



UNITED STATES REPRESENTATIVE FOR
UNITED NATIONS MANAGEMENT AND REFORM

140 EAST 45 STREET
NEW YORK, N.Y. 10017

May 9, 2007

Dear Mr. Dervis:

As you know, on January 19, 2007, the Secretary-General called for "an urgent, system wide and external inquiry into all activities done around the globe by the UN Funds and Programs." While inspired by immediate concerns relating to the UNDP program in the DPRK, the Secretary-General's intention to examine the operations of Funds and Programs system wide and globally is welcome. The success of humanitarian and development assistance depends upon aid reaching those in need for whom it is intended.

Unfortunately, such a wide-ranging audit will take time, and urgent steps are needed to prevent serious abuse while it is underway. Therefore, I would ask that you identify those countries or situations in which the risk is highest, and take immediate steps to ensure that any apparent departure from UN policies, rules and procedures are halted immediately while the more comprehensive inquiry proceeds.

In the meantime, I would like to express my country's concerns regarding the possible impact of Burmese restrictions on UNDP operations in Burma. In February 2006, the Burmese Ministry of National Planning and Economic Development imposed a number of "guidelines" for international organizations operating in Burma, including, inter alia:

- Agree that their international staff may only travel within Burma with permission from the subject ministry with a regime representative;
- Deposit all incoming funds in Burma's national bank for subsequent withdrawal as "foreign exchange credits";
- Coordinate their work with local and state coordinating committees that include representatives of the Union Solidarity Development Association and similar groups; and
- Select their Burmese national staff from government-prepared lists of individuals.

Although not consistently implemented by Burmese authorities, these guidelines directly implicate the areas of audit concerns cited by the Secretary-General in his statement of January 22, 2007, "hard currency transactions, independence of staff hiring, and access to reviewing local projects" and suggest that UNDP should give priority to a review of its Burma activities.

Mr. Kemal Dervis,
Administrator,
United Nations Development Programme,
1 United Nations Plaza, Rm. 2128,
New York, New York 10017.

The United States Government strongly believes that transparency is critical for UNDP to maintain its organizational integrity and Member States confidence, particularly when it operates in repressive environments where the risk of government manipulation or abuse of assistance is high. In order to help us understand the extent to which Burmese government-imposed conditions affect the work of UNDP, we would appreciate receiving the following information about UNDP's activities in Burma:

1. All internal and external audits of the country office in Burma from the years 1998 – 2006.
2. A line-by-line budget for the Burma office of the Resident Representative for the last five years.

We look forward to continue working with you to ensure the highest standards of accountability in the execution of the UNDP program.

Sincerely,



Mark D. Wallace
Ambassador