

LATE 2004: A "TIPPING POINT" FOR THE UN?

Management accountability and the rule of law are the central elements of this archive. IO Watch believes that the collapse and disappearance of the General Assembly's 1993 management accountability resolution represents the UN's pivotal "reform" event and failure in these two central performance areas. The UN Secretariat never properly analysed, reported on, or ensured the proper functioning of those reforms (or indeed of those of 1997 and of 2002.)

How then can the citizens of the world -- whose taxes fund the UN's work, and who trust it to help provide effective responses to help meet urgent global needs, determine that UN programmes are working as planned, and hold UN managers firmly accountable for the results they produce?

Instead of the unfinished business of installing and enforcing management accountability, the UN has been forging ahead toward such glowing new concepts as "investing in excellence," including pressure for higher salaries for UN officials.

The only visible accountability effort, however, seems to have been the age-old game of "self-regulation" (or blaming others), with the UN managerial caste to be trusted to ensure the world that it has examined its efforts and found itself, on balance, to be functioning as best possible, thank you.

The Thornburgh report of March 1993 had emphasized that UN Member States deserve the reassurance that their contributions are being wisely and prudently utilized, and the first UN "inspector general," Mohamed Aly Niazi, warned that no system of UN accountability will be effective without assuring that sanctions are promptly applied when violations occur.

But these wise counsels by UN management veterans have been ignored. Mr. Niazi's conclusion in 1994 that "A vast amount of work remains to be done before the United Nations has management

structures and a management culture adequate to the great tasks entrusted to it..." seems, sadly, just as true now as it was a decade ago.

Dick Thornburgh, Under-Secretary-General for Administration and Management, "Report to the Secretary-General of the United Nations" ["The Thornburgh report"], **1 March 1993**, pp. 29-31, and.

"Report of the Office of Inspections and Investigations", UN document A/49/449, **28 September 1994**, pages 5-6.

Two excellent quotations from 1995 by Rosemary Righter explain how and why the UN management accountability situation has changed so little, despite a decade of supposed major UN "management reform."

"For years Western governments have complained about the lack of accountability prevailing in UN organizations, but in practice they have tolerated a degree of opacity that would be considered totally unacceptable for any civil service in a democracy. The Geneva Group's 'zero-growth' policy has been the nearest they have come to sanctions, [but it] ... has had only limited success in compelling secretariats to cooperate in discussing management practices and opening the books. Inadequate internal auditing and slipshod evaluation procedures have not only shielded inefficiency, waste, maladministration, and downright fraud; they have deprived the UN's member states of the information they need to identify the organizations' weaknesses -- and strengths. ...

... [No] amount of exhortation -- as the years have proved -- can compensate for the lack of routine inspection under established rules of 'open government.' Evaluation would require ... built-in procedures requiring the UN bureaucracies to respond to criticisms. So ingrained is the collusion between the permanent representatives to these organizations and the secretariats that a majority for such an initiative among the UN membership would be difficult though not impossible to muster. But many UN staff members would welcome more rigorous scrutiny ..."

Rosemary Righter, Utopia lost: The United Nations and world order, Twentieth Century Fund, New York, **1995**, pp. 280-281.

"... The quality of UN staff is the question on which governments (often while negotiating contracts for their nationals under the table) are most critical, most hypocritical, and most fatalistic. A 1993 report on UNESCO [commented on] 'ethics in management of international organizations':

'It is a sad and frustrating experience to see how in the sensitive area of staff -- high and low -- unethical pressures are applied -- contrary to agreed rules of the game -- to obtain advantages of [a] political, personal, or prestige nature, by promoting openly and behind the scenes the cause of preferred individuals -- international civil servants. These practices do not serve to inspire in the public ... respect and confidence in international governance.'

... From a purely administrative viewpoint, the 'international civil service' is a disgrace; lacking [any real career structure] ..., inflexible, underskilled and overmanned, and alien to the concepts of productivity or rewards for exceptional merit.

These defects have been extensively documented [since 1971] by the JIU ... outside expert groups ... testimony from serving and retired staff members ... and by ... indignant ... congressional committees. **[Reform] proposals have been drawn up ... [but] watered down ... and then ignored (with impunity) by UN executives.**

Rosemary Righter, Utopia lost: The United Nations and world order, Twentieth

Century Fund, New York, 1995, p. 283. The quote included is from Fifth Report of the British House of Commons Foreign Affairs Committee on Membership of UNESCO, Appendix 4, Her Majesty's Stationery Office, August 2, 1993.

The negative consequences of maintaining the above façade of management accountability in the UN Secretariat emerged very strongly in the latter half of 2004. In fact, it appears that the UN has reached a quite significant point of no return, as explained in a wonderfully incisive book in 2002.

"The Tipping Point ... idea is very simple. It is that the best way to understand the emergence of fashion trends, the ebb and flow of crime waves ... or any number of the other mysterious changes that mark everyday life is to think of them as epidemics. Ideas and products and messages and behaviors spread just like viruses do.

[Such epidemics have] ... three characteristics -- one, contagiousness, two, the fact that little causes can have big effects, and three [and most important] ... that change happens not gradually but at one dramatic moment. The name given to that one moment ... is the Tipping Point."

Malcolm Gladwell, The tipping point: How little things can make a big difference, Little, Brown, New York, Boston, 2002, pp. 7, 9.

Very roughly and informally summarized, the Tipping Point process involves three rules: the Law of the Few (finding dynamic groups of communicative, knowledgeable, and convincing and dynamic people); the Stickiness factor (expressing memorable ideas that can spur action), and the Power of Context (using small and specific elements in a complex environment to overcome defeatism and achieve significant change.) Tipping points reaffirm the potential for committed people to provide the slightest push in just the right place, in order to tip a seemingly immovable, implacable situation in a new and positive direction. As the book concludes:

"In a world dominated by isolation and immunity, understanding these principles of word of mouth is more important than ever."

Malcolm Gladwell, The tipping point: How little things can make a big difference, Little, Brown, New York, Boston, 2002, pp. 29, 33-34, 38, 62, 68-70, 92, 151, 167, 256-259, 273, 277, 280 [280.]

In 2004 the UN underwent what its leaders now label an "annus horribilis," but IO Watch believes that it was not a one-time event. In fact, the post-world-war-II UN's ineffective performance, unaccountability, isolation from day-to-day life, and especially its immunity from the global rule of law, have simply become too debilitating for it to cope with the highly-charged world of the 21st century.

Instead of another grand and probably futile reform effort

like the one that UN leaders wish to debate in 2005, what is needed is to frankly assess perpetual UN performance failures and finally insist that "real world" accountability and legal processes be applied to ensure solid UN performance. This archive seeks to lay out at least some of the persuasive voices which have analysed the UN leadership's perpetual bumbling, and identify "doable" actions to tip the UN away from its impending breakdown (and related grave disservice to global society.)

IO Watch believes that seven important and inter-related factors, as discussed in the following pages, show the key elements of this harsh "wake-up call" that was issued for the UN in 2004. They indicate that the UN Secretariat's traditional "brush it off", "noble intentions", and "business as usual" responses will no longer suffice. The seven factors are:

-- First, an independent, in-depth assessment in early 2004 showed that the UN management reforms of the past decade are still very incomplete;

-- Second, a June 2004 worldwide survey of UN staff revealed serious doubts about UN leadership, integrity, and corruption-fighting efforts;

-- Third, the UN external auditors reported in mid-2004 that the UN lacks a sound corruption and fraud prevention plan and processes;

-- Fourth, UN staff representatives expressed serious concerns in the autumn of 2004 about the lack of concrete accountability measures in the Secretariat;

-- Fifth, powerful allegations of very serious and multi-billion dollar corruption and mismanagement emerged from the UN-administered oil-for-food programme in Iraq;

-- Sixth, further serious problems during 2004 included major security program mismanagement, refugee sexual abuse, and anti-harassment cases in the Secretariat; and

-- Seventh, there were mounting expressions of doubt in late 2004 about the UN's operations and reputation and Secretary-General Annan's leadership, in light of the oil-for-food scandals and "all of the above."

FIRST, the Secretary-General's soothing management reform progress reports of 2000 through 2004 must be balanced against the only in-depth and independent assessment ever made of these reforms, as performed by the US General Accounting (now Accountability) Office in 2000 and again in 2004.

The Secretariat reports from 2000 through 2004 show the steady disappearance of management accountability actions as a topic for the Secretariat, if not the General Assembly. One of the Secretariat reports on management reform report of 2000, apparently the last Secretariat report ever made to the General Assembly on accountability as a topic, had concluded that

" ... the Secretary-General is confident that the comprehensive system of accountability now in place ensures that accountability mechanisms are effectively used, are seen to be used, and ensure that staff at all levels are held accountable for their actions and inaction."

"Accountability and responsibility: Report of the Secretary-General", A/55/270 of 3 August 2000, Summary, paras. 1-2, 47-48.

In 2002, Mr. Annan's annual report on the work of the Organization very briefly stated that OIOS was working with managers to build accountability. His 2003 annual report referred briefly to the unpleasantness of some mismanagement and abuse problems but then summarized the gradual efforts toward establishing performance management systems.

"Report of the Secretary-General on the work of the Organization," UN document A/57/1, 2002, paras. 193-200.

"Report of the Secretary-General on the work of the Organization," UN document A/58/1, 2003, paras. 207-211

Mr. Annan's annual report for 2004 provided a new and even more diminished equation: actual UN accountability work merely equals OIOS work. Its brief section on "Accountability and oversight" was all about OIOS, first outlining its comfortable self-review in 2004 of its first decade of work, and then its monitoring, evaluation and consulting; internal audit; and investigation activities. While the text mentioned that OIOS trains Secretariat staff in results-based management, makes reviews, and assists Secretariat departments through consulting assignments, there was no analysis, assessment, or results of the accountability systems and efforts supposedly "in place" throughout the Secretariat since 2000.

"Report of the Secretary-General on the work of the Organization", UN document A/59/1, 20 August 2004, paras. 246-254.

In the next section, "Strengthening the Organization," Mr. Annan concluded that

"The implementation of my agenda for further change, submitted to the General Assembly two years ago [i.e., his 2002 reforms], is now largely complete."

"Report of the Secretary-General on the work of the Organization", UN document A/59/1, 20 August 2004, para. 255

[Note: in fact, other than outlining some restructurings and "activities", he

subsequently admitted that implementation was only, and still, "in progress." with considerable work to be done on field staff contracts, delegation of authority, better monitoring, reconfiguring the "Accountability Panel", and giving "more attention" to management training, see in particular para. 261.]

One need only compare these blithe and cursory conclusions presented to the General Assembly with the concurrent "sea of troubles" that increasingly battered the UN Secretariat in the last half of 2004. In fact, a series of major problems gravely undermine the above confident self-portrait of a fully-accountable UN Secretariat (and especially its managers), despite the Secretariat's efforts to play down or ignore them.

The US GAO reports of May 2000 and February 2004 on UN management reform had clearly emphasized the slow reform progress and how much remained to be done:

The United Nations has substantially restructured its leadership and operations and partly implemented a merit-based and performance-oriented human capital system ... However, ... the overall objectives of the reform have not yet been achieved. Specifically, the United Nations has not yet implemented reforms to focus its programming and budgeting on managing the Secretariat's performance. These initiatives would enable Member States to hold the Secretariat accountable for results and are key to the success of the overall reform because they institutionalize a shift in the organization's focus from carrying out activities to accomplishing missions. ... **the U.N. reform is an interrelated process and requires that all core elements be in place to succeed.**"

"US General Accounting Office, "United Nations: Reforms are progressing, but overall objectives have not been achieved", GAO/NSIAD-00-169, 15 pages, of **May 10, 2000**, especially summary and pp. 2-3 and 9-15, and "United Nations: Reform initiatives have strengthened operations, but overall objectives have not been achieved", GAO/NSIAD-00-150, **May 10, 2000**, 84 pages. [emphasis added]

The U.N. Secretary General launched two reform agendas, in 1997 and 2002, to address the U.N.'s core management challenges -- poor leadership of the Secretariat, duplication among its many offices and programs, and the lack of accountability for staff performance. ... In 2000, GAO reported that the reforms were not yet complete.

What GAO found

... First, the Secretariat has taken positive steps to strengthen its human capital management, but reforms in this area are ongoing and additional challenges remain. Second, the U.N. has begun to adopt results-oriented budgeting, but its monitoring and evaluation system does not measure program impact. ...

UN reform faces several challenges. For example, the Secretariat does not conduct comprehensive assessments of the status and impact of U.N. reforms. In addition, the reform agendas lack clearly stated priorities, interim goals, and target dates for overall completion. Other challenges include resistance to change from program managers and possible resource constraints.

U.S. General Accounting Office, United Nations: Reforms progressing, but comprehensive assessments needed to measure impact, GAO 04-339, **February**

2004, "Highlights" page. [emphasis added]

[Note: the complete report is available at
www.gao.gov/cgi-bin/getrpt?GAO-04-339

Also, and regrettably, the GAO reports of 2000 and 2004 did not discuss or even note the critical 1993 management accountability reform mandate given by the General Assembly and its failure, concentrating instead on Mr. Annan's 1997 and 2002 reforms.]

In response to these straightforward conclusions, the Secretary-General's August 2004 annual report noted the existence of the 2004 GAO report, but only to casually state that

"It is encouraging to note that, at the time of its review, the [GAO] estimated that 85 percent of the reforms proposed in the 1997 and 2002 reform packages had been either fully or partly implemented."

"Report of the Secretary-General on the work of the Organization", UN document A/59/1, **20 August 2004**, para. 262.

IO Watch was unable to actually locate this "85 percent" statistic in the GAO report, and it was definitely not in the "Highlights" and "Results in Brief" sections that summarize the key GAO findings and conclusions. And while GAO did provide some statistics on 1997 and 2002 reform initiatives "in place", it emphasized that:

"However, the outputs of many reforms, such as developing a written plan or establishing a new office, are only the first step in achieving the Secretary General's overall reform goals. ... departments and offices in the Secretariat are still institutionalizing these new plans to improve U.N. operations in the long term."

U.S. General Accounting Office, United Nations: Reforms progressing, but comprehensive assessments needed to measure impact, GAO 04-339, **February 2004**, p. 8. [emphasis added]

A more detailed discussion of the GAO findings on UN management reform in 2000 and 2004 is presented in the preceding subsection. It demonstrates that Mr. Annan's 1997 and 2002 management reforms (let alone the forgotten 1993 management accountability mandate) are clearly incomplete and require very extensive and serious follow-up actions, despite his August 2004 assertions that all is well and management reform work is by and large complete.

SECOND, a worldwide survey of UN staff attitudes on perceptions of integrity and corruption issues that was issued in June 2004 produced some quite negative findings.

"A new survey of ... [UN integrity perceptions] has found that while structures for reporting and combating corruption exist, most staff members are either unaware of how to use them or afraid to do so for fear of high-level retaliation.

'The UN has a 'phone book' of rules and regulations which are totally useless as they are never practiced', a staff member is quoted as saying ... [Another says.] 'Senior leaders caught in serious breaches of ethics should be punished, not promoted as usual.'

... [The study] is being made public at a time when Secretary-General Kofi Annan has been forced by the widespread publicity [about corruption in the Iraq oil-for-food program] to appoint a high-level panel to look into them. ...

The new study records relatively high levels of worker satisfaction ... but its most negative findings have to do with ingrown leadership and the lack of response to reports of corruption.

'Get rid of the old boy network,' one staff member ... [says.] 'That network is wide, tenacious and powerful. ... So long as you can wind your way into that network, you are OK. ... Opposing the network is certainly the end of a UN career.'

Warren Hoge, "Report criticizes the way UN fights corruption", International Herald Tribune, **June 16, 2004**. [emphasis added.]

[Note: The actual survey, based on responses from some 6,000 UN staff, is "United Nations organizational integrity survey", Final Report, prepared by Deloitte Consulting LLP, **June 2004**.

It can be found at

<http://www.un.org/News/oss/sg/index.shtml> .]

In comparing this 2004 survey with a similar one in 1995, one finds that things have indeed gone downhill -- staff in both surveys sought better management, but in 2004, even after a decade of "management reform", UN staff were even more concerned with, and disturbed by, senior management accountability issues.]

These quite surprising survey findings led Secretary-General Annan to issue the integrity survey results with a placating cover letter, which stated *inter alia* that:

" ... According to the survey, staff generally perceive that breaches of integrity and ethical conduct are insufficiently and inequitably addressed by the disciplinary system. At the same time, they voice concern about the consequences of 'whistle-blowing' or reporting on misconduct, and certainly about the mechanisms for such reporting. ... Clearly ... these need to be better known and made more accessible to staff at large. We will inform all staff about the means available to them for reporting on suspected misconduct. We will also develop measures to reinforce formal protection for whistle-blowers, while ensuring that they are not used to cloak false accusations.

... it is interesting to note that, while the great majority of staff believe that their own immediate supervisors demonstrate integrity and uphold the United Nations' values, the general view of senior leaders is less positive. The survey rightly emphasizes the need for senior leaders to lead by example, living up to the commitments they make in their annual compact with me. ... I will therefore be directing my senior colleagues to make much greater efforts in this area ..."

Kofi A. Annan, "Dear colleagues", letter of **4 June 2004** , p. 3.

[emphasis added.]

It is also "interesting to note" that the survey results and Mr. Annan's admissions (a) belie his confident assertions of management reforms now implemented and (b) that Mr. Annan's determination to have leaders make "much greater efforts" of leadership excludes only one person -- himself. The very serious

issue of the true status of recent UN management reform efforts is discussed further under the topics of Management culture deterioration and Corruption Characteristics in the Recent Developments section of this archive.

THIRD, in July 2004 the UN external auditors (the Board of Auditors) stated in their annual report on UN operations that because the UN has no comprehensive anti-fraud plan, many of the UN offices, funds, and programmes have little or no effective framework policy and mandates in this area. It discussed its findings and concluded with a main recommendation that:

"The Administration (i) implement a comprehensive and well-communicated corruption and fraud prevention plan in the United Nations system, (ii) establish a corruption and fraud prevention committee that would serve as an effective framework and coordination point for a United Nations system corruption and fraud prevention mechanism, (iii) conduct ethics, corruption and fraud-awareness training sessions and workshops among managers, international and local employees and other stakeholders, (iv) develop appropriate resolution mechanisms for reported and detected incidents and allegations of corruption and fraud, and (v) review the investigation processes at Offices away from Headquarters."

"Financial reports and audited financial statements for the biennium ended 31 December 2003 and Report of the Board of Auditors", Vol. I, UN document A/59/5 of **22 July 2004**, p. 12, item (u), paras. 15(f) and 344-349.

The Secretariat quickly brushed aside this recommendation, although it buried it deep within a subsequent report. Noting that it agreed with the Board's recommendation and overall concerns concerning fraud, presumptive fraud, and allegations of corruption, it then stated superciliously that:

"However, *some of the Board's comments may give the mistaken impression to the uninitiated reader that the potential for large-scale fraudulent and corrupted activities is widespread.* The Administration assigns high priority to the issues of fraud and corruption and several mechanisms for addressing them are embodied in the Financial Regulations and Rules of the Organization and in established procedures that are all geared towards ensuring adequate internal controls to minimize such occurrences.

The Under-Secretary for Management is responsible for the implementation of the recommendation."

"First report on the implementation of the recommendations of the Board of Auditors ... for the financial period ended 31 December 2003: Report of the Secretary General", UN document A/59/318 of **1 September 2004**, paras. 124-126. [emphasis added]

In fact, the Board of Auditors report section on anti-fraud activities had begun its firm critique by duly noting the existing financial rules and internal controls, and then noting the very unsatisfactory anti-fraud situation that none the less exists. The Board report also gave a summary of the very few (only 14) fraud and presumptive cases reported to it by the

Administration for the entire biennium 2002-2003 (which did not, for some reason, include peacekeeping operations and other entities). The often very audacious corruption activities that were identified involved a mere \$707,304 out of some \$20 billion which the UN spent during that biennium, of which only a measly \$10,183 was recovered (although a further \$178,233 of losses were prevented.)

"Financial reports and audited financial statements for the biennium ended 31 December 2003 and Report of the Board of Auditors", Vol. I, UN document A/59/5 of **22 July 2004**, paras. 344. 12, item (u), paras. 15(f) and 344-349.

These very serious current discrepancies between UN anti-corruption problems as viewed by the external auditors and the Secretariat are discussed further in various parts of this archive. The earlier subsections of this UN Management Accountability Struggles contain informative material under Corruption in the UN and Accountability and Transparency in the UN . So do the subsections which follow here on The Winner: "Free the Managers" , Unleashed Managers , Disappearing Whistle-blowers (and Staff Self-Defense) . UN corruption and corruption-fighting issues are also emphasized in Investigation efforts: Is the OIOS a fig leaf? under Inadequate UN Oversight ; and especially in A real UN fraud prevention programme under Answers: A Starting Point, in the Recent Developments section.

FOURTH, UN staff representatives have become increasingly concerned with these UN accountability and oversight trends and problems, as indicated by the following three quotes:

"Rosemarie Waters, [the UN Staff Union President], said that ... in the last six years, [UN] ... management had been reforming itself and increasing managerial authority, while reducing accountability. The Staff Union [had great respect for the Secretary-General's vision and reform programme goals.] ... It could not support, however, the erosion of staff rights and dissolution of oversight mechanisms as a means of implementation, [or legitimize] ... actions in which staff, through their elected representatives, had no meaningful role to play. ...

The [integrity survey] ... revealed that staff ... feared reprisals for exposing breaches of ethics, and they perceived that the disciplinary process was applied unevenly. Their view of integrity among senior managers was less than positive..

The Organization had yet to establish concrete measures for individual accountability, she continued. It was essential that areas with expanded delegation of authority for personnel decisions should be carefully examined and, if abuses were found, such delegation should be revoked. ... The [OHRM] had informed staff representatives of its inability to enforce accountability because they lacked central authority. The Fifth Committee may wish to recommend that concrete individual accountability be developed, in consultation with staff representatives, on a priority basis."

"UN staff committee representatives tell budget committee concerns ignored in management reform report", Fifth Committee, Press Release GA/AB/3641 of **29 October 2004**, pp. 2-3. [emphasis added]

"James O. C. Jonah, ... [who worked at the UN for three decades] ... and served as head of personnel from 1979 through 1982, ... recalled that [when the Fifth Committee initiated reforms in the late 1970s], ... a staff-management consultation process was established, and it was decided that staff representatives should be allowed to appear before the Committee. Now, it was sad to see the erosion of the international civil service in the United Nations. That had serious implications. The Committee should also have a serious look at the results of the integrity study. Never had the staff perception of integrity been so low. ... In some respects, the reforms had weakened the Secretariat considerably.

When he served as head of personnel, his biggest fight had been with programme managers, who were most resistant to reform He could not believe that such measures as giving authority to programme managers would strengthen the international civil service. What had been said about the lack of authority of the OHRM was true. Without a strong personnel office, however, there would be no uniformity of rules and fairness in the system. Governments should not take what was happening lightly."

"UN staff committee representatives tell budget committee concerns ignored in management reform report", Fifth Committee, Press Release GA/AB/3641 of **29 October 2004**, p. 4. [emphasis added]

"Integrity sponsor unit 35:

The staff council:

[Recalling its April 2004 request that the Secretary-General establish an independent investigation of violations of the delegation of authority in the OIOS] ...

Regrets the decision of the Secretary-General to accept the findings of an incomplete investigation; ...

Further considers that the failure to fully investigate the allegations ... upholds the findings of the [staff integrity survey] that there is a lack of integrity particularly at the higher levels of the organization;

Recalls that the Secretary-General declined to accept the honourable action of the deputy Secretary-General who tendered her resignation as a result of the Baghdad bombing of a UN compound that resulted in 22 staff members perishing, to hold accountable the head of UNHCR for alleged sexual harassment and to hold accountable the chef de cabinet whose son was employed by the Secretariat in contravention of staff rules;

Decides that the senior management no longer displays the level of integrity expected of all employees of the organization;

Requests:

i. The president to convey this vote of no confidence to the Secretary-General and president of the General Assembly ...

iv. to the staff at large and;

v. to issue a press release."

"Raw data: U.N. staff resolution", Fox News (US) website, **November 19, 2004**.

[Note: Fox News stated that the above was the text of a UN staff resolution which it received, calling for a vote of no confidence in Kofi Annan.]

IO Watch believes that these pressing issues of integrity and management-staff relationships -- more than ever before -- are at the heart of UN Secretariat operating problems in the 21st century. They are discussed further in the following subsections

on

"The Winner: Free the Managers" , Unleashed Managers , Disappearing Whistle-Blowers , and Staff Self-Defense ;

under Where is the Rule of Law in its subsections on Staff Rights , Inept "Administration of Justice" System , Behind the Scenes , and Major Ongoing Flaws ;

under OHR (Mis)Management and Internal Oversight: The OIOS in the section on Inadequate UN Oversight ;

and especially in the Recent Developments section, particularly in the 20 subsections under The UN: Alone and UNaccountable and Other Major Problems .

(After all this, IO Watch does propose a set of accountability and oversight solutions under Answers: A Starting Point in Recent Developments, and in Hope for the Future? under Where is the Rule of Law? . These suggestions are grounded in the many sensible and "doable" UN accountability reforms proposed during the past decade.)

FIFTH, as discussed in some detail in the subsection on the UN-administered Iraq oil-for-food programme , problems began with an ominous note in 1998 and early warnings in 2002, but only multiplied into multiple investigations inside and outside the UN during 2004. The situation has become an emerging major crisis for the UN, as the scale of bribery and corruption involved -- estimated at some \$10 billion dollars -- may prove to be of the largest corruption cases in international financial history. It is of course all the more troubling because it occurred in a major important UN humanitarian assistance programme.

The Secretariat, as in other areas, has sought to minimize and downplay the Iraq scandals and indicate that things are "under control." The Secretary-General's 2004 annual report section on "Accountability and oversight", for instance, highlighted decisive OIOS-led actions to clean up a fraudulent \$4.3 million fund diversion in Kosovo. But it then mentioned the multi-billion dollar Iraq oil-for-food quagmire (roughly 2,500 times as big) only as "allegations of impropriety". Mr. Annan noted his appointment of the Volcker group "to ensure a thorough and meticulous inquiry", expressed his appreciation for Security Council support of his action, and called on all Member States and their regulatory authorities to cooperate with the Volcker group.

"Report of the Secretary-General on the work of the Organization", UN document A/59/1, 2004, paras. 253-254.

The very slow pace of the Volcker investigation contrasts with the many allegations and disclosures made in other investigations, which have moved much more rapidly. IO Watch will continue to add new material, particularly since the investigations and their follow-up may well drag on for years (see also the seventh item below).

SIXTH, there are still other UN Secretariat scandals and problems emerging (or glossed over) that thrust into deepest question the management accountability and transparency of UN operations. They are nicely summarized in a recent article:

"U. N. Secretary-General Kofi Annan said yesterday he was disappointed in his son for accepting payments from a key contractor in the oil-for-food programme for more than four years longer than ... previously acknowledged. ...

But the appearance of a payoff to the Secretary-General's son was just the latest ... of revelations about the Iraqi oil-for-food program ...

While the organization scrambles to respond to oil-for-food inquiries, other troubles are piling up at the organization's doorstep. ...

The U.N. peacekeeping program is wracked by accusations of rape, sexual harassment and extortion by blue helmets and civilians in the U.N. mission in Congo. ...

International pressure also is building on the United Nations and the Security Council to do more to protect civilians in Darfur, Sudan. ...

Internally, a [staff] ... group seeks to reopen an investigation of [the head of the OIOS] ... over charges of sexual harassment and favoritism ...

The U.N. staff union also has criticized Mr. Annan's willingness to exonerate Deputy Secretary-General Louise Frechette for failing to protect U.N. staff members in Iraq ...

[Mr. Annan] also threw out an internal report finding merit in a [recent] sexual harassment complaint against ... [UNHCR head] Ruud Lubbers."

Betsy Pusic, "Another oil-food scandal emerges", The Washington Times, **November 29, 2004**.

More detailed information on all these problems, and more, can also be found elsewhere in this archive:

-- long-standing problems of abuses in UN peacekeeping and other field missions are found under Refugee Sexual Abuses in Where is the Rule of Law? ;

-- weak or tardy UN responses to situations of genocide are discussed in Worst of all, never-ending genocides under Other Major Problems, and in the subsection on the Security Council under UN Performance Problems ;

-- continuing problems of weak Secretariat action on sexual harassment cases, particularly for senior officials, is found in the subsection on Anti-harassment efforts under OHR (Mis-)Management ;

-- serious mismanagement of security for UN staff in field operations is discussed under Baghdad headquarters bombing ;

-- information on senior UN officials exonerated by Mr. Annan and the OIOS on serious corruption allegations (in the UN's own global anti-corruption program) are found in the subsection on Top corruption fighter corrupted ;

-- more general and deeply-entrenched patterns of UN evasiveness and hypocrisy in reporting and transparency matters are found in the subsection on UN Moral Values and Rectitude - For Others ;

-- in the subsections under The UN, Alone and UNaccountable , especially on Resource ambiguities , Public relations, not performance , Reporting evasiveness , and on Is the UN another Enron? ;

-- and in Other Major Problems, under UN Convention Against Corruption , "Poor little UN" , and Global Compact hypocrisy .

SEVENTH, mounting disclosures from the ever-so-slowly-evolving investigations into the UN oil-for-food programme came to a head in December 2004 with calls for Secretary-General Annan to resign, as tracked in more detail in the Iraq oil-for-food programme subsection. Here it seems sufficient to note an initial editorial page stock-taking of the situation, the initial response of Mr. Annan and his supporters to the charges, and several reflections thereon.

"The assault on the United Nations is escalating. ...

But before the call for [Mr. Annan's] ... scalp gains more momentum, it is important to disentangle the mélange of charges swirling around ...

There is no doubt that the UN oil-for-food program was manipulated by Saddam to generate substantial sums. ... Most worrisome is that Benon Sevan, head of the program, received oil allotments from Iraq that amounted to a bribe. These charges need to be fully investigated ...

Iraq got almost two-thirds of some \$21 billion [in illicit revenue] through trade deals or smuggling ...

Thus the primary blame ... lies with the United States and other Security Council members that winked at prohibited oil sales, mostly for sensible [realpolitik] reasons.

The [current investigations] ... need to determine to what extent UN officials could have detected and stopped Iraq's financial shenanigans in the program they did monitor, oil-for-food. ...

Kofi Annan's role will also have to be laid out fully. He has, unfortunately, issued inconsistent statements about the role of his son, Kojo Annan ... The whiff of nepotism has set the hounds baying, but ... it seems wildly premature to call for Kofi Annan's resignation."

"The UN oil scandal, International Herald Tribune, **December 6, 2004**.

"[Secretary-General Kofi Annan] ... has rejected calls for his resignation over allegations about the UN's Iraq oil for food programme.

'I think resignation is comparatively easy', he told the *Financial Times* ...

'It is much more difficult to stay on and do the job you are elected to do and focus on the important agenda of the organization and the membership.'

Mr. Annan appealed for people to allow the UN reform process and investigations into alleged fraud in the oil for food programme to take their course.

Mr. Annan conceded that there were grounds for criticism of the way the UN is managed ... 'which we take very seriously,' he said.

For example, he said, 'The administration of justice in the organization is something that we are aware has some weaknesses - often delays and bottlenecks. We have tried to improve the system and also to find other ways of resolving some of these issues as quickly as we can.'

Also, while there were many bright UN employees, 'we need to improve our management of our human resources: there's no doubt we can do a better job in identifying, attracting and retaining the best talent.'

Mark Turner, "Annan rejects calls for him to quit over fraud claims in oil for food programme", *Financial Times* (UK), **December 6, 2004**.

'Obviously, the oil-for-food allegations have had a very negative impact on the organization, and also on the timing of the release of this important document that we are all embracing,' Mr. Annan told the *FT*. ...

'My hope had been that once the independent investigative [Volcker] committee had been set up, we would all wait for them to do their work, and then draw our conclusions and make judgments. ...

I want to get to the bottom of this as anyone, and hopefully we will.'

He did concede, however, that the UN had a lot of work to do, in setting up effective oversight mechanisms, hiring competent staff. But as the high-level panel suggested this week, reform could prove difficult for an organization that marries two, sometimes mutually exclusive ideas - real world power and idealistic principle.

'I think the base, the constant element, which is always there, is the principle,' said Mr. Annan. 'The question is, do we always apply it and live up to it? Or [do] power politics and interest sometimes get us to move away from our principles?'

Mark Turner, "Annan puts on a brave face but the strain starts to show", *Financial Times* (UK), **December 6, 2004**.

[Note: The "important document" and "high-level panel" mentioned above refer to yet another august group helping Mr. Annan ponder the UN's future for the UN's 60th anniversary in the autumn of 2005 (see the end of the [Overall UN Reform Attempts](#) subsection of this archive.)

Also, as elsewhere, IO Watch believes that Mr. Annan -- who is in fact the consummate UN "good old boy", having himself spent more than 30 years as a UN bureaucrat, and mostly as a senior official -- regularly deflects sharp public criticisms of Secretariat mismanagement with talk of "bright UN employees", and "hiring competent staff", i.e., the UN staff at large suddenly become useful targets to deflect attention from misbehaviour and grave performance failures by the "good old boys."]

Mr. Annan's supporters in the worldwide diplomatic and foreign affairs communities quickly joined in with statements of

full support for him and confidence in his leadership. Others produced newspaper "op/ed" pieces downplaying the oil-for-food scandal, attributing the situation to personal attacks on Mr. Annan from American right-wing politicians, highlighting instead his newest proposals just released for sweeping (again!) UN reform, and asserting that the Security Council ran the programme, not the Secretariat.

These actions evaded two important points. In fact, the Secretariat (if anyone) was indeed responsible for administering the oil-for-food programme, earning some \$1.4 billion in commissions from Saddam's oil billions; employing some 3,600 Iraqi and 900 UN staff in Iraq and another 100 international staff in New York; controlling the contract records, bank accounts, release of funds, and auditing the programme throughout. When the programme ended in November 2003, the programme head, Mr. Annan, and the UN Security Council president lauded its efficiency as a UN programme, praise for its leadership, and its exceptionally important role in serving the Iraqi people.

The key article analyzing these major elements of the UN Secretariat role was written by Claudia Rosett in April 2004. Her article is discussed further under the Iraq oil-for-food programme subsection of this archive. Ms. Rosett emphasized in particular its broader significance:

" ... Oil-for-Food is not simply a saga of one UN program gone wrong. It is also the tale of a systematic failure on the part of what is grandly called the international community.

Oil-for food tainted almost everything it touched. It was such a kaleidoscope of corruption as to defy easy summary, let alone concentration on the main issues. But let us try."

Claudia Rosset, "The oil-for-food scam: What did Kofi Annan know, and when did he know it?", Commentary, **May 2004**, pp. 15-22.

[Note: The full article is available at

http://www.commentarymagazine.com/SpecialArticle.asp?article=A11705017_1 , p. 1.]

Other, similar expressions of fundamental concern also began to appear. For instance:

"The UN is not in good shape and the world is in worse shape. ...

[UN critics know ... their chosen target is vulnerable. As a [US expert] put it, 'The UN is useful, but it is also a terribly flawed and defective organization.'

[A panel is looking at changed threats and Security Council changes] ... [major countries seek new permanent Security Council seats] ... Investigations of widespread corruption in the UN-directed oil-for-food program in Iraq continue. All of this is unsettling.

[But then came] the startling declaration from ... [Secretary-General Annan] that the war in Iraq was illegal. ...

... it may provide a basis for a battery of lawsuits against the United States from Iraqis demanding reparations and from every sharp lawyer with a dislike of America's role on the planet.

I ... believe that a strong case can be made that [the war] was legal. Good lawyers in good faith have disagreed. ...

Complex issues, yes, but with a brutally simple bottom line: unless the UN can [develop] a system that is more streamlined and efficacious, and less open to legal dispute, it will not be adapted to the realities of today's world. ..."

Roger Cohen, "As world leaders meet, UN is at a crossroads", International Herald Tribune, **September 22, 2004**. [emphasis added]

" ... The United Nations' 60-year old machinery has never seemed so ill-equipped for its work, and its credibility has plummeted. ...

Regrettably, most [UN groups] ... have an interest in resisting reform. None of the permanent Security Council members wants to give up its veto; smaller powers delight in their General Assembly votes, which count as much as those of the major powers; repressive regimes cherish participation in United Nations' human rights bodies, where they can scuttle embarrassing resolutions; and the Western powers whose troops and treasure are needed to strengthen U.N. peacekeeping have other priorities. Even within the U.N. bureaucracy, many veterans shy away from dramatic reform – it has taken them decades to become masters of the old procedures, and change is risky. And while U.N. officials, including the secretary-general, are quick (and correct) to blame the member states for the constraints they face, they too rarely find the courage to spotlight those specific states whose obstinacy, stinginess, and abuses undermine the principles behind the U.N. Charter."

... [Three highly visible UN components] ... the Security Council, the Commission on Human Rights, and the peacekeepers in the field ... [are] in dire need of reform and rescue."

Samantha Power, "The world's most dangerous ideas: Business as usual at the U.N.," Foreign Policy, **September/October 2004**, pp. 38-39.

Samantha Power is also the author of A problem from hell: America and the age of genocide, Basic Books, New York, 2002.

In addition, it should be recalled that in September 2003 Mr. Annan himself had grimly stated that

" ...the United Nations must consider sweeping reforms in the wake of the Iraq war and warned that the organization had lost the confidence of many across the globe.

In unusually strong language Annan suggested that the credibility of the Security Council, the General Assembly and other UN bodies was at stake.

'If they are to regain their authority, they may need radical reform,' Annan said before making public his report on the organization's future."

"UN needs big changes, Annan says", AP, AFP, International Herald Tribune, **September 9, 2003**.

IO Watch believes that the seven interrelated factors which emerged during 2004, as outlined in the preceding pages, have indeed led to a major "tipping point" for the UN. The Organization's overall integrity and reputation, its operations, and above all its management accountability are being challenged

as perhaps never before. This is reflected in a series of tough overview articles which began to appear in December 2004.

"Imagine if U.S. troops were accused of sexually exploiting children in impoverished nations ... a U.S. Cabinet Secretary were accused of groping a female subordinate, [but then exonerated] ... by the president [an agency head] ... and the president's own offspring stood accused of complicity in [a massive embezzlement racket] ...

... [These things happened in the UN this year.]

Where's the outrage? ... Why didn't the mainstream ... devote more attention to these scandals? Far from demanding high-level resignations, they are circling the wagons.

The U.N.'s friends are doing ... no favors with this knee-jerk defense. Even [Kofi] Annan recognizes [the problems with his 1997 and 2002 management reform attempts, and reports on Rwanda, Bosnia, and general peacekeeping failures.] ...

[Yet] all the *reformistas*' efforts founder on the rocks of apathy and inertia. ... Most of the U.N.'s 191 member states ... [and] 49,000 employees ... have other priorities.

Flawed as it is, the UN does some useful things ... Leaving the U.N. ... is unrealistic. But it will never live up to the grandiose expectations of its starry-eyed supporters, unless they get mad enough to demand real change. So far there's no sign of that happening."

Max Boot, "Why U.N. stays mired in its defects: Start with too-friendly media, apathy and members' entrenched interests", Los Angeles Times, **December 9, 2004**.

"[In April 1994, Hutu gangs] ... killed almost 1 million Tutsis and moderate Hutus -- the fastest genocide in human history. ...

Rwanda was a failure at almost every level, but certainly it was a failure of the United Nations. ... It was the major powers -- the United States, Britain, and France that determined the exact nature of the peacekeeping mission. ...

This logic holds even more in the messy scandal over the Oil-for-Food programme, a badly managed affair surrounded by corruption. ...

And yet and yet. The United Nations is not simply a reflection of its major members, but a vast organization with a distinct culture and code -- one in desperate need of repair. ...

Given the enormous expansion of its responsibilities ... it has not structured itself to provide professional and competent management. It has some remarkable successes to its credit ... but also real failures. Oil-for-Food and the sexual scandals in Congo are examples of abysmal management, and there must be consequences. Kofi Annan has been the most reform-minded secretary-general in the U.N.'s history, but he needs to do much more, and fast: otherwise he will find himself doing too little, too late."

Fareed Zakaria, "When the UN fails, we all do", Newsweek International, **December 13, 2004**, p. 15.

"A debate currently rages about whether Kofi Annan enjoys the moral authority to lead the United Nations because the Oil for Food scandal happened under his command. ... [But] the salient indictment of Mr. Annan's leadership is lethal cowardice, not corruption; the evidence is genocide, not oil.

... 10 years ago, [in Rwanda] ... some 800,000 bodies rotted in the African sun.

... Most of the U.N.'s armed troops [had] evacuated ... abandoning vulnerable civilians to their fate, which included, literally the worst things ... a human being can do to another human being.

[In] Srebrenica ten years ago, thousands of Muslim civilians [sought] ... shelter at a U.N. base. But Serb militias separated the men and boys ... and put them on buses. Armed Blue Helmeted U.N. Peacekeepers -- tasked under Mr. Annan's leadership to protect them in this U.N.-declared 'Safe Area' watched passively. ... Across the street [now] lies a new cemetery and memorial for the 8,000 fallen men of Srebrenica. ...

If anyone's values have been betrayed at the U.N. over the years it is those of us who believe most deeply in the organization's ideals. Just ask the men and women of Rwanda and Srebrenica."

Kenneth L. Cain, "The real reason Kofi Annan must go", Wall Street Journal, WSJ.com, Opinion Journal, **December 21, 2004**.

[Note: Mr. Cain served in U.N. peacekeeping operations in Somalia, Rwanda, Haiti and Liberia.]