

**Senate Committee On Foreign Relations**  
**Chairman Richard G. Lugar**  
**Opening Statement For**  
**U.N. Reform Hearing**  
**October 18, 2005**

The Foreign Relations Committee meets today to continue its oversight of U.S. policy toward the United Nations. We are eager to examine the prospects for constructive reform of the U.N., which is critical if that body is to maintain its credibility and effectiveness on the world stage.

During the Oil-for-Food scandal, billions of dollars that should have been spent on humanitarian needs in Iraq were instead siphoned off by Saddam Hussein's regime through a system of surcharges, bribes, and kickbacks. This corruption depended upon members of the U.N. Security Council who were complicit in these activities. It also depended on U.N. officials and contractors who were dishonest, inattentive, or willing to make damaging compromises in pursuit of a compassionate mission.

The capabilities possessed by the United Nations depend heavily on maintaining the credibility associated with countries acting together in a well-established forum with well-established rules. Profiteering, mismanagement, and bureaucratic stonewalling squander this precious resource. At a time when the United States is appealing for greater international help in Iraq, Afghanistan, and in trouble spots around the world, a diminishment of U.N. credibility reduces U.S. options and increases our own burdens.

Consequently, our Committee has been very interested in exploring options for effective reforms that would improve transparency, management, and accountability at the United Nations. The Foreign Relations Committee held the first Congressional hearing on the U.N.'s Oil-for-Food scandal in April 2004. Since that time, through the efforts of Chairman Paul Volcker, Senator Norm Coleman, and many others, we have learned much more about the extent of the corruption and mismanagement involved.

In recent months, four significant reports focusing on U.N. reform were released, including one commissioned by Congress that was lead by former House Speaker Newt Gingrich and former Senate Majority Leader George Mitchell. In July, Senator Coleman and I introduced legislation that underscores Congressional concerns regarding the need for U.N. reform. We began with the presumptions that the United Nations needs more focused oversight, better whistleblower protection, greater transparency in its procurement and financial dealings, and better management of its personnel. It also needs to reform two functions vital to international peace and security: peacekeeping and human rights protection.

Clearly, the Administration and Congress have signaled for months that effective institutional reform must be on the agenda at the U.N. The Bush administration first expressed its U.N. reform criteria and concerns on April 7, 2005, when it made specific proposals to the General Assembly. Since then, high level U.S. policy statements on U.N. reform have been issued at frequent intervals.

The United States had advocated that the so-called "Outcome Document," which prescribes the next steps for reform at the U.N., contain specific reform proposals upon which the General Assembly

could act. But the Outcome Document, which was approved on September 13, lacks the specificity necessary to be a blueprint for action. Instead it calls on the Secretary-General to submit reform proposals to the U.N. General Assembly for further negotiation and approval. The Secretary-General, who issued an initial set of reform proposals last March, should move with dispatch to bring forward a final version that can be acted upon by the General Assembly. Further delay could weaken momentum for reform and open the door to potentially endless debate by reform opponents.

In addition, without decisive action, prospects for reform could be complicated by the biennial budget debate at the U.N., which begins in December. If reform decisions are delayed until after the two-year budget process is completed, any reform proposals that require additional funding will be at a disadvantage. This creates the risk that needed reforms will be kicked even further down the road.

The U.N.'s ability to organize burden sharing and take over missions best handled by the international community is critical to the long-term success of U.S. foreign policy. Americans cannot afford to approach the United Nations purely out of unilateral frustration. Rather, we have to show resolute leadership that will drive reform toward a constructive outcome that will reinvigorate the United Nations. We must explain why these reforms are necessary and how they will help the world community. If we can create international momentum, we have a unique opportunity to achieve an objective that has long been sought by both critics and supporters of the United Nations.

Today, the Committee welcomes our good friend Chairman Paul Volcker, who will speak to us about his findings as the Chairman of the United Nations Independent Inquiry Committee into the U.N. Oil-for-Food Program. He and his team have recently issued their fourth report on the scandal – a five-volume, 900-page document which provides greater detail and analysis than ever before into the functions and failures of the program. This first segment of our meeting will be treated as a briefing, since Chairman Volcker has graciously volunteered to speak to us informally from his perspective as head of the U.N. Independent Inquiry Committee. We are especially interested in Chairman Volcker's insights related to improving the management structure and oversight capacity of the United Nations. Chairman Volcker's presentation will serve to set the stage for our discussion on how prospects for reform can be improved.

Since we last met to discuss this issue in July, Ambassador John Bolton has assumed his duties at our mission to the U.N. in New York. We are pleased to welcome him and look forward to his report on how the United States is pursuing reform at the United Nations. In particular, we are interested in what the United States can do to ensure that timely and effective reform proposals will emerge from the U.N. Secretariat and what responses are contemplated if this does not happen.

We thank Chairman Volcker and Ambassador Bolton for joining us today, and we anticipate a highly informative discussion.

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