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Analyses from Associates of the CENTER FOR UN REFORM EDUCATION

UN MANAGEMENT REFORM THE ROLE AND PERSPECTIVE OF THE UNITED STATES

by Julia C. Hurley, 21 June 2007

The Center plans to produce a series of analyses on the roles and perspectives of UN Member States or their groupings on their reform perspectives.

This analysis examines efforts by the United States to bring about management reform at the United Nations. The author based her findings on statements issued by the United States, an interview with a key US diplomat at the UN, as well as NGO and Press reports.

Management reform is an issue that has been on the agenda of the United Nations for years, but due to the enormous increase in the activities, mandates, and budget of the UN - and especially increased peacekeeping activities in the last decade - there has been a growing voice within the UN to reform management practices in order to make the UN more effective and efficient, as well as less susceptible to fraud and corruption.¹ The United States sees itself as the main proponent of management reform and would like to transform the UN into an organization run more like a corporation than a government, with the Secretary General at the helm as CEO.

US Proposals for Management Reform

The United States' proposals for management reform revolve around three themes: "accountability and integrity, improved effectiveness, and boosting the United Nations' relevance in the modern world."² In terms of accountability and integrity, the US has proposed that the UN strengthen the independence of the Office of Internal Oversight (OIOS); enhance internal oversight of peacekeeping missions; allocate internal oversight at small UN agencies to OIOS; install a strong ethics code for UN Staff to be strictly enforced; reinforce the Secretary General's duty to waive immunity in order to be able to better prosecute and hold accountable UN officials suspected of criminal activities; and "initiate efforts within organizations throughout the UN system to encourage them to strengthen staff rules and regulations related to conflict-of-interest behaviors [of UN staff members]."³ As for improving effectiveness, the US has called upon UN Member States to pass reform measures that include increasing the efficiency of the UN Public Information function by "further consolidating UN Information Centers around the world" and by encouraging OIOS to conduct a study of these centers, as well as the Department of Public Information, and provide oversight of their activities.⁴ Additional US proposals concern the expansion of outsourcing and automation of translation services, amounting to more than 200 million dollars per year, as well as the reduction of the cost, frequency, and duration of conferences and meetings due to the exorbitant costs of such functions, in particular the added cost of thousands of dollars per hour when meetings run over schedule.⁵ Furthermore, the focus on boosting the relevance of the UN has included calls for the use of and expanded authority to redeploy posts, as well as a review of program mandates to determine their relevance and usefulness.⁶

World Summit Outcome Document and US Efforts to Hasten Management Reform

The *Outcome Document*⁷ of the UN World Summit included many Management Reform measures that the United States has been advocating, such as:

- Establishment of an Ethics Office;
- Improved financial disclosure procedures;
- Enhanced whistleblower policies;
- Review of UN budgetary, financial, and human resources rules and regulations;
- Improved UN oversight, including strengthening the expertise, capacity, and resources of the Office of Internal Oversight Services (OIOS) in audits and investigations and ensuring the operational independence of OIOS;
- Independent external evaluation of the oversight and governance systems for the UN and the specialized agencies (including a review of OIOS);
- Proposal for the creation of an Independent Oversight Advisory Committee (later renamed the Independent Audit Advisory Committee);
- Proposal for OIOS to provide oversight services to interested UN agencies;
- Comprehensive approach to victims of sexual abuse and exploitation by UN personnel.⁸

After the Summit, the United States continued its push for management reform and in December of 2005 insisted that various proposals in the *Outcome Document* be included in the 2006-2007 budget. Subsequently, the General Assembly passed Resolutions 60/246 and 60/248, which provided temporary additional resources to OIOS, established the Ethics Office, “endorsed the external review of governance and oversight, and approved in principle the establishment of the Independent Audit Advisory Committee.”⁹

In order to ensure continued focus and implementation of management reform proposals, the US proposed that the General Assembly not adopt the entire 2006-2007 budget, but adopt an interim budget instead. The remainder of the budget would then be approved depending on progress made in regard to management reform. This measure was opposed by many delegations, especially those in the Group of 77 (G77) and China.¹⁰ The EU was finally able to broker a consensus in order to pass the budget and a spending cap of \$950 million was approved, which equated to approximately six months of expenses on the 2006-2007 budget of the United Nations.¹¹ This budget cap was lifted at the end of June of 2006 when the G77 insisted on a vote¹² but the United States, Australia, and Japan “disassociated” themselves from the decision due to the fact that not enough of the reform measures the spending cap was meant to encourage, had been passed.¹³

North/South Divide and Management Reform

The lifting of the cap came amidst a growing polarization between the “North” and “South” within the UN, with the G77 and China apparently perceiving the budget cap as another clear indication that the North was willing to misuse its “power of the purse” to push for specific reforms. The divide between the North and South was succinctly described by Ambassador Lars-Hjalmar Wide, Chef de Cabinet of the 60th GA Presidency, in an interview with Irene Martinetti of the Center for UN Reform: “There is a clear degree of mistrust among the membership...The Group of 77 fears that the management reforms could be counter to their interests, a process subject to an agenda driven by the western/industrialized countries to refocus the activities of the UN, from development toward other issues such as security or counterterrorism. The G77 sees management reform as a cost-cutting exercise that would go on reducing the budget of the organization.”¹⁴

This mistrust from the South was understandably fueled when then Under-Secretary-General for Management, Christopher Burnham, stated: “I came here at the request of the White House. It’s my duty to make the UN more effective. My primary loyalty is to the United States of America.”¹⁵ There was a major uproar following Burnham’s statement as it constituted a clear infringement on Article 100 of the UN Charter, which states that, “In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any government or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization.”¹⁶ Although Burnham was quick to make up for his comments by praising the UN and Kofi Annan in a press conference, a departure from his remarks and usual style, the damage was already done. Nevertheless, Burnham was successful in helping to establish the UN’s Ethics Office, “a whistle-blower protection policy for UN staff; the introduction of new international public sector accounting standards for the UN, which is on course to be implemented by 2010; and the modernization of the UN’s information and communications technology structure.”¹⁷ He also led the effort to create the first UN Secretariat *Consolidated Report*,¹⁸ in an effort to streamline the many reports from the Secretary General to Member States in a single report, combining program and financial aspects of the UN’s work.

The Role of the US Congress

The United States Congress has played an active role in promoting management reform at the United Nations. As the US is the single largest contributor to the UN budget¹⁹, Congress has traditionally taken a great deal of interest in ensuring that its dues are being used efficiently and effectively.²⁰ In November 2004, HR 4818²¹ created a bipartisan Task Force to report to Congress on how to make the UN more effective. The result, in June 2005, was “American Interests and UN Reform: Report of the Task Force on the United Nations,” which outlined measures that should be taken in order to improve the effectiveness of the UN.²² In June 2005 the House of Representatives also passed the *Henry J. Hyde United Nations Reform Act of 2005* (HR 2745)²³ to cut funding to the UN in half by 2008 if certain criteria were not met, however, this resolution has not been passed by the Senate. On 12 July 2005, the *UN Management, Personnel, and Policy Reform Act of 2005* (S.1394) was passed by the Senate and called for reforms similar to those in the House bill, but left the withholding of dues up to the President. These initiatives in the US Congress have put a great deal of pressure on the US delegates at the UN to push for consensus on management reform.

Progress on Management Reform

Progress on management reform has been slow, but according to one European delegate, it is encouraging that thus far few proposals have been “killed.”²⁴ A number of measures have been passed regarding management reform, but the results fall far short of where the United States wanted the process to be at this point in time. A full account of measures approved can be found at: www.un.org/reform/chronology.shtml.

Current US Priorities on Management Reform

Two issues that the US has made a priority have most recently been decided upon at the Fifth Committee’s resumed session: “establishing an independent audit advisory committee and strengthening the authority and operational independence of the Office of Internal Oversight Services (OIOS).”²⁵ The issue of the IAAC is one that the United States has been advocating for quite some time, but it has slowed due to the fact that reports on it came out late and its terms of reference could not be agreed upon. During the discussions a major disagreement appeared

between the United States, the Russian Federation, and the G77 regarding the makeup of the members of the IAAC, with the US insisting that highly qualified individuals on the IAAC should be chosen by independent experts; the Russian Federation preferring that there be no restrictions as to who can be nominated to serve on the Committee; and the G77 insisting that Member States nominate members to be selected. Member States finally agreed on the IAAC's terms of reference (TOR) at the end of the second resumed session of the Fifth Committee. The decision on the IAAC and its TOR represent a compromise between all parties.²⁶ The revision of the current funding arrangements of the OIOS, which greatly contribute to the inefficiency of the office in carrying out its audit task, has instead been postponed to the next session of the GA.²⁷

At the first resumed session of the Fifth Committee, the US also achieved its objectives with respect to the reform of the Administration of Justice system A/RES/61/261, which initially it found difficult to push through.²⁸

Mandate review is yet another aspect of reform that has been dormant for some time,²⁹ but according to a Western delegate interviewed, it is simply in limbo and new initiatives may appear, particularly from interested Western delegations, within the next few months.

The role of John Bolton, former US Ambassador to the UN

The management reform efforts of the United States were particularly affected by the position held by US Permanent Representative, Ambassador John Bolton, who left his position on 4 December 2006, after a rather controversial term as US Ambassador to the United Nations. Many Member States, both from the South and the North, perceived Ambassador Bolton's style of operating as heavy-handed and often counter-productive, which as a result, actually slowed down the process of management reform. According to a US delegate, however, it was Ambassador Bolton, who in fact brought management reform to the forefront in the United Nations and who was willing to take a tough stance on the issue in order to make it clear that the United States saw this as the number one priority within the UN. The current US Ambassador to the UN, Zalmay Khalilzad, appears to have a different approach to diplomacy, which may be helpful in pushing along management reform at the pace the US would like to see once again. Ambassador Khalilzad has stated that he will "reach out to friends as well as encourage likeminded countries to reach out to their friends in the Non-Aligned Movement and the Group of 77 to discuss how we might make common cause on issues of mutual importance."³⁰

Conclusion

Management reform is not a topic that is likely to be easily given up on by the United States. Although some of the reform proposals being called for by the US have sparked controversy and increased the divide within the United Nations between developing and developed nations, many of the proposals will have to be addressed eventually in order to allow the United Nations to meet its growing challenges.

From the perspective of the US, focus on management reform should not be seen as an attempt to reduce the budget of the UN, or to redirect funds toward issues higher on the US agenda, but should primarily be perceived as an effort to better manage the UN so that membership dues are used effectively and efficiently.

¹ The *Oil for Food Scandal* and a small number of criminal investigations and indictments in regard to UN officials and staff have fuelled the notion in the US Congress that the UN is riddled with fraud and corruption. However, many experts have argued that the scale of these have been highly exaggerated.

² "US Priorities at the UN 60th General Assembly." *US Department of State Bureau of Public Affairs*. 08 Sept 2005. US Department of State. 2 Feb 2007. <http://www.state.gov/r/pa/scp/2005/52985.htm>.

³ Lagon, Mark P. "Testimony Before the House International Relations Committee - Management reform of UN." UN Reform - Global Policy Forum. 19 May 2005. Global Policy Forum. 15 Apr 2007 <http://www.globalpolicy.org/reform/topics/manage/2005/0519congress.htm>.

⁴ Ibid.

⁵ Lagon, Mark P. "Testimony Before the House International Relations Committee - Management reform of UN." UN Reform - Global Policy Forum. 19 May 2005. Global Policy Forum. 15 Apr 2007 <http://www.globalpolicy.org/reform/topics/manage/2005/0519congress.htm>.

⁶ Ibid.

⁷ A/60/L.1

⁸ "Part 5: Reform of the UN System." United States Participation in the UN – 2005. 2005 137-143. 26 March 2007 <http://www.state.gov/documents/organization/74057.pdf>.

⁹ "Part 5: Reform of the UN System." United States Participation in the UN – 2005. 2005 137-143. 26 March 2007 <http://www.state.gov/documents/organization/74057.pdf>.

¹⁰ The Group of 77 and China is a grouping within the UN of 132 States, a significant majority in the GA.

¹¹ Ibid.

¹² Based on resolution [A/41/213](#) (1986), Fifth Committee members "...should continue to make all possible efforts with a view to establishing the broadest possible agreement" when approving budgetary items and resolutions. Thus, the great majority of decisions at the Fifth Committee are made by consensus. The fact that the G77 insisted on putting a management reform issue to a vote represented a serious violation of the Committee's long-standing working methods and symbolized to what extent the imposition of a budget cap had divided the membership.

¹³ Hoge, Warren. "UN spending cap lifted, minus support of US" *International Herald Tribune* 29 June 2006 16 March 2007 <http://www.iht.com/articles/2006/06/29/news/un.php>.

¹⁴ Martinetti, Irene. "Interview with Ambassador Lars Hjalmar Wide." Center for UN Reform Education. 12 September 2006. Center for UN Reform Education. 23 March 2007 <http://www.centerforunreform.org/node/150>.

¹⁵ Hsu, Robert W. "American UN Official Steps Down; Post Allocation May Threaten UN Reform." *UNA-USA E-News* 5 December 2006 <http://www.unausa.org/site/pp.asp?c=fvKRI8MPJpF&b=2277657>.

¹⁶ United Nations. *Charter of the United Nations and Statute of the International Court of Justice*. United Nations Department of Public Information, New York, NY.

¹⁷ Hsu, Robert W. "American UN Official Steps Down; Post Allocation May Threaten UN Reform." *UNA-USA E-News* 5 December 2006 <http://www.unausa.org/site/pp.asp?c=fvKRI8MPJpF&b=2277657>.

¹⁸ The full text of the report can be accessed at: <http://www.centerforunreform.org/node/210>

¹⁹ The US pays 22% of the regular budget. As a whole, the EU pays more, about 36%.

²⁰ The United States is the single largest contributor to the UN, and, according to the UN, its indebtedness is approximately over \$1 billion (<http://www.un.org/ga/61/fifth/barcelona-05.07.pdf>). This sum is attributed to differences between the UN assessment and U.S. payment cycles and also to U.S. withholdings related to legislative and policy matters.

²¹ HR4818: House of Representatives Bill 4818 - Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2005, and for other purposes.

Full text can be found at: <http://www.govtrack.us/congress/billtext.xpd?bill=h108-4818>

²² Gingrich, Newt. George Mitchell. *American Interests and UN Reform: Report of the Task Force on the United Nations*. United States Institute of Peace. Washington, DC. 2005.

²³ Full text can be found at: <http://www.govtrack.us/congress/billtext.xpd?bill=h109-2745>

²⁴ The outsourcing of various functions is one of the proposals that apparently was 'killed.'

²⁵ Silverberg, Kristen. "Statement on the President's Fiscal Year 2008 Budget for International Organizations and Peacekeeping." US Department of State. 27 March 2007. US Department of State. <http://www.state.gov/p/io/rls/82347.htm>.

²⁶ For further details on the decisions regarding the IAAC and its terms of reference please see "Fifth Committee Report N.14," Center for UN Reform Education at: www.centerforunreform.org/node/264.

²⁷ For further details on the debate on the strengthening of OIOS and the revision of its funding arrangements please see: "Fifth Committee Report No. 12," Center for UN Reform Education at: www.centerforunreform.org/node/257.

²⁸ For further details on the discussions on the reform of Administration of Justice at the UN please see “Fifth Committee Report No. 11,” Center for UN Reform Education at: <http://www.centerforunreform.org/node/250>.

²⁹ Apparently, the GA President had a difficult time in finding a co-chair for the Mandate Review originating from the South, after the former co-chair from Pakistan became head of the G77.

³⁰ Khalilzad, Ambassador Zalmay. "Opening Statement Before the Senate Foreign Relations Committee." US Department of State. 15 March 2007. US Department of State. 5 April 2007 <http://www.state.gov/p/nea/rls/rm/2007/81756.htm>.

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