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CAMBODIA
U.S. Non-lethal Assistance and
Status of the Cambodian Seat
at the United Nations

Statement of

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Before the Committee on Foreign Relations
Subcommittee on East Asian and
Pacific Affairs
United States Senate



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Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to report on our work related to the ongoing U.S. efforts to encourage a settlement of the 11-year war in Cambodia. Specifically, you asked that we report on (1) the accountability for and impact of U.S. non-lethal assistance being provided to the military forces of the Noncommunist Cambodian Resistance (NCR) and (2) the status of the United Nations seat currently held by the Coalition Government of Democratic Kampuchea.

The past couple of weeks have seen some rather important events occur with regard to Cambodia. As you know, on August 28, the five permanent members of the U.N. Security Council reached final agreement on a framework for a peace resettlement, and on September 10, the four competing Cambodian parties, meeting in Jakarta, announced their acceptance of the Perm-Five plan. In a joint statement released at the close of the Jakarta meeting, the four parties agreed to form a Supreme National Council (SNC), that would "embody Cambodia's sovereignty" during the transition period. The joint statement named the 12 members of the SNC; 6 representing the People's Republic of Kampuchea in Phnom Penh, 2 representing Prince Sihanouk's party, 2 representing the Khmer People's National Liberation Front (KPNLF), and 2 representing the Khmer Rouge. We all hope that the steps taken will lead to a comprehensive political settlement in that country in a way that assures the achievement of U.S. objectives in Cambodia.

I mention these recent events because, while much of my testimony today relates to the situation that existed prior to August 1990, I believe the prior situation can be instructive on how continued U.S. involvement in Cambodia can be most productive.

RESULTS IN BRIEF

Very briefly, we found that while poor accountability and control over the U.S. non-lethal assistance program was a problem in the early years of the program; controls now exist that can provide reasonable assurance that the aid reaches the NCR. We found no evidence that U.S. non-lethal assistance has directly benefited the Khmer Rouge. However, providing assurance that the aid is properly used after being turned over to the NCR is much more difficult, and in some cases impossible, given the restriction on U.S. officials entering Cambodia where much of the assistance is actually used. Moreover, we were told that communications have occurred between military officers of the NCR and Khmer Rouge that may have indirectly augmented the Khmer Rouge's military capacity.

BACKGROUND

From fiscal years 1986 through 1990, the United States provided about \$20 million in non-lethal assistance under the Solarz Program, named after its sponsor, Congressman Stephen Solarz. The non-lethal assistance provided under this program consisted primarily of medical equipment and supplies purchased in Thailand, and training, although other activities were also supported.

During fiscal years 1987 through 1989 about 200 tons of Department of Defense (DOD) surplus commodities were also provided. Funds allocated to the Agency for International Development (AID) to support this program, known as the McCollum Program, named after its sponsor, Congressman Bill McCollum, have been used primarily to pay for transportation costs in Thailand and to construct warehouse facilities. Over one-half of the commodities provided through this program were medical supplies and equipment, but other equipment, such as generators and pumps and quartermaster supplies have also been furnished.

ACCOUNTABILITY

Our work in Thailand and along the Thai-Cambodian border indicated that in the early years of the non-lethal assistance program, accountability was inadequate. From fiscal year 1986, when the Solarz program began, until July 1988, the program was implemented solely by a designated agency of the Thai Government with virtually no management oversight by a U.S. government agency. The AID Inspector General reported that during this period serious abuses and diversions of assistance intended for the NCR occurred. The details of these abuses remain classified by the State Department.

As a result of the AID Inspector General reports, AID and the Thai Government now share responsibility for managing the program. Tracking and monitoring systems have been installed by AID to make sure the U.S. non-lethal assistance reaches the NCR. These systems

are new, but our review indicates that they can provide reasonable assurance that the assistance reaches its intended recipients. However, according to AID officials, AID's responsibility for assuring accountability ends when the assistance is turned over to the NCR. Because much of the assistance is used inside Cambodia where U.S. officials are not permitted, actual end-use still cannot be monitored or verified. Consequently, while we found no evidence that U.S. assistance is directly benefiting the Khmer Rouge, accountability systems do not exist that would provide such assurance.

Although the legislation states that U.S. non-lethal assistance provided to the NCR should not have the effect of directly or indirectly promoting or augmenting the capacity of the Khmer Rouge, officers from both the Thai Government and the party of Prince Sihanouk told us that battle targets were, at times, communicated to the Khmer Rouge. Also, at times the NCR and Khmer Rouge coordinated attacks. U.S. Embassy officials in Bangkok who monitor this situation told us that this may have occurred in the past, but they do not believe such cooperation between the NCR and the Khmer Rouge has occurred recently.

As you may know, this issue was raised last week at a House Foreign Affairs Committee hearing chaired by Congressman Solarz. In response to a question about cooperation between the NCR and the Khmer Rouge, Under Secretary of State Kimmitt indicated that there

has been a degree of contact and communication between these forces which work in close proximity. However, he indicated that the degree of contact has not increased, and is below the "threshold" laid out in the law. We cannot judge whether the communications between the NCR and Khmer Rouge forces has increased, or decreased, however, our examination of the legislation does not indicate that there is a "threshold" on indirect assistance. Section 906(a) of the International Security and Development Cooperation Act of 1985 clearly states that U.S. assistance shall not have the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge to conduct military or paramilitary operations in Cambodia. To the extent that U.S. non-lethal assistance has contributed to the NCR's performance on the battlefield, it would appear that such communications and contact between NCR and Khmer Rouge forces may have had the effect of indirectly augmenting the efforts of the Khmer Rouge.

IMPACT OF AID

As you know, the non-lethal aid programs were, and still are, largely politically motivated and represent symbolic U.S. support for the Association of Southeast Asian Nations' (ASEAN) agenda for Cambodia. However, attempting to measure the impact that the U.S. non-lethal assistance has had on the political and military balance in Cambodia is problematic at best. First, U.S. non-lethal assistance represents only a portion of the total assistance received by the NCR, and the effect of the U.S. programs would have

to be measured within the context of total assistance being provided to the NCR by all sources, information to which we do not have access. Also, as AID's Office of Khmer Affairs told us, these assistance programs were not designed to have specific activities or projects planned and implemented, with goals, objectives, and benchmarks being clearly identified. Consequently, traditional measures of program effectiveness do not exist. However, having said that, the events of the past several weeks all point to the conclusion that the political and diplomatic objectives these programs were intended to support are moving forward.

CAMBODIA SEAT AT THE U.N.

You asked that we provide information on the status of the Cambodia seat of the U.N. This seat, as you know, has been held, with the support of the United States, by the Khmer Rouge from 1979 until 1982, and by the Coalition Government composed of the two noncommunist factions and the Khmer Rouge since then. Our inquiry into the role of the Khmer Rouge at the United Nations, and its related organizations, since the formation of the Coalition Government in 1982, indicates that the Khmer Rouge has dominated in two respects. First, we were informed that it has greater financial support than the two NCR parties, and secondly a Khmer Rouge representative heads the delegations at the U.N. in New York and Geneva; the U.N. Educational, Scientific and Cultural Organizations (UNESCO) in Paris; and the Economic and Social Commission for Asia and the Pacific (ESCAP). On the other hand, we

were told by representatives of all three Coalition members that decisions on the issues at the United Nations important to Cambodia, are made on a consensus basis. We were also told that votes on economic issues generally follow the "Group of 77" and votes on political issues follow those of the Nonaligned Movement.

On July 18, 1990, Secretary of State Baker announced that the United States would no longer support the seating of the Coalition Government at the U.N. as long as the Khmer Rouge remained a part of that coalition. On July 20, Assistant Secretary of State Bolton elaborated on this policy shift by stating that the United States would vote against a renewal of the credentials of the Coalition Government if it continued to include the Khmer Rouge.

State Department officials stated that they were hopeful that the seat would be filled by a Supreme National Council representing "all shades of opinion" in Cambodia as stipulated by the Perm-Five plan for a comprehensive settlement. However, officials at the U.S. Mission to the U.N. and at the State Department with whom we spoke, either did not know or would not say how, or how actively they would work to unseat the Coalition Government in the event a Supreme National Council was not formed in time to present credentials to be seated at the next session of the General Assembly later this month.

Our analysis indicates that, in the event a Supreme National Council were not formed, the Administration's decision to vote against a renewal of the credentials of the Coalition Government, and to actively work against the seating of the Phnom Penh government of Prime Minister Hun Sen, would be an important departure from the historically held U.S. policy on the seating of delegations. Historically, the United States has taken the position that (1) a country should not be deprived of representation at the United Nations simply because other governments find that country's government objectionable on political or moral grounds--in other words, a country's seat should not be left vacant--and (2) the credentials process is a purely technical process to ensure that all the paperwork is in order and not an appropriate mechanism for unseating a delegation, especially when no other superior claim exists to the country's seat.

Instead, the U.S. position has been that the only appropriate and legal mechanism for suspending or expelling a U.N. member country from the rights and privileges of membership when another claimant is not involved, is through a recommendation of the Security Council. State Department officials with whom we spoke in Washington and New York did not indicate that attempting to expell the Coalition Government through a Security Council recommendation was under consideration. The provisions under which the United

States would have to take action through the Security Council are specified at Article 5 and 6 of the U.N. Charter. Article 5 provides that:

- Preventive or enforcement action has to be taken by the Security Council against the member state concerned.
- The Security Council has to recommend to the General Assembly that the member state concerned be suspended from the exercise of the rights and privileges of membership.
- The General Assembly has to act affirmatively on the Security Council recommendation by a two-thirds vote in accordance with Article 18, which lists "suspension of the rights and privileges of membership" as an "important question."

Article 6 states that members persistently violating the principles of the Charter may be expelled from the U.N. by the General Assembly upon recommendation of the Security Council.

This longstanding and consistently held policy has been stated repeatedly by the U.S. government to resist the expulsion of governments' delegations through the credentials process; both governments friendly to the United States, such as Israel, and governments the United States does not recognize diplomatically, such as Democratic Kampuchea--that is, the Khmer Rouge. Some U.S. officials with whom we spoke expressed concern that if the United

States voted against renewal of the Coalition Government's credentials rather than going through the Security Council process, this would represent a reversal of long-standing U.S. policy. This policy has been supported, incidentally, by an opinion of the U.N. Legal Counsel. These officials indicated that such an action by the United States could, in the future, weaken the U.S. government's position that a country should not be deprived of representation at the United Nations simply because other governments dislike that country's politics or find it morally objectionable. If a Supreme National Council is formed in time to present credentials for the next session of the U.N. General Assembly, the United States will be spared this dilemma.

Mr. Chairman, this concludes my prepared remarks. Appendix I to this statement provides further information on our review of the U.S. non-lethal assistance programs. We would be pleased to respond to any questions you may have.

U.S. ASSISTANCE TO NONCOMMUNIST
RESISTANCE GROUPS IN CAMBODIA--1986-90

In December 1978, Vietnam invaded Cambodia, deposed the Khmer Rouge government, and installed the government of the People's Republic of Kampuchea (PRK). The Khmer Rouge began military resistance against the PRK and the Vietnamese army in Cambodia, and in 1982 the two non-communist Cambodian resistance (NCR) forces-- the Khmer People's National Liberation Front (KPNLF) and Prince Sihanouk's FUNCINPEC/ANS¹--joined them in this effort.

All three entities have armed forces which operate in Cambodia from locations along the Thai-Cambodia border. The United States supports the two non-communist resistance forces with non-lethal assistance. The United States' support, according to the Department of State, is political and symbolic in nature, and intended to support the agenda of the Association of Southeast Asian Nations (ASEAN) in bringing an end to the conflict. The State Department hoped that the assistance would help sustain the non-communist resistance groups as viable independent forces, and by so doing, enhance their political stature as alternatives to the Khmer Rouge and the PRK.

¹FUNCINPEC is the acronym for the French name of the resistance faction supporting Prince Sihanouk. FUNCINPEC is the political arm and the ANS is the military component.

U.S. ASSISTANCE PROGRAMS

U.S. assistance to noncommunist resistance groups is composed of two programs--the Solarz Program authorized by the Congress in 1985 and the McCollum Program, which began in 1987.

The Solarz Program

The Solarz Program was authorized by the International Security and Development Cooperation Act of 1985 for the purpose of assisting NCR forces. Legislation expressly prohibits program funds from being used "with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations." The Department of State determined that assistance under the Solarz Program would be non-lethal and humanitarian in nature and would be provided to the military arms of the two NCR forces. State Department documents indicate that it was not intended that this assistance would significantly improve the NCR forces' military capabilities, but rather it was to complement assistance received from other sources. The State Department hoped that the military forces would perform well enough on the battlefield that their political stature would be enhanced during negotiations to end the war. Beyond this, there were no measurable program goals stated for the program.

The State Department delegated program implementation responsibility to AID which in turn reached agreement with the Royal Thai Government to deliver the assistance to the NCR. For the first 2 years, the Thai Government was responsible for all aspects of delivering Solarz funded assistance to the NCR, including procuring materials and supplies and providing training, transportation, and administrative services. The Thai Government received a cash transfer from AID to pay for these activities, and AID's role was to monitor the Thai government's implementation of the program. This continued until the AID Inspector General reported serious diversions and abuses of program funds and commodities, and AID took control of the program in July 1988. The details of these diversions remain classified.

From fiscal years 1986 through 1990, AID has obligated about \$20 million in assistance under the Solarz Program. Forty-five percent was for material support, including medicines and medical supplies as well as non-medical items such as trucks and other equipment. Approximately 25 percent has been for training, mainly in the medical, vocational, and community development areas. The remainder has paid for administrative and other support costs. The program has financed the operation of field hospitals, clinics, and

mobile training teams in Thailand and Cambodia and the training of NCR forces personnel as field medics, surgical assistants, and laboratory assistants.

With increased NCR military successes inside Cambodia, more of the U.S. equipment and supplies have been used in-country for military purposes and for civic action aimed at gaining popular support. Funds and equipment for transportation infrastructure to help distribute medical and civic action teams and services inside Cambodia have been recently added to the program. Items such as clothing, fishing nets, and school supplies are being distributed for to civilians living in the NCR-controlled areas to win support for the resistance. Transportation support, in the form of road improvements, vehicles, and transport services, is intended to help move medical supplies and civic action items into areas in Cambodia where the NCR troops and civilians are located. During our review in Thailand, AID was in the process of awarding a \$310,000 contract to a Thai firm to build a 25-kilometer road from Thailand into Cambodia for NCR use.

AID has recently begun refocusing its training to include NCR political party civilians as well as military members. They are given basic instruction in civil government affairs to prepare them to take an active role in managing territory that comes under NCR

control. While the program originally focused on assisting the military forces only, AID is now training residents of the Cambodian displaced persons camps in Thailand in areas such as public administration, psychological operations, and other public relations techniques.

Military-Oriented Youth Camp

In November 1989, AID began funding a Military Oriented Youth Program for the Sihanoukian National Army in Cambodia. Funds were requested to provide room and board for more than 250 young boys between the ages of 12 and 16, who, according to AID officials, had attached themselves to the ANS but were too young to be accepted as military recruits. Many were orphans who were too old for the orphan facilities at the displaced persons camps in Thailand and some were children of ANS soldiers. The program is intended to care for these young boys in a secure environment and relieve the ANS of the financial and psychological burden of caring for them, and also to allow the ANS to use its funds for military purposes.

According to the ANS request, basic educational courses would be taught, as well as special courses in military discipline, first aid, military parade, and "basic acts of combatants". AID approved the program with the understanding that AID funds would

not be used for training related to basic acts of combatants; however, since the program is carried out in Cambodia, where U.S. officials are not permitted, AID cannot assure itself that U.S. funds are not being used for this purpose. Thus far, \$64,000 in AID funds have been spent and an additional \$100,000 has been approved.

The McCollum Program

In 1987, under legislation known as the McCollum Amendment, DOD surplus equipment and supplies began to be provided to the NCR. According to the State Department, the McCollum Program assistance complements the Solarz Program and is intended to advance the resistance goal of generating political support among the Cambodian people. This program is administered by the AID Office of Khmer Affairs in Bangkok, Thailand.

About \$1 million in McCollum Program funds have been obligated since 1987 to pay for "in-country" transportation, storage of surplus DOD items in Thailand, and AID administrative costs. These funds have also been used to construct warehouse facilities at the border area camps.

To obtain surplus commodities, AID and NCR officials select particular items or types of items available from a DOD excess

property list. DOD decides which items will be shipped to the NCR based on AID's stated needs and requests and the inventory of available items. According to AID, of 11 shipments delivered through fiscal year 1989, 57 percent of the items were medical supplies, 34 percent were equipment items such as generators and pumps, and the remaining 9 percent were quartermaster stores, including clothing, mosquito nets, and canteens. Data on the three fiscal year 1990 shipments are not yet available. Because DOD does not maintain value data on surplus equipment, we were unable to determine the value of the items shipped to date.

AID MANAGEMENT

Prior to 1988, the Royal Thai Government managed both the Solarz and McCollum Programs. The Thai Government's responsibilities included procurement, training, and transportation of goods to the NCR. It also provided medical budget support payments to the NCR forces. During that time, AID's involvement in managing the programs was minimal, and detailed budgets or receipts to account for expenditures were not required by AID.

In 1988, AID assumed control of both programs. At the present time, AID directly procures most commodities and pays the NCR directly for hospital support. The Thai Government's involvement in the Solarz Program has been reduced to \$1.5 million for fiscal

year 1990 to pay for some training and logistical support for the NCR. AID currently has direct oversight of about 85 percent of the Solarz Program funding.

Our review of the accountability and inventory control systems installed by AID indicate that there is now reasonable assurance that funds or commodities are reaching the NCR. However, after funds or commodities are turned over to the NCR, AID's ability to monitor end-use becomes more difficult, and depends on whether the goods or services are used in Thailand or Cambodia. Because AID officials are not permitted inside Cambodia, AID cannot monitor end-use of commodities or services that cross the border; however, while the goods and services are in Thailand AID has established procedures to insure that U.S. funds and supplies are accounted for and used for the purposes intended. For example, AID staff routinely check NCR warehouses and require line item budgets, monthly financial reports and expenditure receipts for cash transfers used to support NCR medical facilities. A system of requisition and stock control procedures have been initiated that have been reviewed by the AID Inspector General and are currently being improved to allow for better tracking of the commodities. AID officials monitor the number of students, the training provided, and the use of medical support funds. AID also reviews receipts submitted by the health care administrators, and visit

hospital facilities to monitor the number of patients and extent of activities. However, in 1989, the ANS hospital was moved into Cambodia and this has prevented AID from making on-site visits to this facility.

SCOPE AND METHODOLOGY

We conducted our work in Washington, D.C., Thailand, and Singapore where we reviewed records and interviewed officials from the Department of State, AID, the United Nations, political and military wings of the resistance forces, governments of Thailand and other Southeast Asian nations, and private interest groups and voluntary organizations. We observed conditions at the Cambodian displaced persons camps in Thailand. To test accountability of items purchased or supplied under the two U.S. programs, we (1) did spot checks on inventory records, (2) reviewed procedures for maintaining accountability, (3) observed the receipt and distribution of program funded items to the NCR, and (4) reconciled program financial statements to bank account statements, petty cash counts, and receipts. We performed this work at one AID warehouse and four NCR warehouses in Thailand. Our review was performed from April to August 1990 in accordance with generally accepted government auditing standards.