The role of the United Nations in the global development architecture:
Steps towards greater coherence

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1 Introduction
2 The role of the UN development system: Strengths, weaknesses and the challenges of
   the new aid architecture
3 Current reform debates
   3.1 Reform of the operational activities
   3.2 ECOSOC reform
4 Positions of the industrialized countries, G77 and China
   4.1 G77
   4.2 China
   4.3 Industrialized countries
5 Practical steps towards a North-South consensus
1. Introduction

The global development system is in flux. Western donors (e.g. G7, EU) have committed to a major expansion of their transfers to poor countries and are determined to enhance aid effectiveness within the framework of the Paris Declaration. Emerging powers (like China, India, Brazil) are significantly intensifying their outreach towards developing countries but prefer to remain outside of the harmonization process initiated by OECD Development Cooperation Committee (DAC). Non-state actors, such as foundations and international non-governmental organizations (NGOs), are also gaining in influence and can command increasing resources. At this stage however, it remains unclear how the United Nations will want to position itself in the international development architecture.

Against the backdrop of a rapidly changing international environment, this paper analyzes the position of the UN system within the global development architecture. In particular, the paper discusses the opportunities and constraints of current reform efforts on enhancing UN system-wide coherence and empowering the Economic and Social Council (ECOSOC) as global convenor on development issues. Special attention will be focused on converging and diverging positions of industrialized countries and the alliance of developing countries at the UN, G77/China, since any progress critically depends on consensus-building among member states. Finally, it outlines practical steps, which reform-minded states from North and South could take to boost the UN's position in the global development system.

2. The role of the UN development system: Strengths, weaknesses and the challenges of a new aid architecture

The UN development system consists of Funds, Programmes and Specialized Agencies. UN Funds and Programmes\(^1\) are directly under the authority of the General Assembly and the Secretary-General and are entirely funded through voluntary contributions by UN member states. They have been charged with operational activities at country level, i.e. policy advisory functions, consultancy for governments and project implementation. The Specialized Agencies\(^2\) are bound only contractually to the UN and do not receive binding directives from

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1 The most prominent Funds and Programmes are: UNDP (United Nations Development Programme), UNEP (United Nations Environment Programme), UNFPA (United Nations Population Fund), UNICEF (United Nations Children’s Fund) and WFP (World Food Programme).

2 Major Specialized Agencies are the World Bank, WHO (World Health organization), FAO (Food and Agricultural organization), ILO (International Labour organization), IFAD (International Fund for Agricultural Development), UNIDO (United Nations Industrial Development organization) and UNESCO (United Nations
the General Assembly or the Secretary-General. They have their own membership, their own governing structure and collect assessed (mandatory) contributions from their member states with regard to core (normative) functions. The Specialized Agencies have the mandate for global norm and standard-setting. Beyond that, many of the Specialized Agencies raise extra-budgetary funds from donors and spend significant amounts of money at the country level for operational activities.

Besides the Funds, Programmes and Specialized Agencies various entities of the UN Secretariat deal with development issues. As a response to emerging issues during the last decades, member states created new organizations or expanded the mandates of existing ones. As a result, many agencies now operate in the same or similar areas with little co-ordination among themselves leading to mandate duplication and overlap. All in all, several dozens of Funds, Programmes, Specialized Agencies and Secretariat entities are normatively and/or operationally active in the field of development. For example, more than 20 UN organizations deal with water as a crucial issue for sustainable development from an economic, social and environmental angle, and more than 30 UN agencies are involved in environmental activities (Deen 2007b).

In the general perception, the UN is regarded as an impartial actor in humanitarian, development and security issues as it is governed by its 192 member states, which each have formally an equal say (“one country – one vote”). This principle does not apply to the Bretton Woods Institutions (World Bank and International Monetary Fund), which are formally part of the UN system but follow their own rules of decision-making according to capital shares (“one dollar – one vote”). The perceived neutrality vis-à-vis national power politics is also often mentioned as a comparative advantage of the UN development system in its operational and normative activities. This holds true mainly for sensitive issues, such as reproductive health, gender equality, crisis and post-conflict situations and governance. Furthermore, the universal membership also gives the UN a special legitimacy as overarching global governance institution. The combination of normative and operational work sets the UN development system apart from other bi- or multilateral actors. However, other than anecdotal

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Educational, Scientific and Cultural Organization), which all deal normatively and operationally with development issues.

3 Among others, the regional commissions of ECOSOC and the Department for Economic and Social Affairs (DESA) at the UN Secretariat deal with development in normative and operational terms.
evidence and single country studies\textsuperscript{4} there is so far no systematic academic research on what really constitutes the comparative advantage of the UN development system.

As a flip-side of the (perceived) strengths of the UN in the development field, its weaknesses have been at the centre of a long-standing debate.\textsuperscript{5} Major problems cited are fragmentation, overlapping mandates and systemic incoherence that lead to high transaction costs for partner countries and implementing agencies. However, one reason for this fragmentation is the donor behaviour towards the UN since the UN can only be as coherent as member states allow them to be.\textsuperscript{6} Furthermore, the G77 is generally opposed to a consolidation of UN-entities. In their statement on the High-level Panel-report in March 2007 the G77/NAM underline the positive aspect of having various UN-agencies in the field of development (G77/NAM 2007a, p. 4):

“The various development-related organizations, agencies, funds and programmes of the UN system, with their diverse and complimentary fields of activities, bring a unique wealth of expertise and resources in assisting in the achievement of the MDGs […]“.

Furthermore, Western governments have undermined the multilateral process by increasingly demonstrating bad multilateral donorship towards UN organizations. They have steadily shifted resources from core to earmarked activities, which primarily serve donor priorities outside the regular deliberative process in executive boards (“creeping bilateralization”). In addition, donors have increasingly introduced decentralized decision-making (and resource allocation) at country level. As a result, donors fan inter-agency rivalry for funding and often use UN organizations as implementing agencies for bilateral projects.

The debate on strengths and weaknesses of the UN development system has become even more relevant in the context of rapid changes within the global development architecture. Firstly, new actors have (re-)emerged as important providers of development cooperation funds. Certain new bilateral donors, such as China, India, Brazil and the Gulf States have significantly expanded their programmes towards developing countries but prefer to remain outside of the harmonization process of the OECD/DAC. In addition, non-state actors, such as private foundations (e.g. Bill and Melinda Gates Foundation, Clinton Initiative) and

\textsuperscript{4} For a study about the potential role of the UN in a changing aid environment in Malawi and Mozambique see Scanteam 2005.  
\textsuperscript{5} For an overview of the strengths and weaknesses of the UN development system see Fues 2005, p. 66f.  
\textsuperscript{6} Many Western states lack internal coherence (whole of government approach) since the responsibilities for UN Funds, Programmes and Specialized Agencies are often dispersed over diverse ministries without a unifying national agenda. Accordingly, member states’ positions in the respective governing boards are often incoherent.
international NGOs, have gained considerable influence and command increasing resources thus enabling them to pursue political agendas of their own.

Secondly, at country level the promotion of a new framework for development cooperation has lead to increased efforts of harmonisation and partner alignment. In this context, there has been a shift away from project funding to programmes based approaches and budget support. In 2005, donors, partner countries and international organizations articulated principles of national ownership and donor harmonisation in the Paris Declaration on Aid Effectiveness. The UN development system – represented by the United Nations Development Group (UNDG) – has also signed this document which defines clear donor and recipient country commitments to be monitored in coming years. There is an emerging debate within the UN development system on how it should position itself with regard to these new principles (Scanteam 2007).

To sum up, the new aid architecture has changed the way aid is delivered at country-level. Partner countries can choose from various sources of technical assistance and donors can decide through which institutions they channel their resources. The UN development system therefore increasingly finds itself in competition with new actors and has to adapt to new aid modalities, such as budget support. UN agencies and the system as a whole need to position themselves in the new international aid architecture on the basis of their comparative advantages. The following section elaborates further on this reform debate – focusing on the reform of operational activities and the reform of ECOSOC.

3. Current reform debates

3.1 Reform of the operational activities

Over the last decades there have been countless studies and reports on how to re-organize the increasingly complex UN development system.⁷ Since 2006, the reform debate has gained new momentum through the work of the High-level Panel on UN system-wide coherence. The Panel was set up by Secretary-General Kofi Annan in March 2006 upon request of the member states in the World Summit 2005 Outcome Document. The Panel presented its final report “Delivering as One” in November 2006 (UN 2006b). It contains various recommendations for reform in the areas of humanitarian assistance, development and the environment.

⁷ The Jackson Report of 1969 already presented a wide range of critical points on the UN development system which, to this day, remain at the centre of the reform debate (UNDP 1969).
The Panel presents a critical assessment of the UN development system’s present performance and recommends pragmatical steps that build on the ongoing reform process of “One UN”, from country to headquarters levels. New ground is covered by proposals for a consolidated intergovernmental oversight body (Sustainable Development Board) and a single UN gender entity by merger of existing units (Fues 2006b). The report rightly throws a favourable light on the ongoing process of streamlining UN performance at country level (“One UN”). Promising first steps along these lines have already been undertaken, e.g. in Cape Verde and Vietnam. Since 1997, the UN Development Group provides an effective system-wide framework for coordination and policy development at headquarters level.

The Panel speaks out in favour of “One UN” at country level with “one leader”, “one programme”, “one budgetary framework” and “one office”. This means that in each country UN organizations should be led by the Resident Coordinator and adopt – in co-operation with the partner country – a single “One UN Country Programme”. UN organizations shall work together in one office; the common budgetary framework would integrate all available funding sources. In this context, the Panel recommends to set up an “MDG Funding Mechanism” to pool contributions to the “One UN Country Programme”. Donors that aim to provide financial support for the UN in a specific country would then finance the “One UN Country Programme” rather than funding specific projects implemented by a single UN organization. This approach of “One UN” at country level is now being tested in eight pilot countries, which have volunteered for this experience.8

Furthermore, the Panel recommends the formulation of good multilateral donorship principles which – among other aspects – could include donor commitments for multi-year contributions to the UN operational activities (such as the commitments to the International Development Association for a period of three years) and a fixed limit to non-core resources. The Panel also proposes a reform of the governance structure. It presents an innovative concept for a consolidated intergovernmental oversight body (Sustainable Development Board) for four key agencies, UNDP, UNICEF, UNFPA and WFP, to ensure system-wide coherence. In the long run, the new Board would replace existing executive boards and become the final authority for approving the “One UN Country Programmes”. Presently, the boards already have joint meetings, where they are, however, barred from decision-making. While the formal independence of agencies will be maintained under the new Board, a significant gain in

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8 Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay, Viet Nam.
coherence could be achieved by centralized decision-making. With regard to the fragmented UN gender architecture, the Panel proposes to consolidate the “United Nations Development Fund for Women” (UNIFEM) with two Secretariat entities, the “Office of the Special Advisor on Gender Issues” (OSAGI) and the “Division for the Advancement of Women” (DAW), into one single gender entity.

The implementation of the Panel’s recommendations requires intergovernmental decision-making. For this purpose, Secretary-General Ban Ki-moon officially handed over the report to the General Assembly in April 2007 (UN 2007). It is now up to the President of the General Assembly to consult with the member states, what kind of procedure they want to follow in dealing with the document and the Secretary-General's recommendations.

3.2 ECOSOC reform

The debate on reform of the UN development system is closely linked to efforts of strengthening the Economic and Social Council (ECOSOC), the principal organ which is supposed to provide overall guidance in economic and social affairs to UN agencies and beyond. Since its inception, the influence of ECOSOC has been extremely limited since it is overshadowed by institutions beyond its reach, most notably the International Monetary Fund, World Bank, World Trade Organization, G7/8 and the DAC/OECD. The formal oversight role of the Council towards UN Specialized Agencies and in relation to its subsidiary bodies, such as the Commission on Sustainable Development, has not given it any real clout as it lacks the means to exercise effective control. ECOSOC has basically remained a talking shop and has not been taken seriously by member states or actors outside of the United Nations.

In their Outcome Document of the Millennium Review Summit (September 2005) member states agreed on two innovative proposals which are meant to uplift ECOSOC’s position in the global development architecture. Firstly, there is to be an annual session at ministerial level to evaluate progress in reaching the Millennium Development Goals (MDGs). All development actors are expected to report on their respective contributions. Secondly, ECOSOC has been mandated to organize a biennial high-level Development Cooperation Forum (DCF) as a platform for dialogue and policy formulation at a strategic level. The first meeting of this kind will take place in July 2007 as part of the ECOSOC session in Geneva.

The UN Secretariat has formulated an highly ambitious agenda for the Forum (UN 2006a):

“The DCF will provide a new global platform for diverse development cooperation actors to engage in a dialogue on key policy issues affecting the quality and impact of
aid. The Forum is particularly expected to play an important role in promoting greater impact of international development cooperation pursued by multilateral institutions, including OECD/DAC, the Bretton Woods institutions and the United Nations, as well as bilateral development agencies and South-South cooperation arrangements.”

If successful, the Development Cooperation Forum could turn into an effective complement to the DAC/OECD which is a donor club of industrialized countries. In contrast to the DAC, the Forum could function as an impartial arena for interaction between donor and recipient countries. “New” donors (or development cooperation partners, as they would prefer to be called) like China and India would certainly find it much more acceptable to join the global debate under the umbrella of the UN rather than following an invitation of Western countries to the DAC.⁹

The High-level Panel on system-wide coherence goes one institutional step further in proposing a global steering committee for the global economy, “L27”, as sub-organ of ECOSOC. On a rotating regional basis, L27 is supposed to act as top-level executive body comprising heads of state and government from half of ECOSOC membership. While this concept presents a possible avenue of lifting the UN to the apex of global economic governance, political chances of implementation are close to zero at this point. Public trust in ECOSOC, this goes for North and South alike, stands at an all-time low. Any attempt to assign coordinating responsibilities on global economic affairs to some ECOSOC-related entity will fall on deaf ears. Instead, it would be more realistic to build on an innovative feature of the existing summit architecture, namely the G20 of finance ministers (F 20) established in 1999.

This body, which meets annually at ministerial level, brings together leading Western countries and emerging powers such as China and India. The annually rotating presidency has so far been equally distributed between Western and developing countries: From the South, India (2002), Mexico (2003), China (2005), and currently (2007) South Africa have held this position. It’s Brazil’s turn in 2008. If linked properly to the UN by including the ECOSOC chair and possibly the General-Secretary, the so-called L20+ may become a promising avenue

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⁹ In 2006 the OECD launched a Global Forum on Development which to a certain extent resembles the Development Cooperation Forum. The OECD Forum wants to improve dialogue between OECD and non-member governments, as well as a variety of private sector and civil society actors. Its first annual plenary took place in April 2007 on the topic „The Evolving Landscape of Development Finance: Managing Complexity“. While Brazil, India and other developing countries had sent officials from their respective capitals, China's participation was limited to one embassy staff (OECD 2007).
for a more inclusive dialogue on global governance challenges (Linn/Bradford 2007; Fues 2007; English/Thakur/Cooper 2005).

4. Positions of industrialized countries, G77 and China

The currently debated reform proposals require intergovernmental negotiating processes and formal decisions by the General Assembly. It has become increasingly apparent that the views of the developing countries – the Group of 77 (G77) – and the views of the Western states\(^\text{10}\) diverge on central reform issues.

4.1 G77

The developing countries fear that the principal aim of reforming the UN development system is to increase the influence of Western states – as the main donors – by centralizing decision-making procedures and streamlining operational activities. They insist on the central role played by the UN in economic and social development and reject the perceived attempt to limit UN activities to niche sectors of development cooperation like post-crisis reconstruction (G77/NAM 2007b). Furthermore, there is a concern among the G77 countries that Western states want to exploit reform initiatives as a cost-cutting exercise in order to downsize their contributions. In March 2007, the G77 joined by the Non-aligned Movement (NAM) published an official statement on the recommendations of the High-level Panel (G77/NAM 2007a; for a Southern perspective on this statement see Deen 2007a; Khor 2007). According to this, the G77/NAM want to engage constructively in the intergovernmental reform process and see “a number of useful recommendations in the report” (G77/NAM 2007a, p. 2). They stress the importance of national ownership for the development process. G77/NAM insist that the piloting of the “One UN” approach in eight countries is an entirely voluntary process where national governments have to remain in the driver’s seat. They do not support a systematic expansion of this reform initiative to other pilots without prior intergovernmental consideration.

The G77/NAM are concerned that cross-cutting issues such as gender, human rights and sustainable development could be used by the West “to introduce new conditionalities on international development assistance” (G77/NAM 2007a, p. 2). In addition, they are sceptical towards the Panel’s recommendation of a “UN Sustainable Development Board” since they regard this as potential duplication of ECOSOC's work. Instead, the G77/NAM would prefer a

\(^{10}\) In this context, the term “Western States” describes the EU member states, Australia, Canada, New Zealand, Norway, and the United States of America.
thorough review of the membership and decision-making processes of the executive boards that are currently governing the UN Funds and Programmes.

In their statement, the G77/NAM do not elaborate on the Panel’s proposal for consolidation of the UN gender architecture. At the end of 2006, the G77 rejected the hasty initiative of Secretary-General Kofi Annan – taking up the Panel’s proposal – to merge UNIFEM, OSAGI and DAW and to create an additional Undersecretary-General position to head the new women's agency. However, in their opposition to Kofi Annan, the G77 only referred to a violation of procedural rules. In general, UN officials and Western government officials expect the G77 to be open for further discussion on gender issues. Ban Ki-moon, the new Secretary-General, has already expressed his support for the new gender structure (Ban 2007).

To sum up, the G77/NAM are concerned that Western states want to increase their influence within the UN development system, thereby controlling national development strategies and intervening into internal affairs. There is also certain disappointment within the G77 that the Panel did not explicitly address the funding situation of UN development agencies. In their opinion, the “quantity, quality and predictability” of contributions have to be addressed more concretely (G77/NAM 2007, p. 3). Reforms towards more coherence should not be a cost-cutting exercise but rather expand the reach of UN development activities. Developing countries also criticize that the reach of the coherence effort is limited only to UN agencies proper and does not include the International Monetary Fund and the World Bank.

In analysing intergovernmental negotiations at the UN one has to keep in mind that the G77/NAM is not an homogeneous group. Instead, the block consists of middle-income countries and emerging powers, such as India, China, Brazil, Egypt and Pakistan, and of small least-developed countries. The former often turn out to be the most influential actors within the group and the key driving force of frustrating Western initiatives. In contrast, small least-developed countries, which are dependent on foreign aid with little capacity to co-ordinate foreign assistance on their own, often indicate they would prefer a more coherent UN development system. This is because in practice this would mean a reduction of transaction costs for them.

Accordingly, the opening debate in the General Assembly on the Panel’s report in April 2007 revealed that there are reform-oriented states within the G77/NAM. Rwanda, Tanzania, Eritrea, Cape Verde, Belgium, Denmark and Sweden made a joint statement (Rwanda 2007). They welcomed the recommendations of the Panel and supported the idea of a more coherent
UN. At the same time, they underlined that reform initiatives must not be a cost-cutting exercise and that national governments of the pilot countries should have the lead in all phases of the process. Furthermore, they expressed their openness to discuss a reform of the governance structure, namely the establishment of a Sustainable Development Board.

4.2 China

In regard to China’s position on UN development system reform, there are some obvious points of difference between China and the Western countries. Compared to Western countries, China takes a more cautious stand on UN reform by emphasizing the need for adequate consultation and coordination among all member states. According to official statements, China does not want to rush into reform while there are still significant disagreements between developing and developed countries. China prefers a gradualist and prudent reform on UN development system reform since this area is of special importance to developing countries.

China emphasizes the national needs of developing countries or recipient countries, seeking more assistance, more freedom in making use of the assistance and less conditions. For instance, China hopes that the operational activities at the field level should take into full consideration the national conditions and needs of the recipient countries and ensure the participation and consent of their governments, rather than attempting to use one single model in all cases. China believes that only in this way can the recipient countries benefit to the maximum from programme cooperation.

Sovereignty and non-interference are very important principles for China and other developing countries while the Western countries like to talk about global governance based on universal values and principles. China as both a recipient country and a donor country, is not opposed to the main principles of good governance. The difference is that China does not want to link some political standards as preconditions to its policies towards the developing countries. The political distrust between China and the Western countries remains, and the term of “global governance” is still a suspect Western concept for China. China’s position emphasizes South-South cooperation and bilateral cooperation between China and other developing countries. China calls on the Western countries to support the South-South cooperation in development. China suggests that UN development system should actively explore new ideas and modalities for promoting South-South cooperation.
Basically, China supports UN reform to achieve the goal of coherence and effectiveness through the “one UN” approach. The difference is that the Western donor countries emphasize “one UN” and “coherence”, and China emphasizes “flexible modalities” and “diverse national needs and requirements”, believing that reform should result in an increase of the UN operational activities' capacity to meet the various demands of the recipient countries in an integrated and flexible way, and that the reform shouldn't be mechanically confined to certain specific areas only.

The different positions between China and the Western countries come from different interests and political values. In regard to China's national interest, it is natural for China to push UN reform in a direction that will be in favour of China’s interest and needs. China’s policy toward the developing countries is still rooted in its traditional political culture. The eight principles of foreign aid and the five principles of peaceful coexistence are a legacy of China’s long-held policy toward the developing world.11 During his recent visit to Africa, Premier Wen Jiabao emphasized that similar historical experiences closely unite China and Africa and that the two have established a profound friendship. This reflects the specific political tradition of China’s policy toward the developing countries. This is the familiar path of Chinese thinking about development issues. It will therefore be hard to remove all obstacles between China and the Western countries on UN development system reform.

But this is not to say that the gap between China and the Western countries cannot be bridged. It is true that China takes into consideration its national interests and prefers bilateral relations, but it is also the case that China is putting more emphasis on its international responsibilities and on international institutions. As China develops economically and reforms politically, it will make more progress in terms of good governance. Furthermore, as China integrates with the outside world, its international behaviour, including its activities in developing countries, cannot escape the constraints of international institutions. To abide by international rules and norms has become an important part of the Chinese national interest.

11 China’s foreign policy centers on the “Five Principles of Peaceful Coexistence,” which were first applied in a Sino-Indian cooperation agreement signed in 1954. In the year that followed, the principles were also adopted at the Asian-African Conference in Bandung (Indonesia), and even today they are among the effective foundations of the Nonaligned Movement. The five principles are mutual noninterference in internal affairs, mutual respect for territorial integrity and sovereignty, mutual nonaggression, equality and mutual benefit, peaceful coexistence. When it comes to cooperation with (other) developing countries, China further applies a number of special principles adopted in 1964 by then Premier Zhou Enlai. These have e. g. served to bind Chinese experts abroad to the living standards of the local population (Fues/Grimm/Laufer 2006).
The UN system is important for both China and the Western countries, and there is an interdependent relationship between both sides. Different types of multilateral cooperation can make different contributions to global development and UN development goals. But the UN is a unique actor in spite of its flaws, such as gaps in effectiveness and efficiency. Some universal principles about development advocated by the UN have been accepted by all the member states, including China, and the UN is an important coordinator to promote negotiations among all sides, developing countries and developed countries, donor countries and recipient countries. The UN is the best place to reach acceptable principles and norms for all actors at global level.

Reform efforts for a more effective UN development system are in the interest of China. So it is a promising proposal to make the UN play an enhanced role in the global development architecture. There have been some common development principles that have been accepted by both developing countries and developed countries, and there exist different types of multilateral cooperation inside or outside the UN system. It is not realistic to bring all multilateral cooperation under UN control, but it is possible to encourage all actors of development cooperation to commit to UN development principles that have been accepted by all members states.

4.3 Industrialized countries

Official statements of Western states during the recent debate of the General Assembly on system-wide coherence were released by members of the European Union,\textsuperscript{12} Norway and Switzerland. They all welcomed the report of the High-level Panel and expressed support for reforms that are intended to lead to a more coherent and efficient UN. All statements put a special emphasis on strengthening the UN gender architecture. Furthermore, they highlighted their concern that the “One UN” approach should follow the principles of country ownership and be derived from national priorities.

EU member states underlined that the discussion on funding issues must aim “to ensure multi-year, adequate and timely core funding” (EU 2007, p.2). In addition, they think that the balance between core and non-core resources should be improved. However, Western states address the funding issue mostly rhetorically. This is mainly due to internal restrictions many

\textsuperscript{12} Turkey, Croatia, Former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro, Serbia, Iceland, Ukraine and Republic of Moldova aligned themselves with the EU statement.
donors face: National parliaments often do not approve multi-year commitments for multilateral development cooperation. Furthermore, internal political considerations influence the allocation of donor resources. Accordingly, many donors prefer earmarking rather than contributions to core budgets as this increases their own visibility. Due to these factors, many donors cannot or do not want to change their behaviour towards UN organizations. With regard to funding issues, Norway was the only Western state that explicitly stated its intention to provide additional resources to fund “One UN” pilots and that it would continue to provide multi-year commitments to UN Funds and Programmes.

In their respective statements Western governments underlined that the Panel’s report should be considered in thematic tracks. This would mean that the various issues of the report (e.g. funding of the UN development system, gender, governance of the operational activities, environment, humanitarian assistance) would be negotiated separately among member states.

The table below summarizes the positions of Western and developing countries on the main issues of the Panel’s report.

<table>
<thead>
<tr>
<th>Issue of the High-level Panel report</th>
<th>Position of G77/China/NAM</th>
<th>Position of Western states</th>
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</thead>
<tbody>
<tr>
<td>„One UN“ approach at country level (= one leader, one office, one programme, one budgetary framework)</td>
<td>Positive, but no systematic expansion without intergovernmental consideration, led by national governments, no one-size-fits-all approach</td>
<td>Positive, led by national governments, no one-size-fits-all approach</td>
</tr>
<tr>
<td>Governance (Sustainable Development Board)</td>
<td>Very sceptical</td>
<td>No official statement, but generally supportive</td>
</tr>
<tr>
<td>Consolidation of UN gender architecture</td>
<td>No explicit statement on substance, but intergovernmental negotiations important</td>
<td>Very positive, strong support for proposed changes</td>
</tr>
<tr>
<td>Funding</td>
<td>Concern of cost-cutting exercise, want more and predictable funding</td>
<td>Rhetoric support for more and predictable funding, reform should not be cost-cutting exercise</td>
</tr>
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The following chapter will explore possible practical steps towards a possible North-South consensus on the controversial issues.

5. **Practical steps towards a North-South consensus**
In the forthcoming intergovernmental negotiations the support of the South – namely the G77/China – for reform proposals is crucial for the implementation and realization of the recommendations for a more coherent and stronger UN in the area of development (Rohner 2007). As shown above, the position of the Western states and the developing countries differ significantly from each other. The Western governments also have to take notice of the fact that influential non-governmental organizations from their societies have closely aligned themselves with the reservations of developing countries (Center of Concern et al. 2007).

In order to form an alliance of reform-oriented states from North and South it is crucial to keep in mind that interests within the G77 are not homogeneous. One can assume that the eight official pilot countries are particularly interested in advancing the proposals of the High-level Panel. The positive position of the Vietnamese government, for example, gives a strong indication of this attitude (Viet Nam 2007, pp.2-3):

“Our voluntary acceptance of the implementation of the 'One UN Initiative' in Viet Nam which bears close similarity to the recommendations of the High-level Panel, namely one plan, one budget, one set of management practices and one UN House is a further expression of our strong support for initiatives aimed at enhancing the coherence, effectiveness and efficiency of the UN at the country level.”

In addition, it is known that there are more developing countries interested in becoming a pilot case in the future. Furthermore, the least-developed countries would especially benefit from a more coherent UN development system and lower transaction costs due to inadequate capacities to manage a large set of development actors at country level.

As indicated above, China is also interested in enhancing the effectiveness of the UN development system on negotiated terms acceptable to all sides. Accordingly, reform-oriented states from the North and the South should explore avenues of consensus-building and foster a transparent dialogue on their expectations. Based on these findings, innovative North-South country groupings could formulate joint positions on certain reform proposals and move the debate forward. One must also not forget that the High-level Panel was co-chaired by two acting heads of state from the South, Shaukat Aziz (Prime Minister of Pakistan) and Luisa Dias Diogo (Prime Minister of Mozambique), besides Jens Stoltenberg, Prime Minister of Norway. They could be counted on for leading efforts on consensus-building.

Such consultation processes should in no way be dominated by donors and should not be conceived by them as advertising campaign for their positions. Donors should desist from pushing a particular reform model or set of proposals head-on. Rather, the Western states
should pro-actively sound out the G77 and China in order to identify common ground on particular issues. Their official statements clearly demonstrate that many donors are interested in a more coherent UN. They expect efficiency gains as a result of better co-ordination. This motive is understandable as they are accountable to taxpayers at home whose money they spend. However, donors need to convince developing countries that they are not aiming for reduced contributions to UN agencies. One significant step in this direction would be the establishment of commonly accepted principles of good multilateral donorship. These could – among other points – include commitments for an increase of contributions to core resources, a limit to earmarked funding and the implementation of multi-year contributions.

In addition, donors together with developing countries could present a model of how to plough possible savings due to efficiency gains back into the UN development system. Another way of demonstrating good donor intentions, would be to fund the “One UN” country programmes of the pilots via the pooled “MDG funding mechanism”. Through these concrete initiatives, donors could counteract the prevailing suspicion of the G77 that reforms are intended merely as a cost-cutting exercise. Donors should also convince developing countries that they will not use possible new governance arrangements to enhance their control of the UN development system.

However, with regard to the concern of the G77/NAM about the introduction of “new conditionalities”, such as gender, human rights and sustainable development, Western countries should clearly point out to the G77/NAM that they committed to principles and concepts of Gender, Human Rights and Sustainable Development in various resolutions and outcome documents, for example the Millennium Declaration, the Outcome Document of the Millennium+5 summit and the Rio Declaration on Environment and Development. Accordingly, it is the industrialized countries’ and the developing countries’ obligation to adhere to these principles.

Western countries should make it unequivocally clear that they see the strengthening of ECOSOC as part and parcel of the reform package, e.g. through the planned MDG ministerial and the Development Cooperation Forum. The latter steps would facilitate the gradual inclusion of the Bretton Woods Institutions (IMF and the World Bank) as well as the World Trade Organization into a coherence exercise of a truly systemic dimension.

With regard to procedural matters it would be recommendable to negotiate the reform proposals of the High-level Panel in thematic tracks as some states have already proposed.
Some issues of the report are less controversial than others. Hence, it is very likely that a debate on the entire report would very soon lead to a blockade and the reform momentum would be lost. Accordingly, the Panel’s recommendations should be split into smaller thematic packages that member states could negotiate on separately. This could be done in small working groups that are composed of member states based on equal geographic representation. These working groups should present proposals for resolutions within defined time-lines. Since the G77 has stated that it accepts the TCPR-process\(^{13}\) as a forum for reform debates, this could be used to negotiate the issue of funding. Gender issues would require a new working group as there is no existing negotiation track.

In general, member states should put a strong emphasis on the intergovernmental process and not rush forward with the negotiation process. This is necessary because the G77 fears unilateral, donor-driven reform initiatives without a consideration of developing countries’ views. The critical stand of Malaysia is symptomatic for the high degree of distrust in the General Assembly (Malaysia 2007, p. 2):

> “(D)evelopments surrounding the reorganization of the Departments of Peacekeeping Operations and Disarmament Affairs have clearly indicated the political sensitivity surrounding any restructuring effort. Given this and the fact that the present report (of Secretary-General Ban Ki-moon in April 2007) indicates that attempts are already underway to implement some of the High Level Panel’s recommendation, my delegation feels that the present report should have included some benchmarks to stimulate discussions on this important issue. We feel that this would go a long way in allaying fears of what can be termed as ‘making changes through the backdoor’.”

In addition, a systematic and independent evaluation of the pilot countries’ experiences is essential to learn about the practical implementation of reform recommendations. The findings of this evaluation exercise should be discussed in the General Assembly or in ECOSOC in order to draw further conclusions for reform at country level. Such an evaluation would also generate valuable input for a debate on the governance structure of UN development agencies. It is essential to know whether “One UN” at country level really makes the UN more coherent and leads to better development results before discussing the establishment of a “Sustainable Development Board”.

It will not be easy to overcome the stalemate in reforming the UN development system but there is some common ground for consensus. As the President of the General Assembly

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\(^{13}\) The „Triennial Comprehensive Policy Review“ is a review process by UN member states of the operational activities of the UN development system that is conducted every three years. The next TCPR is scheduled for fall 2007.
pointed out during the debate on April 16, 2007, all member states agree that “the United Nations system has a critical role to play in development, that is must remain at the heart of the multilateral development system and that the UN can deliver more and better development assistance.” (Al Khalifa 2007, p. 3).

One thing, however, must be clear for all stakeholders. If the UN cannot shape up quickly and arrive at a much higher level of coherence and effectiveness it will become marginalized in a rapidly changing aid environment (Fues 2006a). In a worst case scenario, bilateral aid programmes, non-state actors such as foundations and other multilateral agencies like the World Bank will further question the UN’s development work. It is obvious that this cannot be in the objective interest of developing countries, even of those that hardly receive any funding from UN agencies. In the long term, a good case can be made for turning the UN into a key multilateral development actor next to the World Bank with regard to reach and financial resources (Messner et al. 2005). For this to happen, member states must become serious on a step-by-step process of implementing the more deserving parts of the panel’s recommendations. Progress will only be achieved if all countries, North and South, abandon old battle lines and recognize their common interest in strengthening the UN system.

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