

# WebMemo



Published by The Heritage Foundation

No. 2387  
April 8, 2009

## Suspend UNDP Activities in North Korea, Again

*Brett D. Schaefer*

With its launch of a long-range Taepo Dong-2 missile this past weekend, North Korea violated the 2006 United Nations Security Council Resolutions 1695 and 1718. These resolutions forbid North Korea from nuclear testing or ballistic missile launches and imposes arms and financial sanctions on North Korea.

Despite international condemnation of North Korea's violation of U.N. resolutions, China and Russia have so far prevented the U.N. Security Council from taking effective action. The council may resume discussions, but negotiations are unlikely to yield a strong statement or additional sanctions. However, there are other U.N. organizations, such as the U.N. Development Program, involved in North Korea despite its intransigence. The U.S. should seek to suspend these activities as a clear signal of international displeasure with Pyongyang.

**Little Leverage.** The failure of the Security Council to enforce its own resolutions is both a travesty and a testament that there are often drawbacks to relying on multilateral bodies to be the primary enforcer of efforts to prohibit or sanction undesirable activities.

Considering the dim chances of strong action by the Security Council, the U.S. should seek to use other levers to pressure North Korea. Unfortunately, aside from Security Council actions and financial sanctions like those applied by the U.S. and allied countries to good effect in the past, such levers are few and far between.

By its own choice, North Korea is an isolated country that strictly controls the activities of international organizations and non-governmental organizations operating in its borders. Actions that might lead another country to consider modifying its behavior have little impact on North Korea.

For instance, one of North Korea's few links with the international community is the extensive provision of food assistance. North Korea has been dependent on international food assistance since the 1990s, and the World Food Program estimates that nearly 9 million people (over a third of the North Korean population) require food aid.<sup>1</sup>

However, the barbaric indifference of the North Korean government to the suffering of its own people makes this an unlikely point of pressure: North Korea has shown little hesitation in letting its citizens starve to make political points. Indeed, in March 2009, months before an ongoing aid agreement between the U.S. and North Korea was due to expire, the North Korean government abruptly informed the U.S. that it would no longer accept food assistance and ordered five non-governmental organizations involved in distributing the food aid to leave the country.<sup>2</sup>

This paper, in its entirety, can be found at:  
[www.heritage.org/Research/InternationalOrganizations/wm2387.cfm](http://www.heritage.org/Research/InternationalOrganizations/wm2387.cfm)

Produced by The Margaret Thatcher Center for Freedom

Published by The Heritage Foundation  
214 Massachusetts Avenue, NE  
Washington, DC 20002-4999  
(202) 546-4400 • [heritage.org](http://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

**The UNDP Lever.** One possible lever, however, is to reverse the January 2009 decision of the U.N. Development Program (UNDP) to return to North Korea.

UNDP originally suspended its North Korean activities after information provided by whistleblowers to the U.S. Mission to the United Nations led the U.S. to question the organization about its practices and activities. Based on the information it received, the U.S. initiated an investigation that “uncovered sloppy personnel practices that gave North Korean officials access to sensitive information; poor oversight of funds, including some diverted to Pyongyang’s pockets; and illegal transfers of dual-use technology.”<sup>3</sup> The information gleaned from these inquiries and subsequent media attention led the UNDP executive board to suspend its activities in North Korea in March 2007.

The Permanent Subcommittee on Investigations of the U.S. Senate Committee on Homeland Security and Governmental Affairs conducted its own investigation into the activities of the UNDP in North Korea and in a January 2008 report confirmed that deficiencies in UNDP rules, procedures, and management permitted North Korea to dictate the composition of UNDP staff, access hard currency, and avoid standard monitoring procedures for projects and financial transactions.

An independent audit commissioned by UNDP<sup>4</sup> and released in May 2008 similarly confirmed “how routinely, and systematically, the agency disregarded U.N. regulations on how it conducted itself in Kim Jong-Il’s brutal dictatorship, passing on millions of dollars to the regime in the process.”<sup>5</sup>

**Resumption of UNDP Activities.** After securing assurances from UNDP on a number of measures to prevent further mismanagement,<sup>6</sup> the UNDP executive board voted in January 2009 to resume activities in North Korea.<sup>7</sup> The reforms implemented range from ineffectual to, potentially, substantive improvements.

One ineffectual reform is the process for employing locals. The report acknowledges that “no private labour market exists in the Democratic People’s Republic of Korea,” so UNDP will now be able to choose among three hand-selected DPRK candidates for a job instead of just one.

Among the more substantive changes, UNDP:

- Will not permit “cash advances to the Government”;
- Will “have unhindered access to project sites, as necessary for the implementation, monitoring and oversight of its programmes”;
- “Will verify delivery of all equipment to project sites”; and

1. “North Korea Refuses U.S. Food Aid,” BBC, March 18, 2009, at <http://news.bbc.co.uk/2/hi/asia-pacific/7949785.stm> (April 7, 2009).
2. The U.S. government and the North Korean government reached an agreement in June 2008 wherein the U.S. would donate 500,000 metric tons of food to North Korea, of which 80 percent would be distributed by the World Food Program and 20 percent by non-governmental organizations.
3. Editorial, “Return to Pyongyang: A Reform Lesson at the U.N., of All Places,” *The Wall Street Journal*, January 29, 2009, at <http://online.wsj.com/article/SB123318920435726765.html> (April 7, 2009).
4. Miklos Nemeth, Chander M. Vasudev, and Mary Ann Wyrsh (External Independent Investigative Review Panel), “Confidential Report on United Nations Development Programme Activities in the Democratic People’s Republic of Korea 1999–2007,” United Nations Development Programme, May 31, 2008, at [http://www.undp.org/dprk/docs/EIIRP\\_Final\\_Report\\_31%20May.pdf](http://www.undp.org/dprk/docs/EIIRP_Final_Report_31%20May.pdf) (April 7, 2009).
5. George Russell, “Report Shows U.N. Development Program Violated U.N. Law, Routinely Passed on Millions to North Korean Regime,” Fox News, June 12, 2008, at <http://www.foxnews.com/story/0,2933,365676,00.html> (April 7, 2009).
6. Executive Board of the United Nations Development Programme and of the United Nations Population Fund, “Proposed Measures for the Resumption of Programme Operations in the Democratic People’s Republic of Korea,” December 12, 2008, at <http://www.undp.org/execbrd/word/dp09-8.doc> (April 7, 2009).
7. KBS World Radio, “UNDP to Resume NK Projects in March,” January 23, 2009, at [http://english.kbs.co.kr/news/newsview\\_sub.php?menu=8&key=2009012313](http://english.kbs.co.kr/news/newsview_sub.php?menu=8&key=2009012313) (April 7, 2009).

- Will “ensure that international personnel conduct an annual physical verification of project equipment against inventories.”

To the extent that the executive board enforces these changes, they are welcome. In the past, however, vigilance has not been the board’s strong suit.

In contrast to willingly repudiating food aid already in the pipeline, the government of North Korea values resumed UNDP activities. Pyongyang protested the suspension of UNDP activities in March 2007 and pressed for their resumption in 2008.

It is easy to see why. Under the previous UNDP arrangement, the government was able to circumvent the U.N.’s anti-proliferation sanctions and secure “dual-use” technology (including computers, software, satellite-receiving equipment, and spectrometers) that could be used for its nuclear and military programs. Pyongyang was able to launder funds using UNDP accounts, and UNDP staff concealed evidence of North Korean efforts to circulate counterfeit \$100 bills.

With the only real check on future misuse of UNDP programs and funds a historically cavalier UNDP executive board—now unhelpfully chaired by Iran—Pyongyang likely and reasonably expects to make good use of UNDP in the future.

**Hurting the Government, Not the People.** Suspending the recently renewed UNDP program in North Korea would signal displeasure from the international community and is a step that could likely be made with few programmatic consequences, since UNDP activities have only just resumed. Most importantly, the seven UNDP projects,<sup>8</sup> unlike the food aid that was repudiated by Pyongyang, cannot reasonably be argued to immediately relieve the suffering of those most affected by the depredations of the North Korean government—the people of North Korea.

The decision to renew UNDP activities in North Korea sent precisely the wrong signal earlier this year by rewarding a government that has demonstrated little willingness to cooperate with the international community or take steps to reduce the suffering of its own citizens. Failing to suspend UNDP activities in the wake of North Korea’s recent defiance of U.N. Security Council resolutions would only compound the error.

—Brett D. Schaefer is Jay Kingham Fellow in International Regulatory Affairs in the Margaret Thatcher Center for Freedom, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.

---

8. The seven projects are a sustainable rural energy development program, improved seed production for sustainable agriculture, strengthening of the food and agriculture information system, reduction of post-harvest losses for food security, small wind energy promotion, statistics for the Millennium Development Goals/quality of life report for the Democratic People’s Republic of Korea, and support project for environment program. See United Nations Executive Board of the United Nations Development Programme and of the United Nations Population Fund, “Proposed Measures.”