



UNITED STATES REPRESENTATIVE FOR
UNITED NATIONS MANAGEMENT AND REFORM

May 14, 2007

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

Dear Mr. Melkert:

As you know, in September 2005 world leaders authorized a broad range of UN Management reforms aimed at making the UN a more "efficient, effective, transparent and accountable Organization." A number of these reforms have been adopted and others are pending final action by the General Assembly. Unfortunately, even where the General Assembly adopts reforms, those reforms often do not appear to be enacted by the UN Funds and Programs.

Consistent with the call of world leaders at the September 2005 Summit for a more transparent and accountable Organization and in light of issues recently raised in regard to the operations and activities of the UN's Funds and Programs, the US Government has identified the following eight areas where the Funds and Programs and Member States responsible for the efficient and effective use of the resources of such Funds and Programs could benefit from increased transparency and accountability:

1. Availability of internal audits and other reports, e.g. evaluations, investigations, etc. to Member States;
2. Public access to all relevant documentation related to operations and activities including budget information and procurement activities;
3. "Whistleblower Protection" policies;
4. Financial disclosure policies;
5. An effective Ethics Office;
6. Independence of the respective internal oversight bodies;
7. Adoption of IPSAS accounting standards in the Funds and Programs and
8. Establishing a cap on administrative overhead costs for the Funds and Programs

Mr. Ad Melkert,
Associate Administrator,
United Nations Development Fund,
One United Nations Plaza, Rm. 2118,
New York, NY 10017.

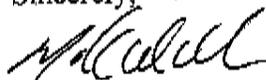
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The US Government is confident that the UN Funds and Programs share the goal of ensuring that they operate under the same high standards of accountability and transparency that have been adopted by the General Assembly for the rest of the Organization.

I look forward to working with you, in promoting and achieving progress in this area. In this regard, please provide us with information regarding UNDP's implementation of each of the foregoing eight areas.

Thank you for your attention to this matter.

Sincerely,



Mark D. Wallace
Ambassador