, 2008, at http://news.bbc.co.uk/2/hi/in_depth/7420798.stm; and UN News Center,

the UN reported that allegations of sexual exploitation and abuse by UN civilian and uniformed personnel totaled 106 in 2009 and 83 in 2010.⁴⁵

The U.S. should support UN peacekeeping operations when they further America's national interests. Legitimate questions must be asked as to whether the UN should be engaging in the current number of missions and whether these situations are best addressed through the UN or through regional, multilateral, or *ad hoc* efforts.

UN peacekeeping operations can be useful and successful if employed with an awareness of their limitations and weaknesses. This awareness is crucial because the demand for UN peacekeeping shows little indication of declining in the foreseeable future. This requires the U.S. to press for substantial changes to address serious problems with UN peacekeeping. Without fundamental reform, serious problems will likely continue and expand, undermining the UN's credibility and ability to accomplish the key mission of helping to maintain international peace and security. To address this, Congress should:

- **Evaluate long-running UN peacekeeping missions.** The U.S. should reevaluate all UN operations that date back to the early 1990s or earlier—some date back to the 1940s—to determine whether the UN mission is contributing to resolving the situation or retarding that process. If an operation is not demonstrably facilitating resolution of the situation, the UN should emulate the UN Peacekeeping Force in Cyprus (UNFICYP) model in which Greece and Cyprus pay for over 40 percent of the mission's cost. Stakeholders wishing to continue UN peacekeeping operations that have not resolved the conflicts despite being in place for decades should be asked to assume the financial burden of the continued operation. These missions are generally small and among the least costly, but such a re-evaluation would help reduce the enormous peacekeeping budget and send a welcome message of accountability and assessment that too often has been lacking in the rubber-stamp process of reauthorizing peacekeeping operations. Together, five of the older UN missions (MINURSO, UNFICYP, UNDOF, UNMOGIP, and UNTSO) cost nearly \$243 million. If the U.S. could shift these missions to voluntary funding, the U.S. could save over \$54 million per year and, perhaps, focus the most affected parties on resolving these outstanding disputes.
- **Build up peacekeeping capabilities around the world, particularly in Africa.** The UN has no standing armed forces and is entirely dependent on member states to donate troops and other personnel to fulfill peace operation mandates. This is appropriate. Nations should maintain control of their armed forces and refuse to support the establishment of armed forces outside of direct national oversight and responsibility. However, the current arrangement results in an *ad hoc* system plagued by delays and other shortfalls. Congress should support increasing peacekeeping resources under its Global Peace Operations Initiative, which has significantly bolstered the capacity and capabilities of regional troops, particularly in Africa, to serve as peacekeepers for the UN, the African Union or other coalitions.

"UN Team Looking into Alleged Sexual Misconduct by Blue Helmets in DR Congo: MONUC Peacekeepers on Patrol in the DRC," July 24, 2009, at <http://www.un.org/apps/news/story.asp?NewsID=31574>.

⁴⁵ United Nations Contact and Discipline Unit, "Statistics Allegations for All Categories of Personnel Per Year (Sexual Exploitation and Abuse)," at <http://cdi.unlb.org/Statistics/AllegationsbyCategoryofPersonnelSexualExploitationandAbuse/AllegationsforAllCategoriesofPersonnelPerYearSexualExploitationandAbuse.aspx>.

- **Enforce standards of conduct for civilian and military personnel participating in UN peace operations.** If the UN is to end sexual exploitation, abuse, and other misconduct by peacekeepers, it must do more than adopt a UN code of conduct, issue manuals, and send abusers home. The abusers and their governments must face real consequences to create incentives for effective enforcement. Member states must commit to investigate, try, and punish their personnel in cases of misconduct. UN investigatory units need to be independent, quick to deploy, and possess ample capabilities and authority to investigate situations, including full cooperation by mission personnel and access to witnesses, records, and sites where crimes occurred so that trials can have sufficient evidence to proceed. Equally important, the UN needs to be stricter in holding member countries to these standards. States that fail to fulfill their commitments to discipline their troops should be barred from providing troops for peace operations.

Congress needs to consider carefully any UN requests for additional funding for a system in which procurement problems have wasted millions of dollars and sexual abuse by peacekeepers is still unacceptably high and often goes unpunished. Indeed, the decision by the Administration and Congress to pay U.S. arrears to UN peacekeeping without demanding reforms sent entirely the wrong message and removed a powerful leverage point for encouraging reform. Without fundamental reform, these problems will likely continue and expand, undermining the UN's credibility and ability to maintain international peace and security.

The UN Human Rights Council

The UN Human Rights Council was created in 2006 to replace the UN Commission on Human Rights, which had failed to hold governments to account for violating basic human rights and fundamental freedoms. During negotiations to establish the Human Rights Council, many basic reforms and membership standards were proposed to ensure that the council would not simply repeat the commission's failures, but few reforms received sufficient support in the General Assembly.⁴⁶ As a result, the council has performed no better—and in some ways worse—than the commission it replaced.

Anticipating this outcome, the Bush Administration decided not to seek a seat on the council in 2006. Based on the council's subsequent disappointing record, the U.S. again declined to seek a seat in 2007 and 2008. The Bush Administration also withheld a portion of the U.S. contribution to the UN regular budget (equivalent to the part that would be allocated to the council) and distanced itself from the council's proceedings except in instances of "deep national interest."⁴⁷

The Obama Administration disagreed with the Bush Administration policy. It sought and won a seat on the council in 2009. Although the U.S. has been able to usher some positive

⁴⁶ For a more detailed account, see Brett D. Schaefer, "The United Nations Human Rights Council: Repeating Past Mistakes," Heritage Foundation Lecture No. 964, September 19, 2006 (delivered September 6, 2006), at <http://www.heritage.org/Research/Lecture/The-United-Nations-Human-Rights-Council-Repeating-Past-Mistakes>.

⁴⁷ Sean McCormack, "Daily Press Briefing, Spokesman," U.S. Department of State, June 6, 2008, at <http://2001-2009.state.gov/t/pa/prs/dpb/2008/jun/105716.htm>, and Zalmay Khalilzad, statement on the Durban II Conference and the Human Rights Council to the Conference of Presidents of Major Jewish Organizations, April 8, 2008, at <http://www.eyeontheun.org/assets/attachments/documents/6581.doc>. For a summary of Bush Administration policy regarding the council, see Luisa Blanchfield, "The United Nations Human Rights Council: Issues for Congress," Congressional Research Service Report for Congress, June 1, 2009, pp. 11–12, at <http://www.fas.org/sgp/crs/row/RL33608.pdf>.

resolutions through the council, such as the establishment of a UN Special Rapporteur on freedom of assembly and association, and to support resolutions addressing some human rights situations, the more fundamental problems of the Human Rights Council remain. Specifically:

- *Bias against Israel.* Since 2006, the council has adopted 67 country specific resolutions, of which 32 focused on Israel.⁴⁸ U.S. membership on the council has not stopped this bias. In 2010, over U.S. objections, the council adopted eight new resolutions condemning Israel or its actions.⁴⁹ In addition, the council has held 12 special sessions since 2006 that focused on country situations with half of the sessions focused on condemning Israel. The most recent of these special sessions was held in 2009—after the U.S. became a member—to discuss the UN Human Rights Council Fact Finding Mission on the Gaza Conflict (the Goldstone Report), which has been criticized as “deeply flawed” and biased against Israel by the Obama Administration.⁵⁰
- *Unwillingness to confront numerous serious human rights violations.* Since the U.S. was elected to a seat, the council has passed resolutions addressing human rights situations in Cambodia, Honduras, Somalia, and Sudan. However, these actions are either low-hanging fruit or tread ground already traveled by the council in previous resolutions. Despite U.S. membership, the council continues to ignore human rights violations by many serious perpetrators, including Algeria, China, Cuba, Egypt, Iran, Libya, Pakistan, Saudi Arabia, Venezuela, and Zimbabwe. In fact, in the 2010 election, seven countries with dubious human rights records (Libya, Angola, Malaysia, Thailand, Uganda, Mauritania, and Qatar) were elected to the council even though they have been criticized by human rights groups for violating the rights of their citizens.⁵¹ All of these countries received overwhelming support from the UN membership in the May 13 election. Even Libya received support from 155 of 192 UN member states.
- *Provide support to efforts that undermine human rights and fundamental freedoms.* For instance, the Human Rights Council has repeatedly adopted resolutions recognizing and promoting bans on the “defamation of religions.”⁵² The proponents of these resolutions seek to ban all criticism of religion, regardless of context or setting, and the text of the

⁴⁸ “Human Rights Actions,” Eye on the UN, at www.eyeontheun.org.

⁴⁹ Human Rights Council, Sessions 13, 14 and 15, at <http://www2.ohchr.org/english/bodies/hrcouncil/>.

⁵⁰ “We continue to believe that the Report of the UN Fact-Finding Mission on the Gaza Conflict, widely known as the Goldstone Report, is deeply flawed. We have previously noted shortcomings that include its unbalanced focus on Israel, the negative inferences it draws about Israel’s intentions and actions, its failure to deal adequately with the asymmetrical nature of the Gaza conflict, and its failure to assign appropriate responsibility to Hamas for deliberately targeting civilians and basing itself and its operations in heavily civilian-populated urban areas.” Alejandro Wolff, statement on a UN General Assembly Resolution on the UN Fact-Finding Mission on the Gaza Conflict, U.S. Mission to the United Nations, February 26, 2010, at <http://usun.state.gov/briefing/statements/2010/137331.htm>.

⁵¹ See Antoine Blua, “Rights Groups Dismayed over Libya’s Election to UN Human Rights Council,” Radio Free Europe/Radio Liberty, May 13, 2010, at <http://www.rferl.org/articleprintview/2041110.html>, and Edith M. Lederer, “UN Elects Rights Violators to Human Rights Council,” Associated Press, May 13, 2010, at <http://abcnews.go.com/US/wireStory?id=10637202>. For detailed accounts of the human rights records of these individual countries, see U.S. Department of State, 2009 Country Reports on Human Rights Practices, March 11, 2010, at <http://www.state.gov/g/drl/rls/hrrpt/2009/index.htm>.

⁵² Steven Groves, “Why the U.S. Should Oppose ‘Defamation of Religions’ Resolutions at the United Nations,” November 10, 2008, Backgrounder No. 2206, at <http://www.heritage.org/research/reports/2008/11/why-the-us-should-oppose-defamation-of-religions-resolutions-at-the-united-nations>.

resolutions endorses restrictions on the fundamental rights to freedom of religion and expression.

In short, the HRC's performance with the U.S. as a member has been virtually indistinguishable from its previous performance without the U.S. as a member. However, one significant aspect has changed: Now the council can claim added legitimacy for its decisions and resolutions—many of which the U.S. does not support—because the U.S. supports the institution and is a member.

The council's performance is unlikely to improve without drastic reforms to improve its membership, such as barring states with grave human rights violations from membership and requiring competitive elections. The best opportunity to implement such reforms will be at the UN General Assembly's mandatory five-year review of "the status of the Council," which is required by the resolution that created the council. The review must be conducted in 2011. To provide backing to U.S. efforts to reform the Human Rights Council, Congress should:

- **Withhold U.S. funding to the Human Rights Council until serious membership criteria are adopted.**⁵³ Without serious and strict membership standards, the council will continue to disappoint.⁵⁴
- **Withhold a portion of U.S. funding to the UN regular budget until the General Assembly ends the practice of funding the council and other UN human rights activities through the UN regular budget.** Many of these activities are worthy of support, but this practice shields bodies like the Human Rights Council from congressional action. Discrete UN bodies should have independent funding to enable member states to express their support or dissatisfaction directly.

Other UN Organizations

There are dozens independent and semi-autonomous organizations and bodies in the UN system that receive billions of U.S. taxpayer dollars each year. No organization is without problems, few are without any positive elements. Too often, however, the U.S. fails to ensure that the benefits of these organizations meet their costs.

Congress should assess the merits and extent to which each organization support U.S. interests. This process should inform every authorization and appropriations decision. Congress may decide that some of them provide vital services that serve U.S. interests and those of other nations. Some of the more technical UN organizations perform low key, but useful tasks. Other UN organizations provide little benefit to justify U.S. contributions. For instance, few, if any, U.S. interests were harmed by the absence of the U.S. from UNESCO for two decades. Few, if any, core U.S. interests have been significantly advanced since our return to UNESCO in 2003. The dubious merits of UNESCO membership cost US taxpayers \$81 million in 2010.

⁵³ The legislation is largely symbolic because the U.S. cannot directly withhold money from the Council, only an equivalent amount from its contribution to the UN regular budget. But its passage sends a signal to other countries that Congress, not just the Administration, is displeased with the activities "defunded" in this manner even if they can not be targeted directly.

⁵⁴ For suggestions on membership criteria, see Brett Schaefer, "Elections for UN Human Rights Council Underscore the Need for Reform," Background No. 2417, June 2, 2010, at <http://www.heritage.org/research/reports/2010/06/elections-for-un-human-rights-council-underscore-the-need-for-reform>.

Congress should also keep in mind that voluntarily funded organizations are, generally, more responsive to the concerns of the member states because they know that a member state could choose to reduce or suspend funding if it ignores the concerns raised by that country. Organizations funded through assessed budgets are generally less responsive and, with the U.S. State Department concurring, insist that the U.S. is under a legal obligation to pay them regardless of U.S. concerns. Although Congress has ignored this argument repeatedly in the past, it carries weight. Shifting activities funded currently through assessed budgets to voluntary funding make it easier for Congress to support programs that it wishes and withhold funding for those it does not. Having UN organizations compete for funding would also contribute to efficiency and effectiveness and improve responsiveness to member state requests. With this in mind, Congress should:

- **Seek to shift funding for UN activities and organizations to voluntary contributions rather than assessed budgets.** History has shown that reforming UN organizations and reducing budgets is extremely difficult through diplomatic efforts alone. Financial leverage through legislative withholding can provide the stick necessary for progress in some instances. However, this is a blunt instrument and Congress cannot legislate every change necessary for every UN organization or body. Withholding can also create difficulty for the U.S. in meeting other objectives. As argued by Ambassador John Bolton, moving to more UN organizations and activities toward voluntary funding would resolve a number of problems and enhance America's ability to fund those UN organizations or activities it deems worthwhile and defunding those it does not.⁵⁵
- **Insist that all UN organizations permit the U.S. unfettered access to all audits, internal documents and other relevant information.** There is a troubling lack of transparency in many UN-affiliated organizations that impedes U.S. oversight. For instance, even though the U.S. is a major, and often the largest, financier of these organizations and generally sits on their executive boards, organizations such as UNDP and the World Food Program refuse to allow the U.S. full and complete access to their internal documents.⁵⁶ This opacity impedes proper governance and oversight of the organization.
- **Reduce U.S. voluntary funding to the UN system.** The co-chairs of the President's National Commission on Fiscal Responsibility and Reform, suggested reducing U.S. voluntary contributions to the UN system by 10 percent, or about \$350 million, per year.⁵⁷ Congress should heed this recommendation. The amount the U.S. provides in voluntary contributions is entirely at the discretion of the U.S. However, since these funds are voluntary, why not cut them by 25 percent or 50 percent? The cuts, however, should be applied discriminately rather than across the board. Organizations with

⁵⁵ By John R. Bolton, "The Key to Changing the United Nations System," AEI Outlook Series, October 2010, at <http://www.aei.org/outlook/101000>.

⁵⁶ See Brett D. Schaefer and Steven Groves, "Congress Should Withhold Funds from the UN Development Program," Heritage Foundation WebMemo No. 1783, January 26, 2008, at <http://www.heritage.org/Research/Reports/2008/01/Congress-Should-Withhold-Funds-from-the-UN-Development-Program>; and George Russell, "World Food Program's 'Sunshine Policy' Falls Short, UN Oversight Panel Says," Fox News, November 11, 2010, at <http://www.foxnews.com/world/2010/11/11/world-food-programs-sunshine-policy-falls-short-oversight-panel-says/>.

⁵⁷ National Commission on Fiscal Responsibility and Reform, "Co-Chairs' Proposal."

management or policy problems should have their funds cut. Effective, transparent, and cooperative organizations should be rewarded.

Conclusion

Reams of reports on UN reform over the past decade⁵⁸ have resulted in too little action to streamline the UN bureaucracy, reduce expenditures, or improve oversight, transparency, or accountability. UN reforms endorsed by the General Assembly in the 2005 Outcome Document have lain moribund or been poorly designed, implemented, or enforced. In some cases, reforms have been reversed. Specifically, oversight and accountability have been undermined. Transparency and ethics reforms have been adopted, but fecklessly and with little enforcement. Efforts to streamline UN mandates have been abandoned. The Human Rights Council is no better than the Commission it replaced. Peacekeeping remains troubled by misconduct and mismanagement.

The failure to reform the UN has resulted in a system that remains bureaucratic, costly, cumbersome, lacking in oversight, and often incapable of fulfilling the responsibilities placed upon it. These failings sully the reputation of the UN and call into question proposals to give the UN more authority or a more central role in addressing international problems. Without fundamental reform, the problems hindering the UN will likely continue and expand, undermining the UN's ability to support and advance U.S. interests.

Involvement by Congress in pressing for UN reform is entirely appropriate. The power of the purse places clear responsibility on Congress to ensure that U.S. taxpayer dollars are used prudently. History shows that paying U.S. assessments and providing voluntary funds without demanding specific changes removes a powerful leverage point for encouraging reform.

The unfortunate reality is that few countries are interested in making sure that the UN has adequate oversight and accountability, uses its resources efficiently, or in pruning the organization of activities that are outdated, duplicative, or irrelevant. Most pay the UN a pittance and, therefore, have nothing at stake. If the U.S. does not press this issue, no other nation is likely to step forward.

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⁵⁸ Brett Schaefer, "Enough Reports: More Action Needed on UN Reform," Heritage Foundation Backgrounder No. 1988, December 8, 2006, at <http://www.heritage.org/research/reports/2006/12/enough-reports-more-action-needed-on-un-reform>.

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Mrs. SCHMIDT. Thank you very much. You are right on time. Next we have Ms. Claudia Rosett, journalist-in-residence at the Foundation for Defense of Democracies. We'll begin when you begin.

STATEMENT OF MS. CLAUDIA ROSETT, JOURNALIST-IN-RESIDENCE, FOUNDATION FOR DEFENSE OF DEMOCRACIES

Ms. ROSETT. I'm ready to begin. Thank you.

Mrs. SCHMIDT. Thank you.

Ms. ROSETT. My thanks to the committee for the chance to be here today.

The United Nations is an enormous, opaque, labyrinthine, and a collective in which the United States, as Brett has just described, basically sustains the system. The contributions that the United States make are more than the sum of their parts. It's not just roughly one quarter of the system-wide budget, whatever that is. It's also U.S. credibility, gravitas, the headquarters, things that basically mean the U.S. provides, in effect, the fixed costs, others hop a ride. And this is a system which invites waste, fraud, and abuse.

But what I'd like to highlight here today is that the problem goes well beyond simple theft or waste. The U.N. is not like a pilfering clerk. It's an organization unlike many which operates across borders, with immunities, moving large amounts of goods, personnel, services, and so on. It's basically immune to censure. It's really under no jurisdiction of local law.

This is a system that invites exploitation and what we have seen over the years is that the worst of the worst, regimes like the former regime in Iraq, like North Korea today, become very good at exploiting this. The problem I would like to describe is the United States is sustaining a system in which a lot of harm can be done even without drawing directly on U.S. money. That, for instance, was Oil-for-Food.

Oil-for-Food did not take U.S. tax dollars. It ran on Iraqi oil money. But the U.N. via Oil-for-Food, having put sanctions on Iraq then provided cover and sustained a program which became the world-wide bonanza of graft. It ended up corrupting the U.N. itself and corruption thousands—companies around the world, payments to suicide bombers, purchase of convention weapons, if not WMD. And the head of the program was alleged, in the end, to have been on the take for \$147,000, peanuts by U.N. standards, but enough if it's somebody who's running a significant U.N. program so that it has at least the effect that he will not blow the whistle.

How do you find out what's going on inside the U.N. with that kind of leverage? In my experience, it almost always requires some kind of very energetic investigation. The U.N. does not readily give information up. In Oil-for-Food, we discovered a lot because documents spilled out of Baghdad after the fall of Saddam. In North Korea, it took very energetic efforts over strenuous objections from the U.N. Development Program by the then Ambassador for Reform, U.N. Management and Reform at the U.N., Mark Wallace, who really went to the mat pointing out troubles, and when this lone whistleblower came forward who was then fired. And in the end what emerged was just this incredible nest of malfeasance.

I've described it in my written statement, but you had and Chairman Schmidt described it in her opening remarks. You had North Korean employees handling the checkbook and the accounts in Pyongyang. You had transfers on behalf of other agencies via an entity tied to North Korean proliferation. You had the import of dual-use items into North Korea. There's an exhibit in the back of my written testimony showing you how the spectrometers, global mapping systems, satellite receiving stations imported by the U.N. Development Program into North Korea could have been used to make missiles which is one of North Korea's big proliferation businesses.

When this all surfaced, UNDP has also been involved in a Burmese currency fiddle which tells us much. I'm happy to answer questions on that. It was not broken by the U.N., it was broken by a blogger who covers the U.N., Matthew Russell Lee.

When the Cash-for-Kim scandal broke in North Korea, Secretary-General Ban Ki-Moon promised a system-wide inquiry, independent inquiry. He backed off that within a week. It has never been held. It was a very good idea. As you just heard, the U.N. issues endless promises of reform. I've made some recommendations about that in the back. The Secretary-General was just boasting last week that he actually requires senior officials now at the U.N. to disclose their financial information. I have two exhibits in the back of my written statement which show you what that amounts to. One of them is a sheet in which you can check a box showing that you choose not to disclose anything at all. The other is Ban Ki-Moon's statement which consists of 18 words, nine of which are Republic of Korea with no price at all. That's public disclosure.

And I would finally recommend that if there is to be a debate over withholding funds from the United Nations as a way of imposing leverage, it would be very useful to keep in mind that this is an institution which years ago began to regard \$1 billion as a rounding error.

Thank you very much and I would be happy to answer your questions.

[The prepared statement of Ms. Rosett follows:]

The United Nations: Urgent Problems That Need Congressional Action

U.S. House Committee on Foreign Affairs

Testimony of Claudia Rosett

Journalist-in-Residence, The Foundation for Defense of Democracies

January 25, 2011

Chairman Ros-Lehtinen, Ranking Member Berman, Members of the Committee, thank you for the opportunity to appear before you today to talk about urgent problems at the United Nations.

My name is Claudia Rosett. I'm a journalist with some schooling in economics and finance, and 30 years of experience reporting from Asia, Latin America, the former Soviet Union and the Middle East, as well as from Washington and New York.

Since 2002, I have been covering the UN, beginning with the Oil-for-Food relief program for Iraq. Since those days, UN budgets and U.S. contributions have soared, and scandals at the UN have rolled on. To name just a few: procurement bribery and fraud, Peacekeeper rape, Cash-for-Kim in North Korea, currency fiddles in which UN relief funds enriched the Burmese junta, the moral sinkhole of the "reformed" UN Human Rights Council, and debilitating infighting over the staffing of the UN's own internal audit department. All this, and plenty more, has been accompanied by the UN's repeated promises of reform, and failure to deliver.

Of course, some of the money spent on the UN does end up providing blankets and bed nets to destitute people. Those same people tend to be destitute because they live under highly repressive governments that do not allow them the freedom to prosper. Unfortunately, the UN also pours plenty of resources into projects, conclaves and other doings that abet and help sustain those same tyrannical regimes -- some of them deeply hostile to the U.S., such as Iran and North Korea.

Today I would like to address some of the ways in which the UN is not only wasteful and corrupt, but actively dangerous to American interests and security -- and what might at least begin to clean this up. The issue is not solely how much U.S. taxpayer money is pilfered or frittered away by the UN, but what else the UN does with the resources it gets.

On this score, it is useful to keep in mind that the U.S. contribution to the 192-member-state UN amounts to more than the sum of its parts. The U.S., which contributed more than \$6.3 billion to the UN in fiscal 2009, funds roughly one-quarter of the entire UN system, hosts the New York headquarters (now enjoying a \$2 billion renovation) and as

leader of the Free World, lends heft and an aura of legitimacy to the UN as no other nation could. All this is right now so thoroughly taken for granted that it is received by the UN as an entitlement. The U.S. shoulders the chief burden of sustaining the UN system. A great many of the UN's other 191 member states hop a virtually free ride and have become adept at steering the vehicle where they like. When General Assembly voting blocs such as the Group of 77 and the Organization of the Islamic Conference makes plans to hold an anti-American, anti-Semitic Durban III conference in New York this September, and vote themselves the funds to do it, they are not simply appropriating the money for the conference. They are availing themselves of the entire UN setup – the logo, facilities, and stature, in which the U.S. has invested massive amounts of money and trust over many years, with very different aims.

The UN system, for its part, invites exploitation of many kinds by the least scrupulous. The UN is a collective: labyrinthine, opaque and privileged, operating across borders with legal immunities and diehard resistance to any real transparency. To take one of the most basic areas of murk, there is no clear consolidated budget for the entire UN system. In answer to my questions about it over the years, the Secretariat has repeatedly said it doesn't even systematically keep track. There is no press corps with the access and resources to cover and connect the dots of the UN's ever-expanding global conglomerate of often overlapping and intertwined agencies, offices, intergovernmental initiatives and public-private partnerships. The worst travesties often transpire in countries where there is, in any event, no free press. The UN itself spends well over \$100 million every year on "public information," which is usually less about truly informing the public than about protecting the Potemkin facades of the UN. Small wonder that the UN goes in to countries run by despotic or even UN-sanctioned regimes, and tends to go on, replete with its job rolls and per diems, to become a collaborator with the very governments that are causing the problems.

Oil-for-Food

A spectacular example of this was Oil-for-Food. Not just because it was huge, involving UN oversight from 1996-2003 of more than \$110 billion worth of oil sales and relief purchases for UN-sanctioned Iraq. But because the UN became, in effect, an enabler and business partner of the mass-murdering, totalitarian Baghdad regime. While collecting a cut of Saddam Hussein's oil revenues, the UN gave Saddam the opportunity and cover to manipulate and erode the UN's own sanctions. While the UN advertised the program as a success, Saddam exploited it to collect billions in graft, which he used to buy everything from luxury cars to weapons, reward the families of Palestinian suicide bombers, and dispense payoffs meant to influence the UN's own Security Council. The true extent of this fraud came to light not because the UN blew the whistle, but because the fall of Saddam exposed a trove of documents none of the players ever expected the world to see -- including signs that the head of Oil-for-Food was himself on the take.

That led to many UN vows of reform, including promises of transparency, accountability and a UN Freedom of Information Act. It never happened. The same underlying

problems prevail today: a system of secrecy, immunity, self-serving management, derelict oversight, and what the UN's own auditors at one point, referring to procurement corruption, called "a culture of impunity." It was both horrifying and emblematic that when the UN Security Council held a special meeting just last month to finalize the winding down of the remnants of Oil-for-Food, not one of the participants, including the U.S. and the UN Secretary-General, bothered to note that the former head of Oil-for-Food, Benon Sevan, alleged in 2005 by the UN's own inquiry to have taken payoffs from the program, and indicted in 2007 in the Southern District of New York, remains a fugitive from U.S. law. The UN has displayed no interest in bringing him to justice. To the best of my knowledge, he is living openly on his native Cyprus, hobnobbing there with UN personnel and collecting his UN pension.

North Korea: Cash-for-Kim

An alarming and more recent example of UN collaboration with one of the world's worst regimes is the UN scandal that erupted in 2007, known as Cash-for-Kim (as in Kim Jong Il), in North Korea. Again, it was not the UN that blew the whistle. A lone whistle-blower stepped forward, from within the UN's ranks. In short order, he found himself out of a job.

Cash-for-Kim involved the UN Development Agency, or UNDP. If the UNDP sounds like just another bit of flotsam in the UN alphabet soup, it is not. Headquartered in New York, the UNDP is the UN's flagship agency, operating in 166 countries, spending close to \$6 billion per year from its own budget, mingling funds with those of client governments, and handling disbursement of billions more on behalf of other agencies. The UNDP's resident representatives in the field sometimes double as envoys of the UN Secretary-General.

The UNDP's specialty is collaborating with governments to jointly design programs for "development." In countries with highly despotic regimes, this too easily translates into the UNDP financing and empowering not the people, but the despots. It should be cause for concern that the UNDP has a substantial presence in such countries as Iran, Syria, China, Venezuela, Zimbabwe and Burma (or Myanmar). The U.S. is one of the top three donors to the UNDP, contributing \$292 million in 2009, according to the UNDP's most recent annual report.

Cash-for-Kim surfaced when the U.S. Mission to the UN, in 2006, began looking into signs of UNDP malfeasance in North Korea. This turned into headlines so troubling that the UNDP finally shut down its Pyongyang office in March, 2007, and launched an investigation (leaving in place a number of other major UN agencies, such as UNICEF and the World Food Program). It took the UNDP investigators another year to produce a report.

Meanwhile, news emerged that the UNDP, as part of its "development" efforts, had paid to help coach North Korean nuclear negotiators by ferrying North Korean officials around Europe. It also turned out that despite U.S. government concerns about North

Korea's counterfeiting of U.S. currency, the UNDP had for years been keeping a stash of counterfeit \$100 bills in its Pyongyang office safe, without informing U.S. authorities.

In January, 2008, a Senate subcommittee investigation into Cash-for-Kim weighed in with findings that the UNDP in North Korea had made payments on behalf of two other UN agencies (UNESCO and the World Intellectual Property Organization) to an entity in Macau, Zang Lok Trading Co., which according to the U.S. government had ties to North Korea's main financial agent for sales of conventional arms and ballistic missiles. Senate investigators also reported that North Korea had "used the cover of the UNDP's presence in North Korea to secretly move \$2.72 million of its own funds out of North Korea." This money was moved to North Korean diplomatic missions abroad, including \$1 million to North Korea's UN Mission in New York. This was done via Macau, using a UNDP-linked account, and referencing the UNDP in the transactions. The UNDP denied any knowledge of this, and the funds were not related to the UNDP. But it turned out the UNDP hadn't exactly been keeping a responsible eye on their own financial house either.

When the UNDP panel finally released its findings, in June, 2008, they confirmed that the UNDP office in North Korea, in its zeal to get along with North Korean authorities, had routinely violated the UN's own rules. Among the violations, the UNDP office in Pyongyang had funneled millions in hard cash to the Pyongyang regime, and turned over all handling of the UNDP-Pyongyang office check book and in-country bank transactions to local staff, provided by the government of North Korea.

"Dual Use" Development

Buried almost 200 pages into the UNDP panel's 353-page report was one of the most disturbing sections of all. It was a list of goods procured by the UNDP for use in North Korea. On the list were scores of items -- 95 in all -- found to be "dual use," meaning that though they were imported in the name of development, they could also lend themselves to military uses. North Korea is run by a regime that shunts aside the needs of its starving citizens while pouring resources into making missiles and nuclear weapons. North Korea peddles its missiles, missile and nuclear technology and other military wares to the Middle East, and with its ballistic missile tests has been working toward the ability to target places like Los Angeles.

Apparently indifferent to all this, the UNDP, with the help of its UN privileges and immunities, procured, paid for and imported into North Korea a slew of high-tech equipment which -- though the UNDP report did not go into this -- would fit neatly into the process of developing, targeting and testing missiles. Virtually all of it ended up in the hands of the North Korean government.

These UNDP gifts to Kim included advanced computer systems, digital infrastructure equipment, high-tech mapping devices and software, spectrometers and a satellite-image receiving station. (In an annex to this statement, I have appended my own

diagram, Exhibit A, of where these devices could fit into North Korean missile targeting and testing).

It's valid to ask whether North Korea might have found other ways to obtain these items, had the UNDP refused to oblige. My rejoinder would be that if North Korea comes up with a dual-use shopping list, that doesn't mean the UNDP should use its UN status to order up the goods and pay for them.

In 2009, the UNDP returned to North Korea, renovating the office there, hiring new North Korean staff and promising better oversight and compliance with the UN's own rules. Six of the many projects suspended when the office shut down in 2007 were due to resume in 2010, according to the UNDP web site. But if the UNDP has resumed procurement for its projects in North Korea, no specifics whatsoever are provided on the web site. To date, each brief project description ends with the same vague note: *"As the project activities are just resuming, information will be posted as goods and services are being procured."*

The Big Audit That Still Needs to Happen

When the Cash-for-Kim scandal broke in the press, in January, 2007, Secretary-General Ban Ki-Moon, then in the first month of his current five-year term, had a praiseworthy response -- at least for a day or two. He called immediately for **"An urgent system-wide and external inquiry into all activities done around the globe by the UN funds and programs."** His worries were well-founded. Perhaps he realized in short order that they were much too well founded. Within the week, Mr. Ban had scrapped his call for an independent system-wide inquiry.

What's going on with the UNDP offices in UN-sanctioned regimes such as Iran, Burma and Zimbabwe, or UNDP offices in other world trouble spots? For that matter, what's going on with the procurement and financial transactions of such UN agencies as UNESCO (which likes to truck in survey and construction equipment for cultural projects, and fields a four-country hub out of Tehran). Or UNICEF, which in 2009 had its Iran office soliciting financial donations for a special appeal for terrorist-controlled Gaza I via Iran's state-owned U.S. blacklisted, UN watch-listed Bank Melli? For that matter, at a UN which has no definition of terrorism, highly erratic oversight, and still secretive ways, what lines are now being drawn between dual-use procurement and development purchasing? The answers, such as they were, have largely stopped with the 2008 report on the UNDP in North Korea.

The Burmese Currency Scam

Yet another example of how rogue regimes can game the UN was the 2008 currency fiddle in Burma. Cyclone Nargis hit Burma that year, causing death and destruction. The UN went in with relief funds. The Burmese government required the UN to exchange hard cash into local currency, the kyat, at rates that made it significantly more expensive than the street rate. The UN went along with this, despite prior warnings from the U.S.

Mission in New York about exactly this sort of problem. The Burmese government profited to the tune of at least \$10 million before the scam was exposed -- not by the UN, but by an investigative blogger who covers the UN, Matthew Russell Lee of Inner-City Press.

Transparency, UN-Style

There are a great many more examples of waste, abuse, fraud and flat-out dangerous practices at the UN. Typically, they show up briefly in the news. Then, thanks to the UN's immunities, obfuscations and culture of impunity, they go right down the Memory Hole. When big scandals flare high enough to become unavoidable, the UN has a pattern of promising reforms which then fizzle out, fade into the general murk of the system, or never really materialize at all. Meanwhile, the budgets, and the scope, scale and ambitions of the UN grow ever larger.

Mr. Ban arrived in office promising to reform the UN with loads of transparency, and continues to laud himself and the UN as open and transparent. Just this month, he boasted that "It was me, who for the first time in history had all senior advisers disclose their financial assets." That's highly disingenuous. UN senior officials are required to disclose their financial assets in strict confidence inside the same UN where the acting director of the troubled internal investigations division is now under investigation. But for anyone who defines "disclosure" as sharing information with the public, Mr. Ban's version of transparency will be a big disappointment.

If you wish to see the reality of this so-called financial disclosure reform, I have appended to this statement two exhibits (B and C). They are web pages, reproduced from the Secretary-General's official web site, showing what that financial disclosure amounts to. Each consists of a one-page sheet -- "disclosure" filings for 2009 -- on which UN officials have the option of checking a box saying that they refuse to publicly disclose anything; or, as in the case of Mr. Ban himself, a one-page sheet in which the disclosure is so generic as to be almost meaningless. In Mr. Ban's case, the total information divulged consists of 18 words, nine of them being the repeated name "Republic of Korea," and no price tags whatsoever.

What Is To Be Done?

- 1) Congress could begin by asking why there is no vigorous and savvy U.S. ambassador for UN Management and Reform. This is a post at the U.S. Mission which since 2008 has been held by an acting ambassador -- a dereliction that can only signal to the UN that the U.S. is not serious about demands that it shape up.
- 2) Transparency is vital to cleaning up the UN. It is high time the UN's biggest donor required a systematic, timely, fully and easily searchable, publicly disclosed and -- I stress this last -- *intelligible* set of consolidated books from the UN system. Before the

UN comes up with any more plans for engineering the economy of the planet, it should provide the kind of openness it is endlessly promising. This should include not only a comprehensive system-wide budget, but accounts showing real spending. In our digital age, it would also be a very healthy move for the UN to devote some of its resources to producing and maintaining a consolidated and detailed database of all UN system procurement activities worldwide -- fully searchable so that it is possible to see at a glance exactly what every UN office is ordering, from where, from whom, and for how much. The UN might even take the trouble to flag dual use items for public inspection. With rare exceptions, what do they have to hide?

- 3) If the UN is not forthcoming about sharing many more details of its global procurement, the U.S. Department of Commerce might have some clues. Sensitive items exported by the UN from the U.S. require licenses for the exporters, and though information surrounding this process is confidential, there's a case to be made that for UN purchasing, Congress might reasonably ask to see, and publicly disclose, information on what the UN has been buying, and where such goods are going. If other countries are willing to share similar information about UN purchases of sensitive items, so much the better.
- 4) Secretary-General Ban Ki-Moon's term expires at the end of this year. It is high time that he, or any successor, hear clear demands from the UN's top donor to carry out that system-wide independent inquiry he promised in 2007, and never delivered.
- 5) Money is fungible, not least in the sliding panel world of UN finances. To succeed at sprucing up UN behavior by withholding funds, it would help to withhold not merely the money for a conference here, or a project there, but enough to get the attention of a UN which years ago began to treat a billion dollars as a rounding error.

Exhibit A: UNDP dual-use items supplied to North Korea, and how they could be used in missile systems.

- **Target Selection:** NOAA satellite imagery (UNDP)
- **Ballistic computation:** Sun Ultra Sparc clone supercomputer (UNDP)
- **Digital communication:** Cisco/3Com/Intel (UNDP)
- **Aiming & guidance:** Trimble/GeoMapping (UNDP)
- **IT:** Dell/HP/Acer/Toshiba/SanDisk/Imation/Phillips/Intel/3Com/Oracle/Microsoft (UNDP)

Exhibit B: The form below is reproduced from the U.N. Secretary-General's web site as a sample of the kind of information that U.N. financial disclosure actually makes available to the public. This is the most recently posted public disclosure by Iqbal Riza, a Pakistani national who served for years as chief of staff to Secretary-General Kofi Annan. Mr. Riza retired abruptly in late 2004, after investigators into the Oil-for-Food program discovered that contrary to his own orders to U.N. staff, Mr. Riza had destroyed three year's worth of U.N. executive office documents of potential relevance to the Oil-for Food investigation. In 2005, Mr. Annan brought Mr. Riza back to the U.N. to help launch the Iranian-grandfathered Alliance of Civilizations. Currently, Mr. Riza serves as a special adviser to Secretary-General Ban Ki-Moon.

Disclosure Summary

Disclosure Summary made voluntarily following a confidential financial disclosure having been made in accordance with the United Nations Financial Disclosure Programme (ST/SGB/2006/6).

Please select one of the following options:

- In accordance with General Assembly Resolution A/RES/60/238, I have chosen to maintain the confidentiality of the information disclosed by me in order to comply with the Financial Disclosure Programme.
- My assets, stock options, income from non-United Nations sources, or profits from the sale of personal property and liabilities need not be publicly disclosed because their value does not exceed \$10,000 USD.
- I, the undersigned, disclose voluntarily:

This voluntary disclosure is made with the knowledge that a certified copy of it will be posted on the website of the Secretary-General of the United Nations.

DATE 15/09/2009 DD/MM/YY	Iqbal Riza NAME (Please Print Clearly)	"original signed by" SIGNATURE
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Exhibit C: The form below is reproduced from the UN Secretary-General's website. This is the most recent publicly available disclosure from Secretary-General Ban Ki-Moon.

Disclosure Summary

Disclosure Summary made voluntarily following a confidential financial disclosure having been made in accordance with the United Nations Financial Disclosure Programme (ST/SGB/2006/6).

Please select one of the following options:

In accordance with General Assembly Resolution A/RES/60/238, I have chosen to maintain the confidentiality of the information disclosed by me in order to comply with the Financial Disclosure Programme.

My assets, stock options, income from non-United Nations sources, or profits from the sale of personal property and liabilities need not be publicly disclosed because their value does not exceed \$10,000 USD.

I, the undersigned, disclose voluntarily:

Assets:

– Apartment, Republic of Korea – Residential Property (Lot), Republic of Korea – Land, non-residential – Kyonggi Province, Republic of Korea

Profits from the sale of Personal Property:

– Nil

Stock Options:

– Nil

Income from non-United Nations sources:

– Nil

Liabilities:

– Nil

Outside Activities:

– Nil

This voluntary disclosure is made with the knowledge that a certified copy of it will be posted on the website of the Secretary-General of the United Nations.

This voluntary disclosure is made with	S	
Exhibit C: The form bel		

Mr. SMITH [presiding]. Thank you very much. Before going to Mr. Neuer, I just want to note that Walker Roberts is here—we have a number of former staffers—who was a top staffer for Chairman Henry Hyde, and Mark Tavlarides, who was chief of staff for the Human Rights Committee back in the 1980s and I'm sure there are a few others.

Mr. BERMAN. They're all here to hear Peter.

Mr. SMITH. Exactly. We'll go to Mr. Neuer now.

**STATEMENT OF MR. HILLEL C. NEUER, EXECUTIVE DIRECTOR,
UN WATCH**

Mr. NEUER. Distinguished members of the committee, thank you for inviting me here today. The urgent problem that I was to address concerns the state of human rights at the United Nations. The U.N. Human Rights Council this year undergoes a review of its first 5 years of work. How has it performed?

Let's first recall the history. In 2005, then U.N. Secretary-General Kofi Annan called to scrap the old Human Rights Commission. He explained why. Countries had joined "not to strengthen human rights, but to protect themselves against criticism or to criticize others." The Commission was plagued by politicization and selectivity. It suffered from declining professionalism and a credibility deficit which "cast a shadow upon the reputation of the U.N. system as a whole."

To remedy these fatal flaws the U.N. created the council 1 year later. The 2006 resolution promised a membership committed to human rights, that would respond to severe abuses, including by urgent sessions. Its work would be impartial and nonselective. Today, 5 years later, we ask, Has the council redressed the shortcomings of its predecessor? Has it lived up to its promise?

Let us consider first the council's current members. They include Bangladesh, China, Cuba, Pakistan, Russia, and Saudi Arabia. The newest member is Libya under the dictatorship of Colonel Qaddafi. As measured by Freedom House, 57 percent of the members fail to meet basic democracy standards.

Mr. Chairman, imagine a jury that includes murderers and rapists or a police force, run in large part by suspected murderers and rapists who are determined to stymie investigation of their crimes. That was said by Kenneth Roth of Human Rights Watch in 2001, but the analogy applies even more today.

Second, let's look at the council's response over the past 5 years to the world's worst human rights violations. Here's what we find. For the one fifth of the world's population living in China where millions have suffered gross and systematic repression, for the minority Uighur who have been massacred, the Tibetans killed, the council adopted not a single resolution. Its response was silence. For the peaceful, civic activists, bloggers and dissidents in Cuba, who are beaten or languish in prison, no resolutions. For the victims of Iran, massacred by their own government while the Human Rights Council was actually in session, subjected to torture rape, and execution, no action. For the women of Saudi Arabia subjugated, the rape victims, sentenced to lashes, the council looked away. For the people of Zimbabwe who suffer under the jackboot of the Mugabe regime, no resolutions.

Mr. Chairman, apart from a handful of exceptions, the U.N. Human Rights Council in the 5 years of its existence has systematically turned a blind eye to the world's worst abuses. It has failed the victims most in need.

You may ask then, What does it do with its time? I will tell you. To an astonishing degree, the council has reserved its moral outrage for demonizing one single country, Israel, the only liberal democracy in the Middle East.

Consider one, in total, the council has adopted some 50 resolutions condemning countries, of these 35 have been on Israel, i.e., 70 percent. All have been one-sided condemnations that grant impunity to Hamas and Hezbollah terror and to their state sponsor, the Islamic Republic of Iran.

Two, built into the council's permanent agenda is a special item on Israel. No other country is singled out in this fashion.

Three, the council's machinery of fact-finding missions exist almost solely to attack Israel. The most notorious example is the Goldstone Report, a travesty of justice that excoriated Israel and exonerated Hamas. This was not surprising given that the mission operated according to a prejudicial mandate, a predetermined verdict, and with members like Christine Chinkin, who declared Israel guilty in advance.

Four, out of ten special sessions that criticize countries, six were on Israel, four for the rest of the world combined.

Five, the council has a permanent investigator, Richard Falk, mandated solely to report on "Israel's violations of the principles of international law." Mr. Falk also happens to be one of the leading proponents in this country of the conspiracy theory that the 9/11 terrorist attacks were an inside job orchestrated by the U.S. Government. Now in response to our protest last week, I'm pleased to report that yesterday the Secretary-General sent me a letter stating that he condemns the preposterous remarks of Mr. Falk and regards him as an affront to the memory of the 3,000 victims that perished that day. We call on Mr. Ban Ki-Moon to take action to remove Mr. Falk immediately.

Mr. Chairman, the promises of the council's founding resolution improved membership, action for victims, an end to politicization and selectivity have not been kept. On the contrary, if we consider the fatal flaws identified by Kofi Annan in the old Commission, every single one applies equally today to the new council.

Thank you.

[The prepared statement of Mr. Neuer follows:]



“The State of Human Rights at the United Nations”

**Written Statement of Hillel Neuer
Executive Director, UN Watch, Geneva**

**Before the Committee on Foreign Affairs
House of Representatives
United States Congress**

***Briefing on The United Nations:
Urgent Problems that Need Congressional Action***

January 25, 2010

**Room 2172, Rayburn House Office Building
Washington, D.C.**

Introduction

Chairman Ros-Lehtinen, Ranking Member Berman, distinguished members of the Committee, thank you for inviting me to address urgent problems at the United Nations. It is an honor for me to participate in this discussion and present the views of UN Watch.

The urgent problem that I wish to address is the state of human rights at the United Nations.

As you know, the primary U.N. body in this area is the 47-nation Human Rights Council, which was created in 2006 to replace the Commission on Human Rights and redress its shortcomings. Under its founding resolution, the council was required to review its work and functioning after five years. With this review now underway at the U.N., our own discussion here is particularly timely.

Let us consider, then: How has the council performed in its first five years?

Methodology

Let us measure the council's performance by the yardstick of the U.N.'s own standards. These were set forth in 2005 by then-U.N. Secretary-General Kofi Annan. In calling to scrap the old commission, he identified its core failings:

- Countries had sought membership “not to strengthen human rights but to protect themselves against criticism or to criticize others.”
- The commission was undermined by the “politicization of its sessions” and the “selectivity of its work.”
- The commission suffered from “declining professionalism” and a “credibility deficit”— which “cast a shadow on the reputation of the United Nations system as a whole.”¹

Today, we ask: Has the council remedied these fatal flaws?

Looking ahead, the U.N. General Assembly made clear its expectations for the new council. Resolution 60/251 of 2006 promised that the new council would elect members committed to human rights. Serious violators would have their membership suspended. The council would address the world's most severe abuses, including by urgent sessions that could be easily convened. The council's work would be objective, impartial and non-selective.

Five years later, where do we stand?

¹ See *Report of the Secretary-General, “In larger freedom: towards development, security and human rights for all,”* March 21, 2005 (A/59/2005); and *Explanatory Note by the Secretary General, Addendum 1 to “In larger freedom,”* May 23, 2005 (A/59/2005/Add.1).

Membership

The majority of the council members—57 percent—fail to meet basic democracy standards as measured by Freedom House. These include the governments of Bangladesh, China, Cuba, Pakistan, Russia, and Saudi Arabia. The newest elected member is Col. Qaddafi's Libyan dictatorship.

Kenneth Roth of Human Rights Watch said this: "Imagine a jury that includes murderers and rapists, or a police force run in large part by suspected murderers and rapists who are determined to stymie investigation of their crimes." That was said in 2001 about the old commission, but it applies even more today.

Turning A Blind Eye to Victims

Apart from a handful of exceptions, such as resolutions on Burma and North Korea that were inherited from the old commission, the council has systematically turned a blind eye to the world's worst human rights violations. The council has failed the victims who are most in need of international attention.

Impunity for Worst of the Worst

- There have been no resolutions for victims in **China**, despite gross, systematic and state-wide repression, the unjust imprisonment of Nobel Laureate Liu Xiaobo, the massacre of Uighurs, and the killing of Tibetans;
- None for **Cuba**, where peaceful civic activists are beaten or languish in prison;
- None for **Iran**, even as it massacred its own citizens while the council was in session, and even as the regime continues to subject democracy activists to torture, rape and execution;
- None for **Saudi Arabia**, where women are subjugated;
- None for **Zimbabwe**, despite ongoing brutality by the Mugabe regime;
- And the list goes on. In total, beyond the impunity for the worst of the worst, approximately 180 out of 192 U.N. member states have never been condemned by the council once for any human rights violations.

What is most troubling is that no resolutions have even been *proposed* regarding these gross violators. For this the democratic minority cannot blame others. We urge the U.S., the European Union and other democracies to hold the worst abusers to account. Even if resolutions on the above countries would be defeated, their very introduction would generate diplomatic commotion and media attention, thereby accomplishing the desired goal of turning an international spotlight on abuses.

The Universal Periodic Review (UPR) mechanism was supposed to be the council's saving grace. In theory, that every country is reviewed— even if it is only once every four years, over three hours—is a positive development. In practice, however, most of the reviews have failed to be meaningful, effective, or noteworthy. During one session in 2009, Libya used the UPR to praise Cuba for “promoting freedom of thought and expression,” while China praised Saudi Arabia for its record on women's rights. For the most part, UPR has amounted to a mutual praise society.

Rather than the new council heralding increased country-specific action for victims, we have witnessed regression. The country mandates offer one example.

Disappearing Country Mandates

While the council inherited several investigative mandates on problem countries, it has steadily eliminated them. Shortly after it was created, the council removed from its watch list the situations of Cuba, Liberia, the Democratic Republic of Congo, and Belarus—a country where the dictator recently conducted a fraudulent election followed by a brutal crackdown on political opponents and human rights activists. The council has failed to add a single new country mandate.

Thematic Mandates

The addition of thematic mandates on freedom of assembly and discrimination against women are welcome. In light of past experience, however, their success will depend on ensuring that appropriate experts are appointed. At the same time, several existing thematic mandates have been distorted by the council. For example, in 2008 the council overturned protection of freedom of expression by a revised mandate, sponsored by Islamic states with Cuban support, that now polices “the abuse” of this freedom in regard to criticism of religion. Likewise, the expert on racism is often tasked with reporting only on incidents of Islamophobia. Other thematic experts are routinely intimidated by the council majority.

The Assault on Israel: Breach of Objectivity, Non-Selectivity and Impartiality

The council has utterly failed to respect its promise of objectivity, non-selectivity and impartiality. Nowhere is this more blatant than in the council's pathological obsession with Israel. Examples abound.

Agenda: When creation of the new council was being considered in 2006, the U.N. Department of Public Information distributed a chart promising that the old commission's “agenda item targeting Israel” (then Item 8) would be replaced by a “clean slate.” Instead, the same infamous agenda item was revived, now as Item 7. Secretary-General Ban Ki-moon criticized this act of selectivity on the day after it was instituted.

Resolutions: In the five years of its existence, the council has adopted 35 condemnatory resolutions on Israel, and little over a dozen for the rest of the world combined. That translates into roughly 70 percent of the council's moral outrage being deployed to demonize and delegitimize the only democracy in the Middle East. All of these resolutions on Israel have been one-sided condemnations that grant impunity to Hamas and Hezbollah terrorists, and to their state sponsor, the Islamic Republic of Iran.

Special Sessions: A feature of the new council is that emergency sessions can be triggered by only 16 members. Proponents said that this would allow the council to respond in real time to grave violations. Instead, out of the ten special sessions that criticized countries, six were on Israel, with four for the rest of the world combined. Victims of human rights crises around the globe have been ignored. Worse, some special sessions have been used to legitimize violations. In 2009, the West called a special session on Sri Lanka after it killed 20,000 civilians. Yet the council majority turned the draft resolution upside down and praised the Sri Lankan government for its "promotion and protection of all human rights."

Urgent Debates: Last June, the council created a new procedure in order to target Israel, interrupting the opening of its regular session for an "Urgent Debate." (This was despite the fact that Israel, being the object of a permanent agenda item, was slated to come up anyway.) This "Urgent Debate" mechanism has never been used for any other country.

Fact Finding Missions: There have been five fact-finding missions or inquiries—all of them on Israel.² The most notorious example is the Goldstone Report, a travesty of justice that excoriated Israel and exonerated Hamas. This was not surprising given that the mission had a mandate with a predetermined verdict, and members who declared Israel guilty in advance. We congratulate you, Chairman Ros-Lehtinen and Ranking Member Berman, for leading the House in censuring this distorted report.

We urge the U.S., the European Union and other democracies to oppose the council's anti-Israel bias by (a) demonstrably refusing to join consensus in the current council review process regarding any agenda that includes the discriminatory item on Israel; and (b) taking action to admit Israel into the Western European and Others Group (WEOG) at the council, thereby remedying the anomaly and injustice of Israel's discriminatory exclusion from the regional group system, by which its diplomats are denied basic information.

² The council in 2006 did create a high level mission on Darfur, but this included political representatives sympathetic to Sudan, and the mandate was watered down to assess the "needs of Sudan." It was not created as a fact-finding mission or inquiry.

Elevating Apologists for Dictators

On several occasions, the council has appointed experts who distort human rights. One example is the council's Advisory Committee. Members include Halima Warzazi, who in 1988 shielded Saddam Hussein from being censured after he gassed Kurds in Halabja; Jean Ziegler, who co-founded the "Muammar Qaddafi International Prize for Human Rights"; and Miguel d'Escoto Brockmann, who has embraced the murderous rulers of Iran and Sudan.

One of the council's most quoted experts is Richard Falk, whose permanent, one-sided mandate is to report on "Israel's violation of the principles and bases of international law." As he did again this month, Mr. Falk has repeatedly called into question the fact that the September 11, 2001 terrorist attacks were indeed terrorist attacks. Instead he calls for exploring the possibility that 9/11 was an "inside job" carried out by the U.S. government. Mr. Falk wrote the forward for, and strongly endorses, *The New Pearl Harbor*, the 9/11 conspiracy tract by David Ray Griffin. UN Watch has called on U.N. Secretary-General Ban Ki-moon to condemn Mr. Falk's comments, and to remove him from his post.

Distortion of Core Human Rights Principles

Defamation of Religion

The council has often undermined basic principles of human rights. For example, under the sponsorship of the Islamic states, annual resolutions restrict freedom of speech in the name of prohibiting "defamation of religion." One effect is to legitimize anti-blasphemy laws in countries like Pakistan, under which a Christian woman was recently condemned to death for allegedly insulting the prophet Mohammed. More broadly, however, the purpose of this campaign has been to reframe the narrative regarding the terrorism that has been committed worldwide in the name of radical Islam—thousands of attacks, amounting to a global and urgent situation of gross human rights abuse, that have gone entirely ignored by the council.

Durban 3

Another issue that has been distorted by the council is racism. Contrary to all logic and morality, it elected Libya—a murderous regime that, as documented by the New York Times, systematically persecutes two million black African migrants—to head both the planning and main committees of the "Durban II" world conference on racism in 2009.

In this regard, we deeply regret that the U.N. recently decided to hold a summit this September in New York, to commemorate the tenth anniversary the 2001 Durban conference, already known as "Durban III." In explaining the U.S. decision to oppose this resolution, Ambassador Susan Rice said, "the Durban Declaration process has included ugly displays of intolerance and anti-Semitism, and we do not want to see that commemorated." We agree.

Moreover, as the U.S. delegation to the U.N. pointed out, it was “deeply troubled by the choice of time and venue for the 10th anniversary commemorative event. Just days earlier, we will have honored the victims of 9/11, whose loved ones will be marking a solemn 10-year anniversary for them and the entire nation. It will be an especially sensitive time for the people of New York and a repeat of the vitriol sadly experienced at past Durban-related events risks undermining the relationship we have worked hard to strengthen over the past few years between the United States and the U.N.”

We call on U.N. Secretary-General Ban Ki-moon to make every effort to ensure that New York is not subjected to a repeat of the ugly scenes witnessed in Durban.

Conclusion

In conclusion, it is clear that, according to the U.N.’s own standards, the promises of the council’s founding resolution—improved membership, action for victims, an end to politicization and selectivity—have not been kept. Sadly, every one of Kofi Annan’s criticisms of the old commission apply equally to the new council.

It should be emphasized that the council’s abysmal record comes in spite of the determined efforts of a few stakeholders. In this regard, we commend the dedicated work of the U.S. delegation in Geneva. We have had the privilege to interact with Ambassador King, Ambassador Donahoe, and their colleagues, and we greatly appreciate their leadership and support. When UN Watch brought victims of Libyan torture to testify before the council, a string of repressive regimes interrupted and sought to silence them. However, the U.S. delegation spoke out and successfully defended the victims’ right to speak. We equally appreciate the important work of Ambassador Barton and his colleagues at ECOSOC in defending the rights of NGOs.

Madam Chairman, as we proceed through the 2011 review of the council, UN Watch looks forward to cooperating with you and the Committee.

Thank you.

Mr. SMITH. Mr. Neuer, thank you very much for your testimony and having worked with you, thank you for your leadership at the U.N.

I'd like to now recognize Mr. Yeo.

STATEMENT OF MR. PETER YEO, VICE PRESIDENT FOR PUBLIC POLICY AND PUBLIC AFFAIRS, UNITED NATIONS FOUNDATION AND EXECUTIVE DIRECTOR, BETTER WORLD CAMPAIGN

Mr. YEO. Well, thank you, Mr. Chairman, and Ranking Member Berman, for inviting me to appear before the committee today.

Right now, across the globe, the U.N. stands by America as we struggle for democracy, human rights, and world prosperity. We need the U.N. to run smoothly because we have a stake in where the U.N. is headed. We need the U.N. to continue, even hurry, on its current course straight toward a more stable and prosperous world that serves America's strategic, economic, humanitarian, and political interests.

As we meet here today, votes in Sudan are being counted to determine whether South Sudan should secede. America has strongly backed this process with enormous diplomatic and financial contribution and in that, we are joined by the United Nations which has allocated money, more than 10,000 U.N. workers, peacekeepers, and volunteers, to support the referendum. The Cote d'Ivoire, where the United States has long sought peace and stability, the entire U.N. system holds fast for democracy and against genocide.

The Security Council has called on the nation's defeated President to recognize the results of the referendum and U.N. peacekeepers now stand as the sole line of protection for Cote d'Ivoire's democratically-elected President.

The U.N. has partnered with America to battle the nuclear threat Iran poses. Just last summer, the U.N. Security Council imposed its toughest ever sanctions on Iran. Defense Secretary Gates heaped praised on the U.N. resolution and EU and others have joined America in putting in place tough sanctions that are having an economic impact on the Iranian Government.

In Afghanistan, the U.N. has joined American forces to promote security and battle the rise of extremist forces. The U.N. provided support for Afghanistan's independent electoral authorities and has facilitated the removal of land mines and weapons, making Afghanistan safer for civilians and American forces.

And not far from our shores, the U.N. battles mightily to stabilize, reconstruct earthquake-shattered Haiti, a country with close ties to America. U.N. peacekeepers patrol the streets, provide security to many displaced Haitians, train Haitian police, and feed nearly 2 million Haitians a day.

And right here at home, the U.N. is promoting American economic interests in creating jobs. For every dollar invested by the U.S. in the U.N., American firms receive approximately \$1.50 in U.N. contracts and other benefits.

As we've heard from the witnesses who preceded me, the U.N. is not a perfect institution, but it serves a near-perfect purpose, to bolster American interests from Africa to the Western Hemisphere

and to allow our nation to share the burden of promoting international peace and stability.

The U.N. now has greatly improved its ability to identify and correct waste, fraud, and abuse. The General Assembly created the Independent Audit Advisory Committee, a move recommended by the Gingrich-Mitchell U.N. Task Force which is now headed by David Walker, the former U.S. Comptroller and head of GAO. The Secretary-General recently appointed a Canadian with decades of auditing and oversight experience as Under Secretary-General for Internal Oversight Services. The U.N. has also moved aggressively to strengthen its ethical culture. A U.N. Ethics Office is in place and all U.N. funds and programs created individual ethics offices or agreed to use the Secretariat's Ethics Office. Led by a U.N. attorney, the U.N. Ethics Office oversees the new financial disclosure statements required by U.N. employees above a certain level and with fiduciary responsibilities.

Since 2007, the U.N. has mandated ethics and integrity training for all U.N. staff members.

Over the past 2 years, the U.N. has also taken significant steps to ensure that it has the most productive and effective work force possible. The U.N. created a professional and independent system made up of 15 judges to address employment issues. The U.N. decision to join the Human Rights Council has also produced tangible results. The U.S. led 55 other countries in a successful effort to criticize Iran for its human rights violations. Effective U.S. diplomacy has also improved the council's ability to address specific countries of concern. Nevertheless, some of the most challenging and serious human rights violations continue to go unaddressed and the council itself places undo focus on Israel.

As with any public institution, fine tuning the operation is a continual process, but the U.N. is a very different institution today than it was just 5 or 6 years ago. The U.N. has implemented most of the reform recommendations made by the congressionally-mandated Task Force on the U.N. and by Paul Volcker's Independent Investigation Commission. But further progress will not happen unless the United States is at the table pressing for changes. And that means we must pay our dues to the U.N. on time and in full without threats of withholding our contribution. When we act otherwise we send a strong and provocative signal that we are more interested in tearing the U.N. down than making it better and going it alone, rather than working with all sides.

Over the last few years, as Congress has paid our dues without drama and delay, we have been able to work well with the U.N. to move forward on many important management changes. And polls tell us that this cooperation is what the American people want and bipartisan research released by BWC this October, 63 percent of Americans support payment of U.S. dues to the U.N. on time and in full and 70 percent felt the same way about U.N. peacekeeping dues. But in the end, we need to our U.N. dues, not just because it's popular, but because it's necessary, necessary to maintain a healthy U.N., ready to stand by America and our deep and abiding interest in peace, stability, and democracy around the world.

Thank you.

[The prepared statement of Mr. Yeo follows:]

Testimony by Peter Yeo

Vice President for Public Policy and Public Affairs, United Nations Foundation, and

Executive Director, Better World Campaign

“The United Nations: Urgent Problems that Need Congressional Action”

House Committee on Foreign Affairs

January 25, 2011

Thank you, Madame Chairman, Ranking Member Berman, and members of the committee for the opportunity to appear before you today. Having served three different chairmen and ranking members of this committee, I am delighted to be home.

Before I delve into the necessarily complex discussion of how to improve management at the United Nations – an organization with worldwide reach and 192 members, sovereign states all – I want to take a moment to remind us all why we would want to tackle such a thorny issue in the first place.

Right now, across the globe, the UN stands by America as we struggle for democracy, human rights, and world prosperity. We need the UN to run smoothly because we have a stake in where the UN is headed. We need the UN to continue, even hurry, on its current course – straight toward a more stable and prosperous world that serves America’s strategic, economic, humanitarian and political interests.

As we meet here today, votes in Sudan are being counted to determine whether South Sudan should secede – it’s a referendum that represents more than five years of hard diplomatic work crafting the Comprehensive Peace Agreement and offers hope for an end to the 22-year civil war between North and South. America – under Democratic and Republican administrations – has backed this process with enormous diplomatic effort and financial contribution. And in that, we are joined by the UN, which has allocated money and more than ten thousand United Nations workers, peacekeepers, and volunteers to support the referendum, distributing voting materials to the hardest-to-reach areas of South Sudan and training thousands of police on referendum security.

In Cote d’Ivoire, where the United States has long sought peace and stability, the entire UN system holds fast for democracy and against genocide; UN Secretary-General Ban Ki-Moon has credited the UN’s [QUOTE] “principled and unwavering stand” with allowing the recently-concluded election to reflect the will of Cote d’Ivoire’s people. The Security Council has called on the nation’s defeated President to recognize the results of the election and extended the UN peacekeeping mission there. And UN Peacekeepers now stand as the sole line of protection for Cote d’Ivoire’s democratically-elected President, Alasanne Ouattara.

The United Nations has partnered with America to battle the nuclear threat Iran poses. Just last summer, the UN Security Council imposed its toughest-ever sanctions on Iran, focusing for the first time on its conventional military, establishing a new framework to stop Iranian smuggling, and cracking down on Iranian financial transactions, individuals, and entities with ties to Iran’s Revolutionary Guard.

Secretary of Defense Robert Gates praised the UN resolution as “a legal platform for individual nations to then take additional actions that go well beyond the resolution itself.”

And this has in fact happened: The European Union (Iran's largest trading partner), along with Australia, Canada, Switzerland, Japan, and South Korea have joined America in putting in place tough sanctions that are having an economic impact on Iran. As State and Treasury Department officials have reported to this committee, the UN sanctions that spurred other nations to withdraw trade and investment from Iran have weakened its economy and hindered its development of nuclear weapons.

In Afghanistan, the United Nations has joined American forces to promote security and battle the rise of extremist forces. As part of a coordinated international strategy to strengthen the Afghan government, the UN provided technical and logistical support for Afghanistan's independent electoral authorities in the nation's September elections. The UN has also disbanded illegally armed groups and facilitated the removal of landmines and light weapons, making Afghanistan safer for civilians and U.S. forces. The UN's Al-Qaida and Taliban sanctions committee and monitoring team and its other counter-terrorism units continue that alliance beyond Afghanistan's borders, criminalizing support for terrorists, disrupting their financing, freezing their assets, and banning their travel.

Not far from American shores, the UN battles mightily to stabilize and reconstruct earthquake-shattered Haiti, a country with close ties to America, ties proven by the role the American military played there after the earthquake. The UN provided desperately-needed technical and logistical assistance during last year's elections. And in the absence of a strong Haitian police force, UN peacekeepers – despite suffering the loss of 159 personnel in the collapse of the UN Headquarters in Port-au-Prince – patrol the streets, provide security to the many displaced Haitians, and train the Haitian police. And the UN is feeding more than two million Haitians a day – an important contribution as the reconstruction of Haiti's shattered economy and infrastructure gets underway.

The UN's World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) have worked hand-in-hand with the U.S. government and American service organizations to save and improve the lives of millions of children through promoting childhood immunization. Since WHO and UNICEF joined with Rotary International and the U.S. Centers for Disease Control and Prevention to launch the Global Polio Eradication Initiative, the world has seen a 99% reduction in polio cases. Five million children are walking today because of this vitally-important initiative. But the last one percent of polio cases will be the toughest, and UN agencies will not cease their work until the world is polio-free.

And right here at home, the UN is promoting America's economic interests and creating jobs. U.S. companies are bidding for and winning important contracts with the UN and UN agencies. In fact, for every \$1 invested by the United States into the United Nations, American firms receive approximately \$1.50 in contracts. For instance, Certified Moving and Storage in Austin, Texas has received \$4.7 million in UN contracts, while Emerging Market Communications in Miami has won \$1.1 million in contracts with the UN High Commissioner for Refugees. Almost every major contract

associated with the ongoing renovation of UN headquarters in New York has gone to an American company, creating jobs here at home.

As we have heard from the witnesses who preceded me, the UN is not without its faults; just as every large governing body, the United States government included, constantly battles waste and inefficiencies, the UN – with 192 member states – faces a multitude of management challenges.

The UN is not a perfect institution, but it serves a near-perfect purpose: to bolster American interests from Africa to the Western Hemisphere and to allow our nation to share the burden of promoting international peace and stability. And for that reason, I deeply appreciate the efforts of everyone here today to improve the UN's functioning and want to take this opportunity to update the committee on key management changes, implemented over the past several years, which have improved operations in almost every part of the UN.

The UN has greatly improved its ability to identify and correct waste, fraud, and abuse. In 2006, the General Assembly created the Independent Audit Advisory Committee – a move recommended by the Task Force on the UN headed by former Speaker Newt Gingrich and former Senate Majority Leader George Mitchell. The United States is fortunate to have David Walker, the former U.S. Comptroller and head of the GAO, as Chair of the Audit Advisory Committee. The committee oversees the work of the internal and external audit functions of the UN, including the Office of Internal Oversight Services. As of June 2010, the committee had made 55 important oversight recommendations, the majority of which have been, or are currently being, implemented. Just last September, the Secretary-General appointed Carman Lapointe, a Canadian with decades of auditing and oversight experience, as Under-Secretary-General for Internal Oversight Services. With additional resources provided by member states, OIOS has doubled its capacity to investigate, oversee, audit, and evaluate the UN's work. And it has made procurement investigations a permanent feature in OIOS. The UN must build upon this success by ensuring that its oversight bodies continue to have the resources and independence they need to audit, evaluate, and investigate the UN adequately and regularly.

The UN has also moved aggressively to strengthen the ethical culture of the institution. The UN Ethics Office was created in 2006 and, in January 2008, all UN funds and programs created individual ethics offices or agreed to use the secretariat's ethics office. Led by an American attorney, Joan Dubinsky, the UN Ethics Office oversees the new financial disclosure statements required of UN employees above a certain level and any UN staff with fiduciary responsibilities. Since 2007, the UN has mandated ethics and integrity training for all UN staff members and put in place new whistleblower protections. To further improve ethics and disclosure, the Secretary-General recently appointed an Advisory Group to provide advice on how to review and improve the UN's financial disclosure and conflict of interest policies and enforcement and they began their work last September. He has also commissioned an external study which will help guide further efforts in this important area.

Over the past two years, the UN has also taken significant steps to ensure that it has the most productive and effective workforce possible. The UN created a professional and independent two-tiered

system, made up of 15 judges on a UN Dispute Tribunal and a UN Appeals Tribunal, to address employment issues. The system began its work on July 2009. When evaluating its impact, we must remember that it is relatively new, and as in any employment dispute, not all parties may be satisfied with the outcome. Going forward, UN organizations must continue to improve their hiring processes to ensure that they can attract and retain the most talented, qualified, and motivated staff.

The UN has undertaken numerous initiatives to strengthen peacekeeping operations. In 2007, the Secretary-General enhanced the support side of field missions by removing logistical, administrative, and technical functions from the UN's Department of Peacekeeping Operations and placing them in a newly created Department of Field Support dedicated to supporting field missions. This year, the UN began the Global Field Support Strategy – a five year project to make the delivery of support to UN field missions more effective and efficient, including through consolidation of common personnel and other services in regional hubs. As UN Security Council members contemplate future peacekeeping operations or renew existing missions, they must match resources with mandates and ensure UN peacekeepers have the training, equipment, and support to accomplish their mission, particularly as it relates to the protection of civilians.

The U.S. decision to join the Human Rights Council has already produced tangible results. The U.S. led 55 other countries in June 2010 in an effort to criticize Iran for its human rights violations, and we, along with other countries, strongly opposed Iran's candidacy for a seat on the council, forcing Iran to withdraw. Effective U.S. diplomacy has also improved the council's ability to address specific countries of concern, including Guinea, Kyrgyzstan, and Cote d'Ivoire. The U.S. also built a cross-regional coalition of 63 nations in support of an important resolution promoting freedom of association and assembly. Nevertheless, some of the most serious and challenging human rights violations continue to go unaddressed, and the council itself places undue focus on Israel. The review of the council's mandate in 2011 is an opportunity for the U.S. and other countries to improve the work of the council, particularly its ability to address specific country situations.

As with any public institution, fine-tuning the operations of the UN is a continual process. But the UN is a very different institution today than it was just five or six years ago. The UN has implemented most of the recommendations made by the Congressionally-mandated Task Force on the UN and Paul Volcker's independent investigation commission and has moved forward with its own modernization initiatives. Of course, more must be done, but with 192 member states, we cannot expect progress overnight or without setbacks. And progress will not happen without strong U.S. engagement and leadership; the U.S. must be at the table, pressing for changes.

And that means we must pay our UN dues on time, in full, and without threats of withholding our contribution. When we act otherwise, we send a strong and provocative signal that we are more interested in tearing down the UN than making it better, in going it alone rather than working with others. Over the last few years, as Congress has paid our dues without drama or delay, we have been able to work well with the UN to move forward on many important changes and American priorities.

Paying our dues has made it easier to implement the recommendations of the Gingrich-Mitchell Task Force and the Volcker Commission, not harder.

And polls tell us this cooperation is what the American people want. A Pew research poll from September 2009 reported that 61% of Americans viewed the UN favorably. And in bi-partisan research released by the Better World Campaign this October, 59% of Americans expressed the same opinion. Moreover, we found 63% of Americans supported payment of U.S. dues to the UN on time and in full, and 70% felt the same way about UN peacekeeping dues.

But in the end, we need to pay our UN dues, not just because it is popular, but because it is necessary – necessary to maintain a healthy, evolving UN ready to stand by America and our deep, abiding interest in peace, stability, and democracy around the world.

Mr. SMITH. Mr. Yeo, thank you very much.
Mr. Quarterman.

**STATEMENT OF MR. MARK QUARTERMAN, SENIOR ADVISER
AND DIRECTOR, PROGRAM ON CRISIS, CONFLICT, AND CO-
OPERATION, CENTER FOR STRATEGIC AND INTERNATIONAL
STUDIES**

Mr. QUARTERMAN. Mr. Chairman, Ranking Member Berman, distinguished members of the committee, I'm honored to have been invited to appear before you today.

As the result of my service with the United Nations, I'm well aware of the organization's strengths and weaknesses, as well as of its vital role in the world. The U.N. makes real contributions to the global good on a daily basis and is often the first responder in times of natural or man-made disaster. The World Food Programme feeds 90 million people in 73 countries. The Office of the High Commissioner for Refugees supports 34 million forcibly displaced. UNICEF provides immunizations to more than half of the world's children.

Peacekeeping has often been referred to as a force multiplier for the United States, but I believe that in a broader sense, the U.N. is an influence multiplier for the United States as well. And it plays this role in three ways. First, the U.N. operates in places where the United States might have concerns, but not fundamental interests. An example includes Sudan where the U.N. helped to keep the peace and played a central role in the recent successful referendum. This provides for burden and cost sharing. It allows U.S. interests to be addressed without U.S. troops being deployed.

Second, the U.N. talks to people and parties the United States will not or cannot talk to. In Sudan, for example, along with the African Union, the U.N. has directly applied pressure on the regime in Khartoum to allow the referendum to go forward.

Third, the U.N.'s legitimacy and credibility around the world enables it to carry out tasks that governments alone are not able to do. Thus, the Pakistani Government asked the United Nations to undertake an inquiry into the assassination of Benazir Bhutto, their former prime minister, which was my last job at the United Nations and something I was honored to do.

The U.S. remains the most influential member of the U.N. and it does more to set the agenda of the organization than any other

nation. Examples of the United States being outvoted in the U.N. come largely from the General Assembly, where the principle of one member, one vote pertains, but where resolutions are not binding on member states.

However, the United States has a significant and powerful voice in the Security Council, in part because of its status as a permanent member with a veto and in part because of the initiative that America traditionally and consistently takes in the council. For example, the last 2 years of the Bush administration was among the most active and productive periods for the Security Council and resulted in groundbreaking resolutions.

An emblematic earlier example of U.S. leadership is the skillful diplomacy deployed by the administration of George H.W. Bush in response to the Iraqi invasion of Kuwait. A more recent example of leadership in the council was the Obama administration's successful effort to place serious sanctions on Iran.

U.S. leadership and influence in the U.N. results in part from its status as the largest contributor to the organization. We must not return to the days of withholding funds as some have suggested. Withholding funds hurts the U.N. and doesn't advance U.S. interests. This does not mean that the United States should not take a close look at management and budget issues in the U.N. Congress and the Executive Branch must ensure that America's contributions which are substantial are used effectively, efficiently, and for the purposes intended and approved.

It's necessary for the United States to be actively engaged to exercise its influence in the U.N. fully. The Human Rights Council is a good example of this. There should be no doubt that the Human Rights Council needs reform. Reasonable people can disagree about whether the United States should engage or stay out. However, only by being at the table can the United States bring about the changes necessary to assist it to evolve into a more credible vehicle to protect and promote human rights around the world.

No one is fully satisfied with multilateralism. Having worked in the U.N. I saw that firsthand and felt that. It's hard. Multilateralism is very hard and we use it to tackle the toughest issues of the global commons, most of which touch on fundamental national interests of many countries. It requires bargaining, negotiation, and compromise. And it requires that in a way that's not unlike the legislative process we see in this venerable institution. While most of us are dissatisfied, we have to realize that there is no effective alternative method of dealing with transnational problems that do not respect borders and that have the potential of significantly affecting our lives.

Mr. Chairman, Ranking Member Berman, distinguished members of the committee, as I stated at the outset, and as has been stated, I served with the U.N. for 12 years. I served because of the organization's ideals and I am proud that they were profoundly shaped and influenced by American ideals. I have friends and close colleagues at the U.N. who died in the line of duty in furtherance of the aims of the U.N. charter, for the global good. I honor them for their service and am honored by my time in service at the U.N. I believe in the United Nations and I want us to work together to help the U.N. to live up to its ideals. Thank you.

[The prepared statement of Mr. Quarterman follows:]



Statement before the House Foreign Affairs Committee,

***“THE UNITED NATIONS: URGENT PROBLEMS
THAT NEED CONGRESSIONAL ACTION”***

A Statement by

Mark Quarterman

Senior Adviser and Director,
Program on Crisis, Conflict, and Cooperation
Center for Strategic and International Studies (CSIS)

January 25, 2011

2172 Rayburn House Office Building

Madame Chairman, Ranking Member Berman, distinguished members of the Committee: I am honored to have been invited to appear before you today on the timely and important topic of U.S. support for the United Nations.

Before taking up my current position, I served for 12 years with the UN in various capacities at Headquarters in New York and in the field. As a result of that service I am well aware of the Organization's strengths and weaknesses as well as of its vital role in the world.

We are at a point of bewildering global transition. From natural disasters to conflict in fragile countries, we are presented with multidimensional transnational challenges beyond the ability of any single government, even one as powerful as the U.S., to address. The spillover from these challenges can include wider conflict, health crises, economic dislocation, transnational crime, and terrorism. Even though the UN, of course, cannot address all the world's ills, this is a time for the U.S. to engage fully with the UN through a smart multilateral approach to meet these transnational problems.

I believe that it is essential for the U.S. to remain fully engaged in the UN to benefit from and make use of its strengths and strongly committed to and supportive of its reform to correct its weaknesses. The U.S. played the central role in creating the UN and gave it life by animating it with American ideals and values. Those values have now become a powerful set of international norms of human rights and democratic governance. All states do not live up to them, but all have to answer for falling short.

UN contributions to the global good

The UN makes real contributions to the global good on a daily basis. From floods in Pakistan to the earthquake in Haiti to Sudan and Afghanistan, the UN is often the first responder in times of natural or man-made disaster. The World Food Programme has 90 million beneficiaries in 73 countries, feeding those who otherwise would not eat. The Office of the High Commissioner for Refugees cares for 34 million people forcibly displaced. UNICEF provides child immunizations and vaccinations to more than half of the world's children. UN Peace operations have brought about the end of armed conflicts and helped to establish stability through missions in such places as Angola, Burundi, El Salvador, Guatemala, Sierra Leone, Mozambique, Namibia, and Nepal.

U.S. Interests are achieved through the UN

The U.S. has many tools at its disposal to achieve its policy objectives and advance national interest. Multilateral diplomacy is one of those tools, and the United Nations is the central forum for its exercise. U.S. interests are advanced by participation in the UN. Peacekeeping has often been referred to as a "force multiplier" for the U.S., but I believe that in

a broader sense, the UN is an “influence multiplier” for the U.S. as well. It plays this role in three ways.

First, the UN operates in places where the U.S. might have concerns but not fundamental interests. It tackles difficult but essential tasks that the U.S. and other major powers would not want to take on alone. Examples include Sudan, where the UN helped to keep the peace and played a central role in the recent successful referendum; East Timor, which the UN shepherded to independence; and Nepal, where a UN mission helped end a decades-long civil war and usher in a democratic future.

The direct benefits of these activities for the U.S. include burden and cost sharing. Peacekeeping allows US interests to be addressed without requiring U.S. troops to be deployed to places where the UN has missions. Further, given that peacekeeping accounts for less than one percent of global military spending, it is an extremely cost effective activity. In another example of burden sharing, the World Food Programme is currently feeding some one third of the people of Afghanistan, a job that would likely fall to the U.S. in the absence of the UN.

Second, the UN talks to people and parties the U.S. will not or cannot talk to. In Sudan, for example, along with the African Union, the UN has directly applied pressure on the regime in Khartoum to allow the referendum to go forward. The Security Council’s referral of the actions of Sudanese leaders regarding Darfur to the International Criminal Court led to the subsequent indictments of President Bashir and other senior officials and likely had the effect of increasing the Sudanese government’s cooperation in the referendum.

Third, the UN’s legitimacy and credibility, and the trust with which it is viewed in much of the world enables it to carry out tasks other entities, especially governments acting alone, are not able to do. A prime example of this was the subject of my last job at the UN: the Commission of Inquiry into the facts and circumstances of the assassination of former Pakistani Prime Minister Mohtarma Benazir Bhutto. Because of the UN’s widely perceived impartiality, the Pakistani government asked the UN to undertake an inquiry into the assassination, and the U.S. supported this step toward ending impunity.

The work of the UN is fundamental to US interests because of the number of transnational problems that defy unilateral or bilateral solutions. The UN has made significant contributions on such challenges as terrorism, climate change, transnational crime, food security, failing states, the spread of infectious disease, and poverty eradication. There is no alternative to multilateralism to address these issues effectively.

U.S. leadership and engagement are essential

The U.S. remains the most influential member of the UN; it does more to set the agenda of the Organization than any other member. However, because of the nature of multilateral diplomacy, no one member always gets everything it wants. But, if one were to poll other

member states on which member they believe has the greatest amount of influence in the UN, the U.S. would likely be the unanimous choice.

Examples of the U.S. being out-voted in the UN come largely from the General Assembly, where the principle of one-member-one-vote pertains, and compromise and negotiation are necessary to be effective. Members of this Committee would recognize the legislative nature of multilateral diplomacy. Nevertheless, it is important to note that General Assembly resolutions are not binding on member states.

For a variety of reasons, the General Assembly has become less powerful in comparison to the Security Council, which has in recent years become the most influential organ of the UN. The U.S. has a significant and powerful voice in the Security Council, in part because of its status as a permanent member with a veto, and in part because of the initiative that America traditionally takes in the Council.

For example, the last two years of the Bush Administration was among the most active and productive periods for the Security Council and resulted in ground-breaking resolutions. In 2007, the Security Council approved the largest number of peacekeepers in the history of the Organization. Today, some 120,000 peacekeepers serve around the world. That same year, the innovative hybrid UN-African Union mission for Darfur was established.

An emblematic earlier example of U.S. leadership is the skillful diplomacy deployed by the administration of George H.W. Bush in response to the Iraqi invasion of Kuwait. President Bush's Ambassador to the UN, Thomas Pickering, guided ten resolutions through the Security Council with clear majorities condemning the invasion, demanding immediate Iraqi withdrawal, imposing economic sanctions against the Iraqi government, and supporting the use of force to push Iraq out of Kuwait.

A more recent example of such leadership in the Council was the Obama administration's successful effort to place sanctions on Iran to encourage cooperation with the international community over its development of nuclear capability. In addition, the U.S. has led the recent successful efforts to establish the Office of the Special Representative of the Secretary-General for Sexual Violence in Conflict and the new agency, UN Women, which elevates and consolidates a number of gender components to mainstream women's concerns throughout the UN system.

U.S. leadership and influence in the UN results in part from the role the U.S. has traditionally played in the UN and in part from its status as the largest contributor to the Organization. We must not return to the days of withholding funds as some have suggested. The U.S. must meet its obligations, including funding for peacekeeping, to provide the Organization with the resources necessary to operate effectively. Withholding funds hurts the UN; but, more than that, it doesn't advance U.S. interests. Inadequate funding hampers important work in areas such as peace operations that are not funded by the peacekeeping budget, humanitarian activities,

and other fundamentally important tasks. It creates an atmosphere of contention which impedes the U.S.'s ability to lead. It results in less willingness to support U.S. initiatives, and, if coupled with grudging participation and boycotting of forums by the U.S., would lead to a lessening of our influence in the Organization.

This does not mean that the U.S. should not take a close look at management and budget issues. Fiscal discipline is essential for the UN. Congress and the Executive branch must ensure that America's contributions, which are substantial, are used effectively, efficiently, and for purposes intended and approved. But, the timely and full payment of assessments is fundamental. Adequate funding strengthens the UN and increases U.S. effectiveness and credibility in its dealings with other member states. The U.S. has a unique and powerful role to play in overseeing this that cannot be met fully if it is unwilling to take a seat at the table.

It is necessary for the U.S. to be actively engaged to exercise its influence fully. The Human Rights Council is good example of this. There should be no doubt that the Human Rights Council needs reform. Reasonable people can disagree about whether the U.S. should engage or stay out. However, I support the U.S. decision to join the Council, and U.S. leadership on UN human rights initiatives across administrations – both Republican and Democratic. Only by being at the table can the U.S. bring about the changes necessary to assist this important body to evolve into a more credible vehicle to protect and promote human rights around the world.

Since assuming a seat on the Council in 2009, the U.S. has brought about positive change in the work of the Council. Examples include the recent Special Session on events in Cote d'Ivoire, the establishment of a Special Rapporteur for Freedom of Assembly and Association, and the creation of a Working Group of independent experts to prevent discrimination against women.

UN Reform

The UN must work to be effective, and to enhance areas that require improvement. Reform is clearly necessary, and it is a bipartisan issue. The 2005 United States Institute of Peace Gingrich-Mitchell Task Force on UN Reform identified key areas in which the UN must improve, including establishing an independent audit function, ethics and disclosure policies for senior officials, and mandate review. Some of the Task Force recommendations have been implemented, at least in part. Others have not. Much work remains to be done.

As with most large and complex organizations, there is a constant need for vigilance and oversight to ensure that it spends funds efficiently and effectively, and successfully fulfills its mandated tasks. This is complicated by the fact that the UN and its agencies more often than not work in some of the most difficult and dangerous places in the world. In no way does this excuse the poor management of funds or ineffective management and oversight. But it does point to the unique challenges that face the Organization as it strives to improve its way of working.

The U.S. has always played a leading role in bringing about needed reform of the United Nations.

Reform of the Security Council is an important aspect of the overall reform package. For the Security Council to retain its legitimacy, effectiveness, and primacy as the organ charged with the maintenance of international peace and security, it is important for permanent membership to be expanded to reflect the changing global power landscape. President Obama has pledged to support India's candidacy for a new permanent seat on the Council. Though mindful that the expansion of the permanent membership could make the body more unwieldy by dint of its increased size, the cost of not reforming the Council could be a gradual weakening of the body's legitimacy and credibility.

We must find a way to incorporate the emerging powers in leadership roles in the formal global architecture because they have already begun to exercise their growing influence informally.

Multilateral diplomacy is hard

The real and concrete contributions made by the UN to the lives of people around the world do not mean that the Organization is without shortcomings. One of the most difficult aspects of working with the UN as a staff member or a representative of a member state, or as a lawmaker or a citizen of a country watching it is the slow pace of multilateral diplomacy. We all know that the UN often frustrates Americans, and the people of most other countries, even as they express their support for the Organization. They are not alone in being frustrated.

But despite the frustrations, opinion polls show substantial support among Americans for the UN. Polls recently conducted by Mr. Yeo's organization, the UN Foundation, show a significant majority of Americans, 59 percent, have a favorable impression of the Organization, and that clear majorities in all parties identify the United Nations as relevant: 85 percent of Democrats, 57 percent of independents, and 55 percent of Republicans. This is not a partisan issue.

Yet, no one is fully satisfied with multilateralism. It is hard and we use it to tackle the toughest issues of the global commons most of which touch on fundamental national interests. It requires bargaining, negotiation and compromise, and in that way is not unlike the legislative process we see in this venerable institution. While most of us are dissatisfied, there is no effective alternative method of dealing with transnational problems that do not respect borders and have the potential of significantly affecting our lives.

Multilateral diplomacy is still in its infancy. We have had hundreds of years of experience of bilateral relations between nation-states, but only 64 years of broad experience with multilateralism. We, all states, need to work together to improve the operations of

multilateral organizations, especially the UN. There is no choice, given the problems that face us, but to work to make our cooperative bodies better serve global needs.

Conclusion

Madame Chairman, Ranking Member Berman, distinguished members of the Committee, as I stated at the outset, I served with the UN for 12 years. I served because of the Organization's ideals, and I am proud that they were profoundly shaped and influenced by American ideals. I have had friends and close colleagues at the UN die in the line of duty in furtherance of the aims of the United Nations Charter, working for the global good. I honor them for their service and am honored by my time in service. I believe in the United Nations. And want us to work together to help the UN live up to its ideals.

Mrs. SCHMIDT [presiding]. Thank you.
And now we will hear from Mr. Appleton.

**STATEMENT OF MR. ROBERT APPLETON, FORMER CHAIRMAN,
UNITED NATIONS PROCUREMENT TASK FORCE**

Mr. APPLETON. I'd like to thank the committee for the invitation to appear today. I'm deeply honored for the opportunity.

From 2006 to 2008, I served as the head of the United Nations Procurement Task Force, the PTF, a special independent anti-corruption investigations unit the U.N. created in the wake of the Oil-for-Food scandal, the responsibility to investigate fraud and corruption in the operations of the U.N. Secretariat, throughout the world, which included all of its peacekeeping missions and overseas offices. I reported to the Under Secretary-General of OIOS.

The PTF was temporary, formed for specific purpose and independent of the U.N. General Assembly for its funding. Over 3 years, this 26-person investigation unit comprised of lawyers, former prosecutors, white collar fraud specialists, and forensic accountants from 14 countries under my direction conducted hundreds of corruption investigations, issued 36 major reports, complete with findings, conclusions and an aggregate total of 187 recommendations which included referrals to national authorities for prosecution, legal advice and proposals based on our previous experience to recover losses and damages and recommendations to pursue misconduct charges against staff that violated the rules and regulations of the organization or committed fraud or corruption.

Through these investigations we identified at least 20 major fraud schemes, hundreds of millions in losses and waste and more than \$1 billion in tainted contracts. Forty-seven contractors were debarred for corruption and the PTF marked the first time within the U.N. that the external investigations of those conducting business with the U.N. were properly and thoroughly investigated. A vendor sanctions panel and framework began a function and worked well.

In those cases in which the PTF found fraud or other illegality, the results were largely substantiated by national courts. In an audit that was conducted by the PTF's operations in 2008 by the U.N. Board of Auditors found our methods appropriate, staff well qualified, and its existence served as a deterrent to fraud and corruption. A number of prosecutions by national authorities resulted from or were supported by the PTF, all of it explained herein. Many more could have been pursued.

Nevertheless, much success was achieved despite the impediments. One of our most significant cases in the Southern District of New York, a senior procurement official and an agent of a large U.N. vendor were convicted after a 2-month trial engaging in \$100 million fraud, collusion and bribery scheme in connection with a series of U.N. contracts. The procurement official was subsequently sentenced to 8½ years imprisonment and the evidence for this case was principally gathered by the PTF as contained in its report.

However, despite the confirmation of the accuracy of the findings of the PTF in many cases, most unfortunately, the efforts of the PTF were opposed by certain Member State delegations who came to the defense of either citizens or officials who were nationals or

their companies or citizens. The U.N. administration accepted the PTF, but showed lethargy in moving forward on many of its recommendations to pursue matters in civil courts or charging wrongdoers with misconduct.

Prior to the expiration of the PTF at the end of 2008, the General Assembly at the behest of a Member State who opposed their efforts commissioned an audit of the PTF which ultimately found that we were compliant with U.N. rules, regulations, and standards and did not selectively target individuals, regions, or countries and the staff was well qualified.

Hostility to the unique status and independence of the PTF for Member States who opposed its investigations finally led to the PTF's demise. In 2008, those Member States were able to successfully block further funding by the unit and the PTF was forced to close. Despite an admonition that the expertise and staff were to be incorporated into the OIOS, that did not happen. Despite this, PTF's efforts did not diminish and the professionalism to accomplish as much as possible did not wane. In the final months of the PTF's tenure, we identified—we completed five major corruption reports that had identified significant fraud and corruption, including a report on fraud in Iraq, significant and pervasive fraud in elections, roads, and rebuilding in Afghanistan, fraud and corruption in the Economic Commission of Africa, and in several matters involving high value contracts for transportation in Africa. Despite that, as far as I am aware, and despite the recommendation, significant follow up has only been made in one case.

The vision of the Under Secretary-General at the time for Financial Crimes Unit has been scuttled in place of a nondescript unit simply known as Unit 5 which until recently had but a few investigators and none with serious white collar fraud experience. At one time, investigators were informed that they were not going to investigate parties external to the organization, including tens of thousands of contractors that do business with the organization. Even worse, the former PTF investigators were subject to harassment and retaliation. Some were even the subject of investigations themselves for wholly spurious reasons, and when they were cleared by independent entities, no public mention was made of this fact.

In short, all the achievements and advancements that were made by the PTF have since lapsed following its conclusion and the stark reality is that the ills that the U.N. experienced in the wake of the Oil-for-Food scandal are now distant memories in the halls of U.N. buildings and unless serious action takes place, there is no question history will repeat itself.

Thank you.

[The prepared statement of Mr. Appleton follows:]

Written Statement of Robert M. Appleton Former Chairman of the United Nations Procurement Task Force, to the United States House of Representatives, Committee on Foreign Affairs

25 January 2011

I would like to thank this Committee for the invitation to appear here today. I am most honored to have been considered. I should emphasize that I am not here on behalf of my current employer, but as a concerned private citizen and former senior official in the United Nations. What I am about to say is as a result of my direct and personal experience from four years in the United Nations involved in UN oversight and investigating fraud and corruption in the world body. What follows is also based upon my concern for the Organization, those professionals who serve and those that have served honorably in and on behalf of it, and the taxpayers who fund it.

For three years, from 2006 through 2008, I had the honour of serving as the Deputy Chairman, and then Chairman, of the United Nations Procurement Task Force-or "PTF", a special investigations unit created within the United Nations Secretariat, and Office of Internal Oversight Services (OIOS). The PTF was created by the UN Administration in January of 2006 to investigate fraud, financial misappropriation, corruption and misconduct in the \$25 billion of annual Secretariat and peacekeeping spending, the UN's peacekeeping missions worldwide, as well as the UN's overseas offices. The PTF was established by then Secretary-General Kofi Annan in the wake of the investigation of the Oil-for-Food Program (the "Independent Inquiry Committee") headed by former US Federal Reserve Chairman Paul Volcker in which I had served as Special Counsel and Deputy Chief Legal Counsel. The Oil-for-Food Investigation had uncovered circumstances that raised concerns that other such fraud schemes might also exist, as well as concerns at the time about the investigative capacity for such matters within the UN. Thus, the PTF was given the mandate and authority to examine UN contracting for fraud and corruption.

By virtue of the rapidity and the manner in which it was created, the PTF was formed as a temporary, ad hoc, division that, while housed in the Office of Internal Oversight Services (OIOS), was not a fully integrated division of OIOS. The Office of Internal Oversight Services is the principal entity in the UN responsible for oversight, audit, investigation and evaluation. It is the only entity in the UN that truly has the mandate and the resources to carry out viable investigations. OIOS was created as a result of a previous procurement scandal, in 1994. Although established within OIOS, and answerable to the Under Secretary General of OIOS, the PTF was separate from OIOS's permanent investigations Unit and had received nearly all of Investigations Division's fraud and corruption cases, open and closed. Because of its intended short-term and special nature, the PTF's short term mandate and funding had to be extended by the General Assembly on a yearly basis. Although the PTF inherited 500 cases from OIOS, it also received all fraud and corruption referrals on a rolling basis during its existence. Its mandate was expanded by the Under Secretary General of OIOS to handle all procurement cases.

Over three years, this 26 person investigative Unit, comprised of accomplished professionals with extensive relevant experience and specific backgrounds and expertise in investigating and prosecuting white collar fraud, from 16 different countries, conducted more than 300 fraud and corruption investigations, and issued 36 major reports –complete with findings and conclusions and 187 recommendations. The investigators were considered staff of the UN, having been given fixed term contracts-however they were temporary, and they did not have permanent contracts within

the Organization. Our recommendations included referrals to national authorities for criminal prosecution; legal advice and proposals based upon our previous experience to recover losses and damages arising out of the misconduct that had been identified; guidance with regard to appropriate action to take against staff members, individuals and companies in those cases in which fraud or financial malfeasance had been identified; and the pursuit of misconduct charges against staff for violations of rules and regulations of the Organization.

Through these investigations, we identified at least 20 major fraud schemes, hundreds of millions in losses and waste, and more than \$1 billion in tainted UN contracts. As a result of our work, a sanctions panel and procedure for corrupt vendors was created, and fully functioning. In the three years of the PTF's existence, forty seven vendors were penalized through temporary and permanent debarments for violations of procurement rules, fraud or corruption, based upon our reports that were affirmed by the Sanctions Panel. It was the first time that an internal investigative body conducted serious investigations of external parties engaged with the UN for commercial activity. Summaries of some of the results of the PTF can be found in two published General Assembly reports A/62/272, and A/63/329. Most of the actual reports of investigation, however, have never been made public because of the UN's disclosure policy.

Importantly, the PTF did not discriminate in its approach to cases and investigations—addressing all matters of fraud, financial misappropriation and loss, regardless of the seniority, stature, position or host country of the individual or official, or size, location or composition of the company or vendor. Despite claims to the contrary by some Member States, the UN Board of Auditors identified that individuals and companies from Western countries made up a large majority of the subjects of PTF investigations.

In those cases in which the PTF found fraud or other illegality, its results were largely substantiated by national courts of Member States to whom the findings were presented. An audit that was conducted of the PTF's operations in 2008 by the UN Board of Auditors found its methods appropriate, its staff well qualified, and that its existence no doubt served as a deterrent to fraud and corruption. At least five prosecutions by national authorities resulted from, or were supported by, PTF investigations, although, as will be explained herein, many more could have been pursued but for a lack of will on the part of the UN Administration, and effort on the part of OIOS. Nevertheless, much success was achieved despite all the impediments. In one of our most significant cases pursued by the United States Attorney's Office in the Southern District of New York in 2007, a senior procurement official, Mr. Sanjaya Bahel and an agent of a large UN vendor were convicted, Nishan Kohli, after a two month trial, of engaging in \$100 million fraud, collusion and bribery in connection with a series of UN contracts. The case was largely based on the evidence gathered by the PTF and its 86 page Investigation Report. The procurement official was subsequently sentenced to 8 and one half years imprisonment, fined and the company involved ordered to pay restitution. The PTF's evidence and analyses, was used, and is still being used, in several other investigations by national and international bodies in other fraud and corruption cases that are being pursued.

However, despite the confirmation of the accuracy of the findings of the PTF in many cases, most unfortunately, the efforts of the PTF were opposed by certain Member State delegations that came to the defense of either officials who were nationals, or their companies or citizens. Because

the PTF was “ad hoc,” and created for a specific purpose, it was subject to continued appropriations from the UN General Assembly on a yearly basis. Funding in the UN is by consensus, meaning, largely that all Member States must agree. The General Assembly was deeply involved in decisions involving oversight, including the future and financial appropriations for PTF. In considering further funding, the General Assembly, through its Advisory Committee on Budget and Administration (ACABQ) and its budget committee, the Fifth Committee, held regular hearings, for significant to review and approve oversight activities, mandate, staffing and funding for the PTF and OIOS. .

Because the PTF undertook several high profile investigations of senior UN officials, diplomats and large value contracts in the jurisdictions of several Member States, the PTF was the subject of criticism and retaliation from the delegations of a few Member States whose senior UN officials, diplomats, companies or citizens were the subject of PTF investigations. The UN Administration accepted the PTF, but showed lethargy in moving forward on many of its recommendations to pursue matters in civil courts or charging wrongdoers with misconduct. Quite apart from any political pressures exerted on it, the UN’s Legal Unit, lacking in litigation experience and expertise, simply did not have the skill or energy in most instances to further the cases externally. In three years of appearances before the UN General Assembly, I was routinely presented with the same sets of questions in General Assembly hearings: concerning the identities of my staff, how they were selected, the “due process” afforded subjects, how investigations are undertaken, etc. Significantly, in my many appearances before these Committees rarely was I asked about the substance of our investigations, our findings or our recommendations. Allegations of selectivity in investigations were routinely pressed, as were claims of due process violations-all of which were ultimately found to without merit.

Prior to the expiration of the PTF at the end of 2008, the General Assembly, at the behest of one of the Member States that opposed our efforts, commissioned an audit by the UN Board of Auditors of the PTF and its activities. When the Board of Auditors did not find any due process violations or abuses, and further concluded that the PTF’s methods and operations were fully compliant with UN rules, regulations and standards, that it did not selectively target certain individuals, regions or countries, and that the staff was found to be well qualified, no mention was made of these facts by the General Assembly, no apology was offered, and no change in the approach of the opposition occurred.

The hostility to the unique status and independence of the PTF from the Member States that opposed its investigations finally led to the PTF’s demise. In 2008, these Member States were able to successfully block further funding of the Unit by the General Assembly, and the PTF was forced to close at the end of 2008 – although the US and other Member States succeeded in mandating by General Assembly resolution that the caseload and expertise of PTF be transferred to the Investigations Division of OIOS. I note that even terminating the PTF was not sufficient for some of its opposition. At the end of December, 2008, in the wee hours of budget negotiations, prior to finalization of the budget resolution for 2009, one Member State attempted to insert language in the Resolution that would ban any member of the PTF from transferring into the Investigations Division of OIOS or any other UN position for a period of three years. Even if the PTF’s investigations were unsound, and it had reached unsupportable conclusions, retaliation against an investigative unit because of the fact of its investigations is contrary to the very basic and well established principles of the common law, as well as the basic founding principles of the United Nations Charter.

Even if we were wrong in every case, which clearly was not the circumstance, such retaliation is wholly improper. The proper manner in which to challenge investigative findings is through judicial process, and the established legal mechanisms – not ad hominem attacks on the investigators themselves in the public forum.

Despite this, the PTF's efforts did not diminish, and its professionalism to accomplish as much as possible did not wane. In the final month of the PTF's tenure, we completed five major corruption reports that had identified significant fraud and corruption, including a report on fraud in Iraq, elections, roads and rebuilding in Afghanistan, fraud and corruption in the Economic Commission of Africa in Addis Ababa, and in several matters involving high value contracts for transportation in Africa. The PTF staff professionally, and feverishly, worked until the very final hours of 31 December 2008 to complete its assignments, and issued 5 significant thorough and presentable reports that were sufficiently advanced that they could be pursued by the follow on internal and external authorities. As far as I am aware, significant follow up has only been made in one case, and that was after significant pressure-including from this Congress.

The PTF left 8 more reports in draft form, and 175 cases we could not reach because of time constraints. In three years, the PTF completed 327 investigations.

The UN Board of Auditors, writing with the notion in 2008 that the PTF would cease in 2009 and that the Investigations Division of OIOS would re-assume responsibility for fraud and corruption oversight, offered recommendations, acknowledged the skills within the unit, and the knowledge of the Organization gained over three years of effort, recommended that the "skills and competencies" and staff of the PTF, be incorporated into the Investigations Division. Despite a General Assembly resolution mandating the transfer of the PTF caseload and expertise to the Investigations Division, none of this occurred, contrary to the claims of OIOS and the UN Administration. The investigative staff members of the PTF were either passed over for positions created in the new financial crimes unit intended to replace the PTF or, forced out of the UN. Thus, several former PTF staff who applied for open vacancies, with a few exceptions, were not selected, and the few selected generally were subsequently forced out of OIOS or the unit. However, only one former PTF member remains in OIOS on a full term contract, and one on a short term temporary contract within the Office of Internal Oversight Services – and none in the new unit established to replace the PTF.

The Under Secretary General Ahlenius' vision for a Financial Crimes Unit was scuttled, in place of a non-descript unit simply known as "Unit 5," which, until recently had but a few investigators and none with serious white collar fraud experience. Management in OIOS refused to even acknowledge "fraud" in the title, and limited its mandate significantly. At one time, investigators were informed that they were not going to investigate parties "external" to the UN, including the tens of thousands of contractors that do business with the Organization.

Even worse, the former PTF investigators were subject to harassment and retaliation. Some were even the subject of investigations themselves for wholly spurious reasons, and when they were cleared by independent entities, no public mention was made of this fact.

After the closure of the PTF, the remaining cases, evidence, files and reports still in draft were transferred back to the Investigations Division of the Office of Internal Oversight Services, the permanent investigative body from which the many of the original referrals came. As I understand,

more than two years later, these cases have largely not been advanced. Effectively, all of these actions, conducted secretly and with little fanfare or attention, ends thorough investigations of procurement irregularities. As far as I further understand, only a few matters left from the PTF have been pursued-and only as a result of external pressure, and all the remaining cases have been left to languish. As proof of this fact, one needs only to read the Report of the Office of Internal Oversight Services to the UN General Assembly on its investigative work for 2009 and 2010, wherein no significant fraud or corruption investigation is reported.

The five reports issued by the PTF in its final days at the end of 2008 were all significant fraud or corruption cases. In one particular matter, in a fraud and embezzlement case, the investigation had traced significant sums of money that had been stolen by a UN official working in Iraq, and proceeds from a Jordanian bank account that had been utilized for the benefit of the official and her family. The more than 100 page report had been finalized in the waning days of December 2008, and we recommended that the privileges and immunities of the staff member be waived, and the matter referred to national authorities with jurisdiction over the matter. During the investigation, we were made aware that one national authority had an on-going criminal case that related to this matter, and that relevant materials in the possession of the UN have not been provided to this authority. As far as I am aware, I do not believe any criminal action has been pursued against the individuals involved in this matter. The incredible irony of this story is that the investigators, rather than the offenders, were the ones separated from the Organization.

I am often asked why is there no will in the Organization to pursue such cases, or address them when misconduct is identified. The short answer is that investigations that uncover fraud and corruption bring bad news, and bad news is not welcome news. The approach of the leadership of the Organization is to minimize such issues, and keep them from public view. The exposure of issues, problems, corruption and fraud, is seen as something that could threaten future funding of donors. Rather than receiving praise for uncovering fraud as a result of intensive oversight, investigators and the Investigation Unit are penalized for doing the right thing, thoroughly investigating fraud and corruption, and reporting on it –wherever it is found. Conducting investigations in the UN is not a popular undertaking, and is far from an effective means of career advancement. Thus, anyone with ambition in the Organization is much better off to pursue as little as possible. Such an approach is rewarded in the UN, and any efforts to identify and pursue fraud and corruption is punished. I do not mean to suggest that such an ideology is shared by all in the entire Organization. There are certainly competent and honest professionals who would rather take the approach of bringing such issues to light, embracing the problems and addressing them, rather than ignoring them. However, those in authority in the Organization largely subscribe to this philosophy. These are the individuals with the authority to appoint and promote.

The other structural problem in the United Nations is that oversight lacks true operational, budgetary and structural independence-despite language in resolutions to the contrary. OIOS is dependent upon the UN General Assembly for funding, positions and its mandate and on the Secretariat and Secretary General for selecting senior staff. At any time, the General Assembly can limit, refuse to fund, or end, the oversight body. While independence is stated in its mandate, to a certain degree, this is only theoretical, and not in fact the case. OIOS must have full operational, structural and budgetary independence to be truly independent and an effective oversight body.

Even so, investigative and audit capacity and independence is not sufficient. There must be a viable legislative framework in the UN that fully punishes financial misconduct, a will and ability to enforce such rules, and a competent judicial mechanism to hear and address cases. Further, the UN Administration must address recommendations for the waiver of privileges and immunities expeditiously, and waive such immunities in appropriate cases so criminal cases may be pursued by the appropriate national authorities. All UN staff, as well as all materials generated and in the possession of the UN, enjoy privileges and immunities – meaning they cannot be subpoenaed, and the UN cannot be compelled to turn them over to external bodies. Only the Secretary General has the authority to waive privileges and immunities of UN staff.

I am also often asked why national authorities simply cannot pursue such matters, especially of external parties, in lieu of an internal investigation and audit capacity within the Organization. As a prosecutor who focused for many years on international criminal cases, I can say that extraterritorial cases are some of the most challenging cases to make. First, cases are based on evidence, and evidence must be able to be gathered. The jurisdiction and reach of most national authorities is largely limited to its own borders, and a national authority seeking evidence, authority or jurisdiction in another country is required to proceed in most cases through formal process, and through the authority in that jurisdiction. While an investigative body internal to the UN does not have such powers as compulsory process (serve subpoenas and warrants), it is much freer to travel and act within the borders of its Member States. Thus, such a body could serve as a viable and effective complement to a national authority within that jurisdiction that could pursue cases following efforts of the internal audit or investigative entity. Evidence, the identity of witnesses, and witness statements could be turned over to national authorities through a waiver of privileges and immunities, and cases could be pursued much more thoroughly and expeditiously. In pursuing criminal cases, tracing assets and proceeds of crime, and identifying participants, speed is absolutely essential. Delays can have profound effects on the effectiveness of any follow on effort.

It is critical for me to emphasize that I entered the United Nations with no particular agenda, bias, preconceived notions about the United Nations, or views. After serving as Paul Volcker's Special Counsel and then Deputy Chief Legal Counsel, and before that for more than 13 years as a US federal prosecutor in the United States Attorney's Office prosecuting a wide range of complex criminal cases, including international fraud, money laundering and racketeering, I always took my obligation to serve the pursuit of justice quite seriously, and to follow facts and evidence wherever they might lead. To this day, I do not believe that the Organization is incapable of performing effectively, or that it is more at risk of corruption and fraud than any other institution. By virtue of its composition, its operational structure, and the fact that it operates in high risk environments, however, the United Nations is at significant risk to be victimized by and from financial malfeasance, theft and corruption because of the amount of funds it expends, where the funds are delivered, and the locations where it operates. The problem is how the Organization, including its most senior officials, addresses episodes of fraud and corruption.

In this regard, the most disappointing aspect of my experience in the Organization was not with what we found, but the way in which investigations were received, handled and addressed by the UN Administration and the way in which investigations were politicized by certain Member States. The Oil for Food bribery and fraud scheme, and the IIC investigation, are now distant memories, rarely spoken about in the halls of the UN buildings. Despite one of the largest fraud and corruption

schemes in history, important recommendations of the Volcker Committee for addressing fraud and corruption have not been implemented. To the contrary, with the expiration of the PTF, and the absence of qualified financial crimes investigators in , capacity has unquestionably reverted to pre-oil for food days, there is little capacity to investigate such matters, as well as very little will to do so.

In short, the incentives in the UN are perverted, the support for true investigations and oversight is lacking, and the philosophy of the leadership is to reward inaction rather than action, suppression rather than exposure, and punishment of whistle-blowers and investigators, rather than protection. It is time for serious action to correct these problems. Otherwise, history will no doubt repeat itself.

Mrs. SCHMIDT. Thank you very much, and before I give myself my allotted 5 minutes, I think Mr. Berman wants to make a statement regarding his committee's side.

Mr. BERMAN. Thank you very much. Simply to point out that this is a briefing, not a hearing because the committee has not yet formally organized. Both sides have a number of new members and it's my intention to wait until that organizational meeting to introduce our side of the new members' group. We're glad to have all these members, but we'll wait until the organizational meeting which is, as I understand it, now will not occur until after we come back from the recess in 2 weeks.

Mrs. SCHMIDT. We wanted to get that piece of housekeeping out of the way.

Okay, I'm going to budget myself 5 minutes, which means I'd like your answers to be very short and very concise.

Mr. Yeo and Mr. Quarterman, you have talked about how important it is for the United States to pay our assessed dues in full, but you've worked in Congress and you know the biggest leverage we have with the Executive Branch is the power of the purse. Past history contradicts your arguments, like the 1990s, when we got substantial reform with the Helms-Biden agreement, which conditioned payment of past dues on specific key reforms. But I'd like to ask all of our briefers: If the U.N. agencies and other Member States know that we're going to pay our assessed contribution in full, no matter what, why on earth would they agree to real reforms? And the second part: So doesn't simple facts and logic call precisely for using our contributions as leverage and not just as paying our dues in full? I'm going to give you about 20 seconds each to answer that.

Mr. Schaefer?

Mr. SCHAEFER. Well, the short answer is that the U.N. regards U.S. assessments as an entitlement. They don't think that the United States should use those assessments as leverage and they resist reform in general. As I mentioned in my oral statement, the U.N. is nothing but patient. It is willing to outlast and wait for certain individuals to turn their attention to other matters. And you have to tie financial leverage if you want to get the U.N.'s attention. I mentioned a number of specific reforms in my written statement and I'd like it submitted for the record, if I could.

Mrs. SCHMIDT. Mrs. Rosett?

Ms. ROSETT. There are two levers I have seen have any effect, shame and money. Money is far more powerful. The two are linked and the thing that I think does matter and should be done of the main focuses right away is we endlessly talk about transparency at the U.N. It is an endless game in which it is promised and again I refer you to that financial disclosure form where they disclosed nothing. And the Secretary-General boasts about it.

There are things, especially in the digital age, that are both important for security reasons, important for information, and important for any reform. There should be enormous pressure for the U.N. to actually produce intelligible, consolidated databases. If you ask everyone in this room what is the U.N.'s system-wide budget you will get answers where actually the rounding errors are \$5 billion. That's strange. That needs remedy.

Mrs. SCHMIDT. Thank you.

Ms. ROSETT. Thank you.

Mrs. SCHMIDT. Mr. Neuer?

Mr. NEUER. We've always supported the United States paying its fair share of the dues. There's no question that U.N. agencies that are voluntary are known and U.S. diplomats will tell you to be far more accountable and to operate better. It's something that we see in Geneva regularly.

In addition, there are, of course, U.N. agencies such as the Division on the Palestinian Affairs which gets some \$5, \$6 million every biennial budget that clearly ought to be anti-funded.

Mrs. SCHMIDT. Mr. Yeo?

Mr. YEO. Over the past 5 to 6 years you've seen concrete changes in the way the U.N. is run whether it's in terms of ethics, oversight, personnel, all of which have occurred without any legislative threat between dues and reform, so we do not need the threat of withholding dues to actually make something happen at the U.N. to make it a more efficient institution.

Second of all, 70 percent of all of America's assessed contributions to the U.N. each year are for U.N. peacekeeping. As a permanent member of the Security Council, we must actively support the creation and the change of any U.N. peacekeeping mission. So we already have more power than 187 other states at the U.N. that do not have the veto.

Mrs. SCHMIDT. Thank you. Mr. Quarterman?

Mr. QUARTERMAN. Thank you very much. The U.S. has multiple needs at the U.N. It needs, of course, to oversee the use of its funds to make sure that those funds are used effectively, to make sure the U.N. is run effectively. It also has diplomatic needs. The United Nations, as Mr. Yeo pointed out, puts peacekeeping missions in the field, carries out a variety of other tasks as well. The U.S. has substantial influence over the shape and organization and deployment of peacekeeping missions, but it needs to—but I've seen that U.S. influence has lessened when the United States has not contributed and the diplomatic atmosphere is less positive.

Mrs. SCHMIDT. Thank you. Mr. Appleton?

Mr. APPLETON. Thanks, very briefly, it's the only legitimate, real tool that can be used and it's what most officials inside the U.N. Secretariat are most fearful of. And the irony is that the fear of bad news is and its possible effect on donations is the reason why the organization is not transparent. Thank you.

Mrs. SCHMIDT. Thank you. And in keeping with my policy of a firm 5 minutes. I've got 17 seconds left, so I'm going to yield back my balance and give Mr. Berman his 5 minutes.

Mr. BERMAN. Well, thank you very much, Madam Chairwoman and I thank all of you for coming and for your excellent testimony. I found a great deal of fit very interesting and educational. Mr. Schaefer touches on an issue that I think we have to cope with, the notion that 128 of the member countries pay about 1 percent of the total U.N. regular budget and can drive in a non-consensus budget process. The thing is something that I think we do have to come to grips with.

But Mr. Yeo's recent comment is—the comment he just made, that 70 percent of American expenditures that are assessed, go to

the peacekeeping where no peacekeeping occurs if the United States doesn't want it to occur because those are ordered by the Security Council and we have a veto there.

It adds a little context to what you were saying, Mr. Schaefer. I also find your testimony useful in that it told me things I had no idea that there were these regional commissions drawing and expending apparently significant sums of money and work that I have no idea what they do and I've never heard anything about them before. So I thank you for that.

But I'd like to ask—and the other thing I might note though is if I listen to the harshest critics on this panel regarding the U.N., apparently nothing that the U.N. does do they find to be positive. It did seem to be the glass is completely empty sort of position.

Mr. Neuer, I'd like to ask you a couple of questions. Do you agree with the opening statement essentially that the United States should not have joined the Human Rights Council? That's sort of a yes or no question.

Mr. NEUER. Thank you. We welcomed the U.S. joining provided that they would do certain things.

Mr. BERMAN. Do you think that the United States should get off that council right now?

Mr. NEUER. No, we have not taken that position and we continue to urge the United States to do the things necessary.

Mr. BERMAN. Do you think the United States should withhold the amount of dues one assumes is being spent by the Human Rights Council or a proportionate share of that dues?

Mr. NEUER. It's not something we've taken a position on.

Mr. BERMAN. You're not advocating that?

Mr. NEUER. We haven't taken a position on that at this time.

Mr. BERMAN. Okay. Do you think the U.S. role has produced some useful changes at the Human Rights Council?

Mr. NEUER. Yes, there have been some changes in tone. One of them is described in my prepared testimony regarding, for example, defending the rights of NGOs and of course, the United States has stood with Israel. One example is something that happened today regarding the regional groups where the Secretary-General Ban Ki-Moon was addressing an Assembly in Geneva of all member states and Israel being excluded from any of the regional groups in Geneva, while it is a member of the western group in New York, it is excluded in Geneva. It was not represented when those five groups made their statements. The United States' mission stood for principal, stood with Israel disassociating itself from the western group's statement because Israel was excluded and discriminated against in that fashion. That's, of course, something that out to be saluted.

Mr. BERMAN. In fact, if you don't mind, I'd like to quote in my remaining time that part of your prepared testimony that you weren't able to give because you summed it up. "The council's abysmal record"—and I'm quoting you—"comes in spite of the determined efforts of a few stakeholders. In this regard, we commend the dedicated work of the U.S. delegation in Geneva. We have had the privilege to interact with Ambassador King, Ambassador Donahoe, and their colleagues, and we greatly appreciate their leadership and support. When UN Watch brought victims of Libyan

torture to testify before the council, a string of repressive regimes interrupted and sought to silence them. The U.S. delegation spoke out and successfully defended the victims' right to speak. We equally appreciate the important work of Ambassador Barton and his colleagues at ECOSOC in defending the rights of NGOs" of which your organization is one. So I appreciate you sharing this information and I yield back the balance of my time.

Mrs. SCHMIDT. Thank you to my good colleague from California and now I'd like to turn it over to my good colleague from New Jersey, Mr. Smith, subcommittee chairman on Africa Global Health and Human Rights.

Mr. SMITH. I thank my good friend, the distinguished chair from Ohio, for yielding and welcome to the panelists. Thank you for your testimony.

You know, last week, Hu Jintao evaded any meaningful accountability for presiding over some of the most egregious human rights abuses and violations in the world. By Friday, the press in China and I read much of the press were calling it a master stroke of diplomacy. At a press conference on Thursday, President Obama offered what the Washington Post called in its editorial President Obama makes Hu Jintao look good on rights' excuses for Chinese human rights violations. He said "China has a different culture." Yes, it has a different culture. "A wonderful culture." The people of China as expressed in Charter 08, desperately want human rights to be protected and tens of thousands of people languish in the Laogai simply because they wanted democracy and human rights protected, including Lu Xiaobo, the 2010 Nobel Peace Prize winner.

President said they have a different political system. Yes, it's a dictatorship. And they rule by guns and force and torture. So those excuses were at best lame and I think they were very, very enabling and the press in China clearly shows that.

But for the U.N.'s part, frankly, they have failed repeatedly; the Human Rights Council, CEDAW, the treaty body, which should have and continues to not hold China accountable. The Convention on the Rights of the Child treaty body has failed to hold them to account. In instance after instance, China, except for people like Manfred Nowak who is a great piece of torture in China, it is largely just brushed aside and the world community looks askance at China's egregious violations of human rights. Nowhere is this more egregious in my view than in the 30-year program known as the one-child-per-couple policy where brothers and sisters are illegal, where forced abortion is pervasive. It is every woman's story to be coerced into having an abortion or an involuntary sterilization.

I met with Pong Piun, a woman who ran the program in the 1990s and all she kept telling me was that the UNFPA is here and they see no coercion. Last week, Speaker Boehner asked Hu Jintao whether or not—about forced abortion—and what did Hu Jintao say? There's no forced abortions in China. When you deny, deny, deny and lie and deceive as they do and that's enabled by the UNFPA which has a program there and trains family planning cadres, that makes the UNFPA complicit in these crimes against women and crimes against humanity.

Let me just mention a few final points and Mr. Yeo, you might want to speak to this. Ted Turner, in December at the Cancun meeting on global climate change, said that the U.N. or the world needs a one child per couple policy, again, brothers and sisters are illegal in China. The only way you enforce it is with coercion, heavy fines, and of course, this crime against humanity which the Nazis were held to account for at the Nuremberg War Crimes Tribunal as a crime against humanity because they practiced forced abortion against Polish women.

Ted Turner said we need one-child-per-couple policy. Upon questioning, he said I don't really know the intricacies as to how it is implemented. Are you kidding?

Mr. Yeo, you might want to speak to that. I have held 27 hearings on human rights abuse in China alone, most of those with a heavy emphasis on this terrible attack against women. This is the worst human rights violation of women's rights ever and we have been largely silent. The U.N. has been totally silent. Beyond that, they've been complicit. So if you could speak to that and Mr. Yeo, you might want to speak to it first.

Mr. YEO. Sure. Thank you, Congressman, first of all, for your passionate interest in this issue. You and I completely agree that a coercive abortion, coercive family planning and forced sterilization is absolutely outrageous. It has no place in any type of family planning programs anywhere in the world. So we 100 percent agree on this.

Let me make two comments. First of all, in the context of UNFPA's work in China, they have repeatedly indicated to the Chinese that they oppose the coercive nature of the one-child policy and in the counties in which UNFPA was operating under its previous plan, the abortion rate went down, forced sterilization rate went down, and the rate at which people had access to voluntary family planning went up.

What's happening now in the context of China is UNFPA is working directly with the Chinese Government to continue to emphasize the voluntary nature of their program.

Mr. SMITH. I'm almost out of time. Let me say very briefly, that is contested. And let me also say for everyone, we need to be considering the missing girls. Chai Ling, the great leader of the Tiananmen Square, activist movement, who thankfully got out of China, she's running a group called All Girls Allowed, trying to raise the issue of the missing girls. One hundred million is one estimate. The disproportionate between males and females, completely attributable to the one-child policy. A terrible, terrible crime of gender.

Mrs. SCHMIDT. Thank you very much to my good friend from New Jersey and to my other good friend from New Jersey—is this a New Jersey thing going on here?

Mr. Sires, for 5 minutes.

Mr. SIRES. Thank you very much. You know for all the positives and the strengths of the U.N., I think it's overshadowed by its weaknesses and I'm not in favor of reducing money for the U.N., but I'll tell you, I'm getting very close.

As I look at this Human Rights Council, I'm a Cuban-American. I lived in Cuba until I was 11 years old. I saw Che Guevara set

up the firing squads. I see what's going on with the prisoners in jail. I saw Orlando Zapata die. I read all about it. I read what they do to the Women in White. I see what they do with Israel. I see that we have Alan Gross in jail for over a year. And the resolutions don't seem to come up. And what is the answer to reform? What do they do? They elect the Ambassador from Cuba as vice president of the council.

My friends, it's not that we need reform. It's broken. You should throw it in the East River the whole committee. I mean it is just shameful that you have a Human Rights Commission that elects these people and all they do is beat up on the only democracy that we have and make a mockery of the human rights conditions in Cuba.

So when you talk about reform, it is just so dysfunctional. It's so shameful. I don't even know how they can sit in a committee and have the Vice President talk about human rights.

I believe they crank up the propaganda machine, 128 counties on any resolution, they vote against the interests of the United States all the time. So I guess I am frustrated as my colleague from New Jersey is. It's turning into a tool to beat up on this country. It's turning into a tool to protect themselves from criticism on human rights, so how do you reform it? Can anybody tell me? Other than—and I'm not advocating taking the money away, but I tell you, I'm getting very close.

Peter, my friend?

Mr. YEO. Thank you for your question. Obviously, Cuba's human rights record, I couldn't agree with you more in terms of how dismal it is. I would just note though that since the United States has rejoined the council, Cuban influence over certain decisions has decreased significantly and in fact, Cuba opposed the creation of a special rapporteur in terms of freedom of assembly and was overruled on that move.

Second of all, since the United States has rejoined the council, the council itself has spoken out on important human rights issues around the world, and has done so even over Cuban objections and the objections of other countries. By being at the table, the United States can stand up for our allies, can stand up for human rights. If we're not there, our voice goes away. And so the United States is an imperative to use the Human Rights Council as a way for us to stand up for human rights and for us to stand up for democracy.

Mr. SIRES. Mr. Schaefer, will you comment on that?

Mr. SCHAEFER. The council hasn't passed a resolution on Cuba.

Mr. SIRES. I've been a rights advocate for 48 years and I never heard a resolution yet.

Mr. SCHAEFER. The human rights advocates that go before the council are repeatedly abused and interrupted, intimidating them from speaking freely by Cuba and its allies on the council. The council is broken and a big part of the problem is the membership. The membership needs to change. There is a review that is mandatory this year for considering reforms to the council to try and improve it. And there needs to be serious membership criteria to keep countries like Cuba from getting on the council and influencing unduly its agenda.

Mr. SIRES. How do you do that when they have so much influence, some of these other countries? How do you keep these people away from this committee?

Mr. SCHAEFER. Well, one way to do it is to force regional groups to offer competitive slates. I'm not saying that Cuba wouldn't get elected, but if there is actually a competitive election the chances of Cuba getting elected are diminished, and other countries with reprehensible human rights records as well.

Mr. SIRES. This is an election that elected the Vice President. This reminds me of the election in Cuba. Castro gets 98 percent of the vote, but nobody else runs.

Mr. SCHAEFER. If you take a look at the elections they have, most regional groups offer clean slates, meaning the only number of candidates that are open slots on the council are put forward. And so essentially it's a rigged election. You need to have competition so that viable candidates with better human rights records are on the ballot and hopefully they would draw more support.

Another thing is that the Human Rights Council is funded through the U.N. regular budget so it's an assessed contribution. The U.S. can symbolically withhold the U.S. proportional amount of that, but it gets spread throughout the U.N. regular budget and so the council never really feels it. We need to spin those types of activities out of the U.N. regular budget so that if Congress is upset with the conduct of the council or its actions, it can directly target the council itself for the financial leverage that it has available to it.

Mr. SIRES. Thank you very much. Thank you for your time.

Mrs. SCHMIDT. Thank you very much. And now I will turn to my good friend from California on the Subcommittee on Oversight and Investigations, the chairman. It's your turn, sir.

Mr. ROHRABACHER. Thank you very much. I've been trying to get a handle on how much money we're talking about. One of you referenced that it was—when you take a look at the overall picture and the very different things that we're talking about are part of the U.N. that was close to \$5 billion. What are we talking about here? How much are we spending—or how much is the budget of all of these U.N.—yes?

Mr. SCHAEFER. Congressman, that's an excellent question and to be honest with you, nobody really had an answer until fairly recently. Congress actually mandated that OMB consolidate all of the monies that the United States gives to the United Nations' organizations in general and the first report on that was produced by OMB in 2005. The most recent report by OMB said that the United States gave total \$6.3-plus billion to the United Nations' system in 2009. The legislation—

Mr. ROHRABACHER. Excuse me, is that what the United States gave or is that the budget for all—

Mr. SCHAEFER. That's what the United States gave in 2009.

Mr. ROHRABACHER. Oh.

Mr. SCHAEFER. The best estimate I've seen for the entire U.N. system including regular budget and extra budgetary figures was \$36 billion and that was produced in the U.N. report in 2010.

Mr. ROHRABACHER. Okay, and anyone else on the panel have more to add to that?

Mr. YEO. I would just add that in terms of U.S. contributions, the 2.1 that is sent every year in terms of our assessed contributions to peacekeeping is all done with American approval through the concept of the Security Council.

Mr. ROHRABACHER. Yes, through the Security Council which also I might add China has a veto over anything that can be done from the Security Council. So let's add that to America's approval.

Yes, ma'am?

Ms. ROSETT. The answer is actually nobody knows. If you call the Secretariat which I do periodically and ask them what is the U.N. system-wide budget, the answer they do not even systematically keep track. And different agencies take in different amounts. The OMB figures are missing some items. So even the U.S. \$6.3 billion answer isn't obvious.

Mr. ROHRABACHER. All right.

Ms. ROSETT. The U.N. has gone in for public/private partnerships, trust funds. That's why I'm saying what is needed is a consolidated, clear database that really tells you not just what they're budgeting but what they're spending, because right now—some years ago, former chairman Henry Hyde said he could not get a handle on the total budget.

Mr. ROHRABACHER. Let's just note that the chairman of this committee told us earlier, Mr. Berman, that he didn't even know about these regional U.N. operations and he's chairman of the Foreign Affairs Committee, for Pete's sake. I would say that we've got some work to do if we're going to be representing the interest of the American people. So maybe \$6.3 billion, maybe more, out of a possible \$36 billion budget—how much of that is of the \$36 billion is China paying?

Yes, ma'am?

Ms. ROSETT. They pay about a tenth of what the United States pays in assessed dues. For the rest, again, we simply don't know. If you ask for a consolidated statement, you can't get it. Each agency is supposed to keep track in itself. The agencies are opaque. There's no way to know.

Mr. ROHRABACHER. Let me just note with the answers we just got there is a global fund that fights AIDS, for example. And the United States has spent in the last 8 years, \$4.3 billion. This isn't a U.N. agency. That's not even included in the \$36 billion. So we spent \$4.3 billion, that's 28 percent of all the contributions, similar to what we're doing. Yet, China has given \$16 million to the fund. Let us note for just that fund, China has received \$1 billion while contributing \$16 million and let me just note that they've only had 38 cases a year of malaria and AIDS—or malaria, which is the malaria money that we're talking about that while the Congo has massive death from malaria, it received just \$149 million to combat malaria is what China received, and the Congo which has massive problem, received \$122 million.

So in other words, you've got this big country, China, who is not contributing very much and receiving great benefits from these U.N. programs. We can't put up with that. This is absurd. When we have a \$1.5 trillion deficit in this country, we're not going to put up with any more. What we're doing is loaning—we're taking loans from China in order to give to U.N. programs that then are

being ripped off by China. This has got to stop and I would say, Madam Chairman, that the U.N. should be one of our prime targets for reducing expenditures in order to bring down this deficit in our next few years. Thank you very much.

Mrs. SCHMIDT. Thank you very much. And now I'd like to turn this over to Mr. Ted Deutch from Florida.

Mr. DEUTCH. Thank you, Madam Chair. I'd like to follow up on where the ranking member left off, that is, the Human Rights Council and the United States role. The U.S. on a positive note, the United States helped block Iran's membership in the Human Rights Council and the United States helped mobilize a statement condemning repression in Iran, but I'd like to understand the process a little bit.

How is it that of the 50 resolutions, Mr. Neuer, that condemned countries, 35 condemned Israel? Where do they originate? And ultimately, I'd like to talk about how we reform that. But if you could speak to that, please?

Mr. NEUER. Sure, thank you. The resolutions, the 35 on Israel, for example, are all, as far as I can recall, introduced by the Islamic group and the Arab group at the Human Rights Council. They control an automatic majority. Of the 47 Member States, approximately 30 will approve anything that is introduced by these groups. The resolution could propose that the earth is flat and that resolution would be adopted by 30 votes out of 47. So the moment anything happens in the Middle East, or doesn't happen, these resolutions are being introduced and adopted automatically. And that's the problem.

There's an automatic majority that is dominated by repressive regimes. There are countries who vote for them that are not repressive regimes, countries like India. That's a democracy, for example, or South Africa. Regrettably, they continue to vote along dynamics that are either consistent with the non-aligned movement, the anti-Colonial, anti-Western ideologies and so we have this majority.

The question is, how can we stop it? And the answer in the near term is that we cannot stop these resolutions and it is almost impossible to pass a resolution. As we heard before, the situation in Cuba, an organization, Human Rights Watch, has worked with victims from Cuba, like Nestor Rodriguez Lobaina who has been beaten up and was denied permission to attend a human rights summit that we organized last year. It's impossible to pass a resolution on these situations.

However, and this is a critical point, we spoke here today about the power of the purse. Well, at the U.N. that resides in New York and the General Assembly. Geneva Human Rights Council has the power of shame. It is very significant. It is the power to turn an international spotlight on some of the worst abuses of the world that would otherwise go hidden and to help victims who have no independent voice, no freedom of the press, or free Parliament, or free judiciary. And what we have not seen is a determined effort by the democracies, the United States, the European Union, and others, to introduce resolutions even if we know they're going to fail. And being in the opposition, as members here will know, has a lot of tools.

And what we want to see is resolutions introduced on Iran, on Cuba, on China, on Zimbabwe. Even if they fail, the attention, the diplomatic energy and commotion that is generated would have, in our view, the same effect and would take the offensive and put the worst abusers on the defense.

Mr. DEUTCH. Is there some history of that? Are there resolutions that have been proposed and rejected that would further our human rights agenda?

Mr. NEUER. Not at the Human Rights Council, but previously at the Human Rights Commission under the Bush administration this did happen. There were resolutions introduced on China, on Zimbabwe that failed. And in our view, had a positive effect.

Mr. DEUTCH. In the short time left, Mr. Schaefer, you talked about membership standards. I'm intrigued. I think that would permit us to have a frank discussion about the nature of the nations that are making determinations about human rights standards throughout the world. Can you elaborate a bit?

Mr. SCHAEFER. Sure. The resolution that created the U.N. Human Rights Council said that countries have to submit a declaration of their dedication to human rights. So you have this farcical process wherein China or Iran submit their human rights bona fides to the United Nations General Assembly saying why they deserve to be elected to the U.N. Human Rights Council and no one pays attention to it. I think that there needs to be an outside evaluation of that, perhaps by NGOs, Freedom House, some other organizations could take a look at that and give an assessment, an objective assessment of the actual grades and hopefully, that could influence the process. Perhaps if you move away from a secret ballot to a recorded vote on some of these things you may actually see some changes in votes, but the key thing, I think, is moving to a competitive election, rather than a clean slate election wherein countries are just locked into it.

Mr. DEUTCH. I only have a few seconds. Could you speak though to the credentials that China, for example, would have put forth to justify its membership?

Mr. SCHAEFER. It said that it had freedom of assembly. It said that it was a democracy. It said that they respected freedom of the press. I mean you can go—

Mr. DEUTCH. Iran as well?

Mr. SCHAEFER. Iran as well, all across the board. These countries basically say they espouse the fundamental freedoms endorsed in the U.N. charter and in the universal declaration because that is the criteria you're supposed to meet in terms of being eligible for a council seat.

Mr. DEUTCH. Thank you very much. Thank you, Madam Chair.

Mrs. SCHMIDT. Thank you, and now I'd like to give 5 minutes to my esteemed colleague from southern Ohio, Steve Chabot, Subcommittee on Middle East and South Asia, chairman.

Mr. CHABOT. Thank you, Madam Chairwoman. Before I get in a couple of questions, I want to tell you a personal thing that happened. For a year, I was the Republican representative from Congress to the United Nations. Each year we have one Republican and one Democrat. And it was the year after 2001, coincidentally. And we happen to be at the U.N. and the topic for discussion at

this U.N. event was human trafficking and international child abduction and that sort of thing. And we spent a lot of the day in meetings all over the place. Well, it turned out even though that was supposed to be the topic, most of our U.N. diplomats spent most of the day behind the scenes trying to prevent the Arab bloc from kicking Israel out of the conference. And it seemed to be apparently just a typical day at the U.N.

The U.N. needs to be completely overhauled. We talked about this, the Human Rights Council and you have Cuba and Libya and the rest of them on there, probably the world's worst abusers of human rights and I think number one, relative to our dues, we shouldn't give a penny to the U.N. until they disband that Human Rights Council and completely overhaul it and completely reform it. That's just one member's up here view.

But let me get to a couple of questions. The U.N. Humanitarian Agency for Palestinian Refugees, UNRWA, refuses to vet its staff for aid recipients for ties to terrorist groups. It doesn't even think Hamas is a terrorist organization. It engages in anti-Israel and pro-Hamas propaganda and banks with Syrian institutions designated under the USA Patriot Act for terror financing and money laundering. Why is the United States still the largest single donor? Why have we given them about \$0.5 billion in the last 2 years alone? Why hasn't the United States publicly criticized UNRWA for these problems and withheld funding until it reforms, given that Hamas controls security in Gaza and that Hamas has confiscated UNRWA aid packages in the past? How can we possibly guarantee that U.S. contributions to UNRWA will not end up in Hamas' hands?

And I'd invite any, maybe two folks on the panel to take this before I get to my last question.

Yes, Ms. Rosett?

Ms. ROSETT. You can't guarantee it. In fact, it does. A conversation I had with someone—UNRWA is headquartered in Gaza and basically provides support services for what has become a terrorist enclave. So they've actually created a terrorist welfare enclave there. And I asked, "How do you vet your staff to make sure that they are not terrorist members of Hamas?" The answer I was given was, "We check them against the U.N. 1267 list." That sounds very impressive, unless you happen to know that the 1267 list is al-Qaeda which is maybe a problem in Gaza, but it's not the main problem. The problem is Hamas.

The U.N. has no definition of terrorist. Therefore, what that means is it does not recognize Hamas or Hezbollah as terrorists. In other words, there really is no way. They don't check—in order for you to check, you would have to ask for a full accounting of who exactly is spending the money in Gaza. And may I just say in looking at the things that do come out of UNRWA that are visible, I pondered—I came across UNICEF country appeal in which they were asking donations from inside Iran for a Gaza appeal. Remember, Iranian-back terrorist Hamas runs Gaza where UNRWA is headquartered.

Mr. CHABOT. Let me go to my last question. I appreciate the response.

Ms. ROSETT. Sure.

Mr. CHABOT. In September, the United Nations is scheduled to hold an anniversary celebration of the infamous Durban Conference on racism, taking place only days after the tenth anniversary of the September 11th attacks on this nation. This Durban III Conference is likely to feature the same hateful, anti-American, and anti-Israel rhetoric that characterized the previous two conferences. Canada and Israel have both announced that they will not attend, but the U.S. administration has refused to announce a boycott of the event.

Shouldn't the United States immediately join Israel and Canada in announcing that it will not participate in or support Durban III and isn't there no hope that the conference will address real issues of racism, given that it would be commemorating the biased Durban declaration of 2001? And shouldn't we finally give up on this failed Durban process and seek credible alternatives?

I've got 30 seconds, so yes, sir.

Mr. SCHAEFER. I think that that's entirely likely. In fact, the Obama administration boycotted the Durban II conference because of concern that it was not going to be addressing the issues in an unbiased fashion in regards to Israel. And that's likely to occur again. I'm kind of startled that they haven't made a strong statement in that regard and announced a boycott already.

One thing I will mention is that conference and UNRWA also received money through the U.N. regular budget, so it's assessed, and the U.S. withholding is extremely impeded by this assessed process. If we decide to withhold our proportional amount to UNRWA or to this conference from the U.N. regular budget, again it gets spread around and therefore the U.S. target of that withholding is insulated from that effort.

Mr. CHABOT. Thank you.

Mr. SCHAEFER. So we need to spin these activities outside and have them be voluntarily funded.

Mr. CHABOT. Thank you.

Mrs. SCHMIDT. And now I'd like to turn to my good friend from Rhode Island, Mr. Cicilline, for 5 minutes.

Mr. CICILLINE. Thank you, Madam Chair. I want to first associate myself with the remarks of our ranking member and recognizing that we have much work to do in reforming the United Nations and thank him for identifying some of those issues. I think we all recognize we live in an increasingly complex and interconnected world with a growing global economy and so I think we have a responsibility to figure out how we strengthen and improve the operations of the United Nations.

And one of the areas, the question I want to ask relates to the peacekeeping function of the United Nations, recognizing that the United Nations peacekeepers are in 14 of the most dangerous places in the world and has the second largest deployed military presence in the world. And looking at kind of the costs because a lot of this conversation is about costs. We spent in this country in 2010 \$70 billion in Afghanistan and over the last 10 years we've spent over \$1 trillion in Iraq and Afghanistan.

There was a GAO study that said that the U.N. is eight times less expensive than if the U.S. were to do much of this work unilaterally. The RAND Corporation said that the U.N. has been effective

as a peacekeeping force. And so in light of that and in light of the fact that under both President Bush, both Democrat and Republican administrations, there seems to have been an increased number of missions in terms of the peacekeeping function.

I just wanted to hear from the witnesses about, you know, are there improvements that need to be made in that area? It seems to be effective, certainly cost effective in terms of what we would spend if we were to engage in unilateral action and are there—so is there some consensus on the panel that that's a function that is bringing peace to the world, doing it in a cost efficient way and that it isn't as if we do nothing? We'd have to respond to some of these issues and at a cost sometimes eight times as expensive. Is that a fair analysis?

Mr. YEO. Thank you, Congressman, for your question. I would say that first of all there is room for improvement in terms of peacekeeping. The Secretary-General has launched a 5-year strategy to ensure that we better have the capability to launch peacekeeping missions quickly and that the cost associated with running the missions are shared between missions through regional centers so there are concrete measures that are being considered that we can move forward with to make the missions themselves more efficient and more cost effective.

The other point I would note is that the U.N. does have strong special political missions in Afghanistan and Iraq. And as we think about our extensive involvement in both of those countries and the presence of American troops, the U.N. will be there for a decade to come, working with the governments, promoting peace and stability and security so that when American troops come home, we leave behind strong and effective governments that can combat terrorism in both of those countries. And I think that that's an important role for the U.N. to play moving forward. Thank you.

Mr. SCHAEFER. The U.N. peacekeeping operations often support U.S. interests. There's nobody, I don't think, that would deny that characterization. But I think that the analysis that was provided by the studies is subject to an inherent assumption that I don't think is true. That is the assumption that the United States would be conducting these operations if the U.N. weren't. I don't think that that's necessarily the case. I think that the decision would go to U.S. interests. But that being said, the U.N. operations there often do support U.S. interests, if not U.S. core interests that would lead to a U.S. direct intervention.

But U.N. peacekeeping also has a number of flaws and there are a number of things that need to be addressed substantially. An OIOS report audit of \$1 billion in U.N. peacekeeping found that over a quarter of it, \$265 million was subject to waste, corruption, fraud, and abuse. A 2007 OIOS report examined \$1.4 billion in peacekeeping contracts and turned up significant corruption schemes that tainted \$619 million or over 40 percent of that amount in terms of the contracts due to corruption.

An audit of the United States mission in Sudan revealed tens of millions of dollars lost to mismanagement, waste, and substantial indications of fraud and corruption. So there is a lot that needs to be done here and not enough has been done to address these problems.

And on the issue of sexual abuse and misconduct, all too often the U.N. fails to hold these individuals to account for their sexual misconduct and their criminality. They are often sent home, but very, very rarely are cases pursued or individuals brought to trial or punished for their crimes.

Mr. CICILLINE. Thank you. I yield back the balance of my time.

Mrs. SCHMIDT. Thank you. Now I'd like to give 5 minutes to the gentleman from South Carolina, Mr. Duncan.

Mr. DUNCAN. Thank you, Madam Chairman. First off, let me say that I appreciate the comments made by the distinguished gentleman from New Jersey, Mr. Smith, and I thank him for the passion with which he makes them. It hit home with me and actually answered one of the questions that I was going to address the panel.

So let's turn back to the budgeting and financing issues, and I want to address my comments to Mr. Schaefer first. I agree with many of the members and presenters here today that reforms in U.N. financing and budget is an absolute necessity. I think that we must ensure as Congress and stewards of taxpayer dollars that they are well spent and well accounted for.

So given the level of support that the United States gives to the U.N. and taken with the relatively small amount contributed by other Member States, could you address the possibility of a weighted voting system which would assure that the U.S. has more input on how taxpayer dollars are spent? I know you addressed those in your comments, but I'd like to have those on the record.

Mr. SCHAEFER. There are a number of different options that could be explored in terms of giving major contributors more influence over U.N. budgetary decisions. In the 1980s, congressional legislation led the U.S. to seek weighted voting on U.N. budgetary matters so that if the U.S. pays 22 percent of the U.N. regular budget, it would have 22 percent of the weighted vote in terms of approving that budget. That was opposed by the U.N., but the Reagan administration succeeded in getting what was a compromise wherein the U.N. budget would only be adopted by a consensus vote. Through that process and the U.S. policy of a zero nominal growth budget, the United States was able to oppose budget increases and constrain U.N. budget growth in the late 1980s and 1990s. But it wasn't actually able to reduce things because even though the U.S. could stop an increase, other countries could stop a reduction. And so you essentially had a tug of war that kept things at a status quo. That consensus-based agreement, the informal agreement of adopting the budget by consensus has been shattered in recent years.

The U.S. presented a number of proposals for reducing the U.N. budget and eventually a budget was proposed that the U.S. opposed. It voted no. And that budget was approved over the objection of the United States and so that consensus process no longer exists. And the U.N. could do this without any kind of repercussions because the teeth behind the consensus-voting agreement was legislation that said if the U.N. adopted a budget over the objection of the United States or without those processes in place, it would be subject to financial withholding. That legislation was removed

in the early 1990s and so now there are no repercussions for doing that.

So even though the consensus budget was successful in a certain way in terms of constraining the U.N. budget growth, it wasn't successful in what we would like to do, I think, in terms of trying to go through the U.N. budget and eliminate funding for duplicative or outdated mandates and spinning certain things out of the U.N. budget.

So I would do a couple of things. First, I would try and seek a dual key approval of the U.N. budget, one approval by two-thirds of the U.N. Member States, but also requiring two-thirds approval of the contributions to the U.N. regular budget. So you have major contributors having to approve the budget alongside the bulk of the U.N. Member States. But more importantly, I would focus on trying to spin as much of the independent activities of the U.N. out of the regular budget, so you just focus it on the core support of the U.N. Secretariat of the Security Council of the General Assembly of the International Court of Justice and so forth, the core organizations of the United Nations. And spin out activities like the Human Rights Council and the regional commissions, the various human rights committees, UNEP, UNRWA, all these other organizations that are funded through U.N. regular budget and have them be funded voluntarily. That gives Congress much more discretion in terms of financing programs that it thinks support U.S. interests and withholding funding from programs that do not.

Mr. DUNCAN. Thank you. In the balance of my time, I'd like to ask quickly, Ms. Rosett. You made a statement a minute ago that struck me that we don't have a good accounting of how the money is spent.

What's the process of getting that started? I think congressional oversight would like to see a detailed accounting of the number spent in the U.N.

Ms. ROSETT. You would have to find a way to get the U.N. to actually put it in and produce. I would say the more specific request or demand is made outlining what really has to be there the better, because if you leave it to their discretion, you will end up with the again, I refer you to the back of my written testimony, the sample one-page document disclosing nothing that pretends to be financial disclosure.

You would probably have to hand them the template, here's what we want and what you will find—I'll give you one example. The U.N. flagship agency, the U.N. Development Program which was involved in the North Korea Cash-for-Kim scam. They have procurement Web sites which look—they have a main Web site which looks quite neat, if you just look at it, until you start looking for things that actually matter. For instance, start asking and what exactly did they ship into Iran last year with their U.N. immunities, this agency that shipped missile, dual use parts that could be used for missile production to North Korea and you won't find anything. You would need to specify what—exactly what you want to see and I would strongly recommend, we see U.N. budgets and even that is like deciphering Sanskrit.

Mr. DUNCAN. Thank you.

Ms. ROSETT. You would need to ask spending.

Mrs. SCHMIDT. Thank you. Now I'd like to give 5 minutes to the gentlelady from California, Mrs. Bass.

Ms. BASS. Thank you very much and I'd like to thank the witnesses for taking their time to present testimony today. I'm struggling with the idea of the U.S. withholding funding and wanted to know if you could articulate a little more. We have done that in the past and I'd like for you to elaborate on how we were able to impact reforms when we withheld funding before. And then if we did do that, what does that do to our standing internationally?

And if you think about the Iran sanctions that made it through the Security Council, if we were to withhold funding, then what kind of position would that put us in when we then obviously want the U.N. to have those sanctions? And maybe you have some other examples of how we could impact reforms that didn't involve withholding funds.

Mr. SCHAEFER. I'd be happy to talk about that. My written testimony I actually go through a number of historical instances where Congress has used its financial leverage to get the United Nations to adopt specific reforms. One was the Kassebaum-Solomon amendment in the 1980s which led to the consensus-based voting process which helped constrain U.S. budget growth in the 1980s and 1990s. A second was congressional withholding, demanding that the U.N. create an Inspector General equivalent organization. That led directly to the creation of the Office of Internal Oversight Services in 1994. And third was the Helms-Biden legislation wherein the United States agreed to pay U.S. arrears to the United Nations in return for certain specific reforms including reductions in the U.S. level of assessment for the regular budget and for peacekeeping. Under that agreement, the U.N. was supposed to reduce the U.S. peacekeeping assessment to 25 percent. It never reached that level, although it did get within 2 percentage points back in 2009. More recently, the U.N. has actually reversed pace and increased the U.S. assessment for U.N. peacekeeping to over 27.1 percent. So we're seeing some back tracking on the part of the U.N. in terms of the reforms that they agreed to in return for Helms-Biden. So you do see that there are specific pieces of congressional legislation and a specific response by the United Nations that is tied to that legislative effort.

Other types of U.N. reform have been pursued, but often it is out of a fear that Congress may do something about the issue. For instance, the Volcker Commission was created to investigate the Iraqi Oil-for-Food Programme and that was created specifically because Congress was becoming very, very interested in pursuing the matter itself and so the U.N. took preemptive action and created the Commission. You could also say that U.N. peacekeeping rules and regulations, while insufficient still, were adopted in part because Congress was focusing through hearings and other pieces of legislation on that problem.

I think Congress has a vital role to play for pressing for U.N. reform. In terms of how it affects our diplomacy, there's no doubt that pressing for budgetary cuts and U.N. reform ruffles feathers at the United Nations. They'd much rather spend their time focusing on other things. But that is a long-term issue and U.S. administrations have historically focused on short-term political prior-

ities, passing a resolution, getting something immediately done to address a more imminent problem from their perspective. Congress has a longer-term perspective on this and I think that's where they complement each other. Congress can play a bad cop role, the administration and State Department diplomats can play a good cop role. Having Congress playing the heavy can actually improve prospects for reform in the United Nations.

Ms. BASS. So then you're not necessarily suggesting that we completely defund the U.N.?

Mr. SCHAEFER. No.

Ms. BASS. Just threaten?

Mr. SCHAEFER. No. I think we should withhold to try to spur specific reforms, but I'm not saying withhold every single dime that we give to the United Nations. I think that a lot of the things that the U.N. does are very useful and support U.S. interests. But there's no doubt in my mind that a number of reforms that have been advocated in the past remain undone. Some talk has been made about the U.N. Ethics Office. Yes, they created a U.N. Ethics Office, but almost immediately the authority of that office was challenged by the United Nations Development Program. The Ethics Office found that UNDP's retaliation against a whistleblower was illegitimate, demanded UNDP to take certain actions to repair that issue. And UNDP rejected the authority of the U.N. Ethics Office. The Secretary-General, instead of backing his own Ethics Office, backed UNDP. Now you have divergent ethics standards throughout the U.N. system and NGOs that analyzed this issue say they're completely inadequate and weak compared to international standards.

More recently, the OIOS official in charge of investigations was charged with retaliation against two whistleblowers himself and he also rejected the authority of the Ethics Office. So there's a question of whether the Ethics Office even has authority within the U.N. Secretariat.

Ms. BASS. Thank you.

Mrs. SCHMIDT. Thank you. And now I'd like to give 5 minutes to my good friend from California, Mr. Royce, of the Subcommittee on Terrorism and Nonproliferation.

Mr. ROYCE. Brett, Mr. Schaefer, the case you were talking about, was that the North Korean case or the—

Mr. SCHAEFER. In terms of UNDP—

Mr. ROYCE. The example you just gave.

Mr. SCHAEFER. Yes, it was.

Mr. ROYCE. I'd like to ask Claudia, Claudia Rosett about this because she's reported for many years on this situation with respect to North Korea. One of the things I remember is talking to a defector from North Korea who had worked in the missile program. He said every time the regime ran short of hard currency it couldn't purchase on the market the equipment it needed for the missile technology, and had to wait until the regime could come up with more hard currency. The part that concerns me about this whole process is that \$6 billion spent by the UNDP per year, and half of it goes to authoritarian regimes, according to Freedom House. We're learning more and more about how that money is spent in countries like Iran and Zimbabwe. We have concerns about how it's

spent in Syria and Venezuela. But North Korea in particular is a case where if we thought that this currency was going for fine wine and sushi for the “Dear Leader,” it would be one thing, but the suspicions that the use of the hard currency and the documentary evidence, and that’s what I’d like to get into here for a little bit with you Claudia, basically, it was a case of the checkbook for the UNDP being turned over to the regime.

The CFO was picked by the regime. And when somebody blew the whistle on this, the UNDP unanimously, just as they have in every other case circled the wagons to basically try to cover this up. But North Korea was able to use the UNDP to procure dual use items in the name of development and then they got their hands on equipment that happens to also be used to develop and target and test missiles. And that’s the part that really makes us wonder about the amount of contribution we made here in the United States, I think about \$290 million a year or more than that. We’re one of the top three donors into this program and yet we have no ability to get across to the UNDP that we’re not going to finance our own suicide here by allowing hard currency to get in to the development of nuclear weapons or how to deliver them with missiles.

The questions I’d ask Claudia is—I remember they temporarily shut this down and then it started right up. So how much money now is moving into North Korea? Is Kim Jong-Il still able to pick the CFO for this position? I don’t know the answer to that. What’s going on with the program today? How much do we know?

Ms. ROSETT. Well, once again we don’t know enough. I will tell you a few things about the U.N. Development Program which ran this office in North Korea and is now running it again. Two years ago, its governing body at the U.N., a 36-member executive board was chaired by Iran. This was while Iran was having the murderous riots in the streets. Iran still sits on the board. When Cash-for-Kim broke, North Korea was sitting on the board. This is the flagship U.N. agency and so on.

I am actually less concerned with the exact amount that is—of dollars that is going into this program in North Korea than with the abilities it gives the UNDP Office in Pyongyang and North Korea to bring in items or UNDP in Iran which we have no insight into right now. These places only become transparent when there’s a major inquiry and it took more than 1½ years to pry out of the U.N. the information that finally told us that the UNDP had been bringing things like a satellite image receiving station into North Korea. North Korea is a starving, poor country. Certainly the people there need help. The government there puts the military first. You don’t need to be bringing that kind of equipment in. That was clearly a North Korea shopping list which UNDP rushed to procure for them.

One thing that Congress might do is ask the Bureau of Commerce to produce something I can’t get. It’s confidential. The export licenses for all U.N. purchasing abroad, because that will show you what the U.N. is requisitioning, at least in this country. You might get a glimpse. I venture to guess it would make your jaw drop. And it would be useful if other countries would produce similar lists.

The point I think is really important to get across here is the U.N. is a brilliant machine for laundering goods and money across borders with no oversight. That needs looking at.

Mr. ROYCE. We will do that, Madam Chair, this committee will do that and I appreciate the testimony of the panel.

Mrs. SCHMIDT. Thank you. And now I would like to turn my attention to our good friend from Missouri, Mr. Carnahan.

Mr. CARNAHAN. Thank you, Madam Chair, and I want to thank Madam Chair and ranking member for holding this hearing, our witnesses for being here. I believe it's very important that the United States is at the table at the U.N., at the table engaged in various international organizations. Even though the issues are complex, the parties are difficult and the bureaucracies entrenched at the U.N. I think we have to be looking at ways to best leverage the U.S. involvement and I think also the best exercise, congressional oversight. So I appreciate you all being part of this process.

I wanted to ask Mr. Neuer, the Human Rights Council has properly come up in this discussion today. Last year, we had a hearing on the rise of anti-Semitism around the world and the council clearly came up in those conversations. There's been some very well directed and well founded criticisms of the council, but there also have been some successes and some improvements in the council with our involvement. I wanted to ask your assessment on the progress that's been made since we have rejoined and whether or not you think we could have made these improvements if we were not at the table. And do you think that were the U.S. to leave the council would that stymie further progress?

Mr. NEUER. Thank you. The changes that have been made in our view have been mere specks on a radar screen for a situation that is abysmal. As I presented in my oral summary, in my written testimony, the state of human rights at the U.N. is a disaster at the Human Rights Council. And so in terms of U.S. involvement, as the ranking member read from my prepared statement, we certainly salute the determined efforts of the U.S. mission in Geneva. They are trying their best. They are doing what they can. They have tried to defend principles, to defend human rights groups who bring victims and so forth. There have been a number of resolutions which we welcome, on Ivory Coast recently, on Kyrgystan and on one or two others. These resolutions haven't had the strength of some other resolutions. They haven't all been condemnatory. The one on Kyrgystan, for example, was introduced regarding a situation that had happened under a previous government, so it wasn't necessarily the most courageous text in condemning a seated government and holding it accountable and that's been a pattern that we've seen on some resolutions that appear to be meaningful, but in fact, are critical of prior governments.

So again, we encourage U.S. efforts and we want them to do far more. And as we've said, we still don't understand why nothing has been introduced on Iran. Actually, we've crunched the numbers. As you know, there is a resolution in General Assembly that is adopted each year. It's run by Canada. And it passes in the General Assembly in New York. And if you run the numbers, actually, in theory, if the missions in the Geneva would vote the same way, the 47 countries, you would have more yes votes than no votes. So ac-

tually with significant diplomacy, we could have a resolution on Iran that would pass. It wouldn't be easy.

Why is it not being introduced? I don't know the answer to that question. I hope it will be introduced and I hope we'll see the creation of a special investigator on the massacres that have taken place in Iran. So to summarize, we have always supported robust engagement. UN Watch was founded by a former United States Ambassador, Morris Abram, who was a civil rights leader as well. We've always believed in the value of U.S. leadership and engagement and in our recommendations that we submitted here last year which was co-sponsored by bipartisan group, Representative Engel and Congresswoman Ros-Lehtinen, we set forth numerous recommendations for what the U.S. working in concert with the European allies need to do and fundamentally it's to take the offensive. It's not to allow the abusers to veto and to only introduce that which will pass. That will really limit it to countries of little influence. As I said, Iran, China, Syria, the list goes on, have all been ignored. That is something that is not satisfactory.

Mr. CARNAHAN. Thank you. And quickly to go to Mr. Yeo, with regard to the Millennium Development Goals, your colleague, Kathy Calvin, testified last year at our hearing. I'd like to hear your thoughts on how the U.N. can best partner with the private sector and what U.S. engagement has meant to those efforts.

Mr. YEO. Sure. I would say that as we think about shrinking national budgets for foreign aid and foreign assistance, public-private partnerships, including corporations around the world who wish to support the NDGs' and the U.N.'s work, are very important. It's something that we try to facilitate at UNF. Thank you.

Mr. CARNAHAN. Thank you.

Mrs. SCHMIDT. Thank you. And now I'd like to give 5 minutes to my good friend from North Carolina, Mrs. Ellmers.

Ms. ELLMERS. Thank you, Madam Chairman, and thank you, panel, for being with us today.

I just want to ask my questions in regard to some of the corruption issues and I'm going to address my question to Mr. Appleton. But I would like to state this. You just understand the concerns of the American people, the hard-working taxpayers who are the ones who are funding you, the U.N. And when it comes to these issues of corruption and misconduct, it's hard for us and I can tell, I know, I can tell you the people of North Carolina District 2 are very concerned about this issue.

So again, to Mr. Appleton, you tried to oversee and help reform the U.N. and uncover over \$1 billion in tainted contracts. And as thanks, you got fired and blocked from being hired for further jobs there. And many of your cases remain open and unaddressed at this time. Is this what generally happens when a U.N. investigator takes this course? And can you discuss with us today what happened to your appointment to be the lead investigator at the U.N.'s Office of Internal Oversight Services?

Mr. APPLETON. Thank you very much. I'm honored to have been asked to appear. I think in 3 minutes it's tough to describe the overall dynamic of oversight in the U.N. and conducting investigations, but I'll give it a shot.

I think conducting true, real, deep investigations to ferret out the actual facts and circumstances is not a best way of career advancement in the U.N. And the reason why I think you'll see a number of Inspector General-type offices in many of these international organizations that do not—aren't very aggressive because you can see what happens. You do not make a lot of friends. And if you pick the wrong subject, it could have very fatal consequences.

So what's critical for oversight in the U.N. is complete independence, not just operational independence, but budgetary independence. So ultimately, your funding is not at risk, your career is not at risk, your job is not at risk. Because otherwise, if it is, what advantage is it for you to pursue real, honest and objective investigations?

So historically, I think I would agree with some of what Mr. Schaefer said about focus of this Congress. And when there is focus it can happen properly. There are episodes where sometimes privileges and immunities have been waived and cases have been advanced, but if there isn't an eye and a focus and attention on the issues, they're not, in my experience, not going to advance. You've got to have will and you've got to have an apparatus and machinery that protects investigators from retaliation and I'm not saying you don't hold them to a certain standard. There's no question. The investigations have to be genuine, integrous, unbiased. No question about that.

And I think the way to challenge them is through a judicial mechanism that is properly functioning, so you need all these apparatus. A strong and effective independent oversight office has to be complemented and supplemented by an effective ethics office, a sound, judicial machinery, an effective appeals process, and effective sanctions and penalty regime. So all of that needs to be put in place. What had been started it seemed to have faltered and going into reverse. So the way in which the dynamic is it does not set the atmosphere for thorough and deep and intense inquiries.

With respect to my own situation, I guess I would respectfully say that because the case is in the judicial system I really can't speak too much about it other than the fact that this was an example of a lack of independence of the Under Secretary-General who attempted to—went through proper procedures, conducted a recruitment exercise, presented my nomination and it was not accepted. So the argument certainly is and she's a forceful advocate of this that there's a real example of a lack of true independence in oversight. You need to be able to appoint your own staff. Thank you.

Mrs. SCHMIDT. Thank you. And now I'd like to give 5 minutes to my good friend from Nebraska, Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Madam Chair, for the time. Thank you all for coming today. Given the drama of the institution, perhaps we could start a new reality TV show and call it the U.N. Makeover or something like that.

With that said and seriously, let me say I think it's important for the United States to belong to multi-lateral institutions. The world is complex, but without some platforms for the development of mutual understanding we could be in a worse off situation in

spite of the effrontery that we sometimes have to endure in this particular multi-lateral entity.

With that said, I'd like to point out what I perceive to be some of the U.N. strengths and I think some of you spoke to this. Perhaps you could confirm that. And then I'd like to try to unpack further the reforms that could be engaged that would actually strengthen the part of the institution that makes sense, but either jettison or rethink the other components that are causing such serious problems.

I was in the country of Liberia a little while back and had a one-on-one chat with a U.N. peacekeeper, a Nigerian who was in a blue helmet, way out on an outpost in the interior of the country. He was very well informed as to what his mission was and how he would carry it out and I was impressed. And it does seem to me that the U.N. peacekeeping forces around the world provide a stabilization factor, sometimes imperfectly, but a stabilization factor. That is very important.

Secondly, the U.N. is very well positioned to provide humanitarian outreach, particularly in crisis times and I think that's very important work and it seems to be a strength of the institution.

Now with that said, we've talked about a lot of the other difficulties, one being the Human Rights Council. Since the United States has joined, we've not even offered a resolution condemning the human rights abuses of China and Cuba. And so with that said, how can we unpack this further that looks at the institution from the portions of it that are really viable, potentially reforms or gets us away from or shames or withholds money as you suggested, Ms. Rosett, in the areas that again give real effrontery?

And third is, are there other multi-lateral institutions that can begin to replace that which cannot be reformed in the internal dynamics of the institution? Yes.

Ms. ROSETT. The internal dynamics have a certain mathematics and logic where it would be nice to believe, for instance, that the Human Rights Council can be sort of brought around like a super tanker. But if you actually look at the makeup of the General Assembly, we need to wait until the change of the character of the majority of nations on the planet before that actually happens. And the essence of success in the modern world really is competition and I think turning to some alternative grouping in which you are not obliged to haggle with Cuba and Russia and China over how to define human rights is something that might be very productive and at the end of the day would also honor the people whose rights you're actually trying to protect. Because as you know, on the ground it translates into complete abandonment. These things that sound academic when they're discussed in the council, talk to people from Zimbabwe who live under the kinds of rules that need to be addressed.

So competition makes a great difference. One other note—

Mr. FORTENBERRY. Do you see any current institution that might fulfill that role or some emerging fledgling institution that could do that in the near term?

Ms. ROSETT. Absolutely, where you are not constrained by the U.N. membership problems. One other note, peacekeeping also can have the very dangerous, dangerous drawback, that it sounds as if

something is being done. At the moment, the ramped up UNIFIL mission in Lebanon, the peacekeepers in Lebanon who remember were needing rescue from their bunkers after Hezbollah built up weapons nests around—

Mr. FORTENBERRY. I said albeit imperfectly.

Ms. ROSETT. They're re-arming again. And I think it is a question that needs to be very seriously asked, is it more dangerous to have them there giving the illusion that they are protecting things, waiting until the next rescue.

Mr. FORTENBERRY. Thank you, I'm sorry, I've run out of time.

Mr. SCHAEFER. I think it's just important to note that the U.N. is not the only multi-lateral option and that multi-lateral activities are not legitimate only if they go through the United Nations. Take a look at an organization like the Proliferation Security Initiative which was introduced by the Bush administration to counter trafficking in weapons of mass destruction. If you take a look at ad hoc interventions by the African Union, by NATO forces around the world, you can do peacekeeping, you can do interventions outside of the U.N. framework.

And if the reforms are not adopted to implement membership standards for the Human Rights Council, I think the U.S. and other countries should seriously consider creating a non-U.N. human rights body so that you can keep human rights violators off of that body and really dig into the human rights issues and confront human rights abusers.

Mr. FORTENBERRY. That may be the answer here. I'm sorry, I'm out of time. Thank you.

Mr. FORTENBERRY. Thank you and without objection, the full written statements of all of our briefers will be made as part of the record. Members have up to 5 days to submit their statements for the record and to my good friend from California, do you have any more witnesses, sir?

Mr. BERMAN. I do, but I didn't bring them with me.

Mrs. SCHMIDT. Thank you. In the full interest, do we have any more witnesses in the back room? Can somebody check before I gavel this down?

Mr. BERMAN. Members?

Mrs. SCHMIDT. Members, I mean. I'm new at this. No more members, all right. This briefing is now closed and again, members have up to 5 days for written statements and your prepared remarks as well. Thank you very much gentleman and lady for your attention in this matter.

[Whereupon, at 12:16 p.m., the briefing was concluded.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE BRIEFING RECORD

**FULL COMMITTEE BRIEFING NOTICE
COMMITTEE ON FOREIGN AFFAIRS**

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

Ileana Ros-Lehtinen (R-FL), Chairman

January 14, 2011

You are respectfully requested to attend an OPEN briefing of the Committee on Foreign Affairs, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at (<http://www.hcfa.house.gov/hearings.asp>)):**

DATE: Tuesday, January 25, 2011

TIME: 10:00 a.m.

SUBJECT: The United Nations: Urgent Problems that Need Congressional Action

BRIEFERS: Mr. Brett Schaefer
Jay Kingham Fellow in International Regulatory Affairs of the Margaret Thatcher Center for Freedom
The Heritage Foundation

Ms. Claudia Rosett
Journalist-in-Residence
The Foundation for Defense of Democracies

Mr. Hillel C. Neuer
Executive Director
UN Watch

Mr. Peter Yeo
Vice President for Public Policy and Public Affairs
United Nations Foundation and
Executive Director
Better World Campaign

Mr. Mark Quarterman
Senior Adviser and Director
Program on Crisis, Conflict, and Cooperation
Center for Strategic and International Studies

Mr. Robert Appleton
Former Chairman
United Nations Procurement Task Force

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE HEARING

Day Wednesday Date January 24, 2011 Room 2172 RHOB

Starting Time 10:06 am Ending Time 12:16 pm

Recesses (___ to ___) (___ to ___)

Presiding Member(s)

Congresswoman Jean Schmidt

Check all of the following that apply:

Open Session

Executive (closed) Session

Televised

Electronically Recorded (taped)

Stenographic Record

TITLE OF HEARING:

"The United Nations: Urgent Problems that Need Congressional Action."

COMMITTEE MEMBERS PRESENT:

Attendance Sheet Attached

NON-COMMITTEE MEMBERS PRESENT:

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

Rep. Gerry Connolly

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED 12:16 pm


Mark Gage, Deputy Staff Director

Hearing/Briefing Title: *The United Nations: Urgent Problems that Need Congressional Action*

Date: January 24, 2011

Present	Member
	Ileana Ros-Lehtinen, FL
X	Christopher Smith, NJ
X	Dan Burton, IN
X	Elton Gallegly, CA
X	Dana Rohrabacher, CA
	Donald Manzullo, IL
X	Edward R. Royce, CA
X	Steve Chabot, OH
	Ron Paul, TX
	Mike Pence, IN
	Joe Wilson, SC
	Connie Mack, FL
X	Jeff Fortenberry, NE
X	Michael McCaul, TX
X	Ted Poe, TX
X	Gus M. Bilirakis, FL
X	Jean Schmidt, OH
X	Bill Johnson, OH
X	David Rivera, FL
	Mike Kelly, PA
X	Tim Griffin, AK
X	Tom Marino, PA
X	Jeff Duncan, SC
	Ann Marie Buerkle, NY
X	Renee Ellmers, NC

Present	Member
X	Howard L. Berman, CA
X	Gary L. Ackerman, NY
	Eni F.H. Faleomavega, AS
	Donald M. Payne, NJ
	Brad Sherman, CA
X	Eliot Engel, NY
	Gregory Meeks, NY
X	Russ Carnahan, MO
X	Albio Sires, NJ
	Gerry Connolly, VA
X	Ted Deutch, FL
	Dennis Cardoza, CA
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X	Brian Higgins, NY
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X	Frederica Wilson, FL
X	Karen Bass, CA
X	William Keating, MA
X	David Cicilline, RI
X	Allyson Schwartz, PA