

Reform of the UN

A further note by Richard Jolly and Louis Emmerij

1 Arguments driving key proposals for achieving UN Coherence

Three arguments have been driving some of the key proposals being put before the high level panel on coherence:

- The world needs one UN, not 30 or 40 independent agencies to set standards, manage global public goods and deliver high quality and cost effective aid.
- Those who object to the idea of a single UN are just pleading special interests, failing to recognize problems and weaknesses in the UN. Arguing for the status quo or minor changes sets a course for further UN decline.
- The UN needs a window for financial loans and grants, as was proposed in the 1950s but rejected when IDA was set up in the World Bank.

In short, as one commentator puts it: “The aid industry today is like Walmart on one side of the street and lots of “Mom and Pop stores” on the other. The World Bank is the Walmart – and all the rest are the Mom and Pop stores. The UN and the EU need to be turned into two new Walmarts, offering an integrated and efficient range of services.

Many feel that these are dangerously misleading and misdirected arguments, over simple in their analysis of what is wrong and over simple in the proposals they recommend. It will be useful to explain these objections – as well as to put forward other proposals for action which would have a much better chance for strengthening the UN with much less risk of weakening it.

2 Fallacies and misleading descriptions of the UN today

Let us start with the diagnosis of the present position. Is it true that the world needs one UN, not 30 or 40 independent agencies? First some facts. Leaving out the Security Council, the General Assembly and its subsidiary bodies and the International Court of Justice, the UN counts 27 programmes, organs and specialized agencies reporting to ECOSOC, as follows:

The 27 include some highly focused professional bodies.

- ICAO, the International Civil Aviation Organization
- IMO, the International Maritime Organization,
- WMO, the World Meteorological Organization
- WIPO, the World Intellectual Property Organization
- UPU, the Universal Postal Union
- ITU, the oldest, the International Telecommunication Union.
- The IAEA, the International Atomic Agency is also a specialist agency, though reporting to the General Assembly and at time the Security Council rather than to ECOSOC.

Such bodies are highly focused, small and efficient, with their own governing bodies and procedures. Most of them are not represented at country level, but if and when they need to make contacts with particular countries, do so by making use of well established procedures. Is it truly suggested that there would be important gains by integrating them into some giant multi-purpose Walmart of a UN? Why? How? Would not such a move just be a step towards a vast and over centralized bureaucracy?

Then there are the specialized agencies – ILO, FAO, UNESCO, WHO, UNIDO, the large ones but also UNCHS (Habitat), UNCTAD, UNDCP (UN Drug Control Programme) and UNEP. UNEP by consensus needs strengthening and several of these agencies need serious review, most notably FAO (for which a major evaluation is already underway). But none are “Mom and Pop Stores” and the transfer of aid resources to developing countries is mostly a small part of their mandates and activities. Their major functions are - and should be - as specialist global institutions setting standards, monitoring the situation and promoting neglected action - in such key areas as labour, world health, food and agriculture, education, science and culture and industry. Many of them need review and could no doubt be much more efficient. But centralization of their functions as part of a single aid organization is not the main need, just as aid is not their main function. Indeed, they mostly have mandates which also involve them in developed and better off developing countries where aid plays no part at all.

So again, the earlier questions must be asked. Will these specialist functions be better handled by amalgamating all these specialist organizations into one gigantic UN? Even at country level, in what sense will their operations and government contacts be improved by bringing them together under a generalist UN resident coordinator.

Then there are several UN research groups and institutes –
 UNU, the United Nations University
 UNITAR, the UN Institute of Training and Research
 INSTRAW, the International Research and Training Institute
 for the Advancement of Women
 UNRISD –UN Research Institute for Social Development and
 some others

UNITAR and INSTRAW are tiny and the others are relatively small. WIDER (part of the UNU) and UNRISD have both done impressive and very high quality research. Is it seriously suggested that these also should be integrated as part of a single UN? Or even integrated into a single UN research institute? As we argue later, there is a case for INSTRAW to be integrated with UNIFEM – but this is to strengthen focus, not spread it ever wider.

This leaves the seven funds and programmes of the UN which do have substantive aid programmes and considerable numbers of field staff. But they are seven, not 27. And integrating them into a single UN, as opposed to improving coordination, strengthening their operations, increasing effectiveness and reducing transaction costs raises different issues. These seven are:

- UNDP – the UN Development Programme
- WFP – the World Food Programme
- UNICEF – the UN Children’s Fund
- UNFPA – the UN Population Fund,
- UNHCR – the UN High Commissioner for Refugees
- UNCHS – Habitat, the UN Commission for Human Settlements
- IFAD – the International Fund for Agriculture and Development.

3 Global Funds and Programmes

UNAIDS – the UN Programme for HIV/AIDS – should at this point be mentioned. UNAIDS was created as a single focus “joint UN programme” ten years ago, precisely because the six main UN agencies (WHO, UNDP, UNESCO, UNICEF, UNFPA, and the World Bank) were not coping adequately and had totally inadequate funds. So UNAIDS was created to facilitate collaboration, identify best practice, monitor and advocate. It has a programme coordination board of some 22 member states, seven co-sponsors and five NGOs. Though UNAIDS now transfers sizable amounts of aid, its functions are focused not broad ranging. Is it suggested that UNAIDS should now be abandoned or restructured or simply made part of the broader one leader, one programme, one budget UN? Surely, UNAIDS shows precisely the value of having a clearly focused, well managed entity, but one not integrated in some much larger fund.

But there may well be too many such specialist funds, especially global funds. A recent evaluation¹ by the World Bank counts 70 such funds, of which 31 have been established during the last 10 years. Annual expenditure by these funds has risen from \$400m in FY 2002 to \$1.2 billion in 2004 and perhaps \$1.9 billion at present. The evaluation looked at 26 of these, of which the World Bank has been a co-founder of all but two. These 26 funds deal with Environment and Agriculture, Health, Infrastructure (especially water and sanitation), Social Development and Protection, Trade and Finance and Information and Knowledge. The Bank managed trust fund balances amounted to \$7.1 billion in 2004.

The evaluation of these global programs brings out some important points: “Global programs have increased overall aid very little²” (p xxviii); there has been lack of clarity in objectives and huge transaction costs³; international consensus in setting up the funds has often been amorphous and often donor

¹ World Bank Operations Evaluation Department, Addressing the Challenges of Globalization: an independent Evaluation of the World Bank’s Approach to Global Programs, (Washington DC, World Bank) 2004. Expenditure data from page xi

² New aid money has mostly been from the Gates Foundation. Only the Carbon fund attracts any amount of private funding.

³ These points were made by Uma Lele, Team Leader and senior adviser of the Evaluation Report in a presentation at IDS in June 2006.

driven; “Bank performance in global programs is better at the global level than at the country level” (p xxviii). These suggest that global programmes deserve the bulk of attention. Many fit the description of being Mom and Pop stores better than many long standing programmes of the UN.

4 Priorities and proposals for moving to a stronger more focused UN

What are the implications of this brief review for the work of the high level panel on coherence?

We would suggest three important implications.

- The object should be to strengthen the UN, not just to achieve better coherence or coordination.
- One super-sized UN agency risks losing focus and specialization and adding bureaucracy. As our previous suggested, it could also lose massive public support for some parts of the UN, based on clear identity and the special appeal of such groups as UNICEF and UNIFEM.
- If the object is to reduce transactions costs of recipient countries, it will be essential to consider the many new global funds and the score or so of donor agencies, not merely the UN funds.

It is important to stress that this is not an argument for the status quo. Indeed, it leads to a number of specific and important proposals for reform:

1. Procedures should be strengthened and further developed within the major funds and programmes to better fulfil their mandates, with commitments to work more closely and effectively together, using *some elements* of the “four ones” as the frame for greater coherence:
 - one leader – clear, stronger and more visible leadership at country level is needed but retaining rights of professional access for professional discussion, advocacy and coordination. This is not only about guidelines and procedures but has

important implications for selection and appointment of resident coordinators. The processes have been improved but there is still a need to appoint more people with UN experience and proven ability to get things done at country level.

- A common set of procedures for programming, monitoring and reporting, including reporting on expenditures and finance. The World Food Programme argues that most common procedures make little sense for the bulk of their support which is provided as food –which is a reminder of the limits of common systems for different issues. Remember also that many differences in arrangements for reporting arise, not from the side of the UN but from different donors. The high level panel needs to look at these too.
- One programme. UNDAF (the UN Development Assistance Framework) is intended to achieve this, as is the PRSP. Both have weaknesses and only partial success in some countries. But rather than invent a new single programme approach, it is more important to analyze the reasons for failures of UNDAF and the PRSPs and take action to deal with these weaknesses. A great deal of effort of governments as well as of international and donor agencies has been invested in UNDAF and PRSPs. Just to cast them aside – or add yet more layers to them, seems absurd.
- But not one budget. A single budget risks losing accountability, proven advantages of focused fundraising and sizable contributions from the public through well established channels like UNICEF, which now raises some \$500 million each year from public contributions. Potentially this could be the case for some others like UNIFEM. There is a case for UNDP having some amount of additional funding earmarked for supporting coordination and for “rapid allocation of support or additional support of last resort for high priority under-funded action”. But to moves to general funding of a single budget for the whole of the UN, as proposed in 1969 did not work then – and is even less likely to work today, given the greater diversity of development needs

and situations, as well as operations with which the UN (and many others) are involved. A single development budget for the UN as a whole is very likely to lead to a shrinking of total funds for the UN.

2. The above approach would enable the best features of the UN funds and programmes to be preserved and built on, namely:
 - advocacy and policy advice based on specialization in priorities for children, women, tackling urban poverty etc and other well focused areas, with proven effectiveness and popular support. Maintaining rights to have direct access to key Ministers and others in government with responsibilities in their areas of expertise will be critical for the funds and programmes– for advocacy, policy advice and policy coordination.
3. The Resident Coordinator should represent the Secretary General and all the UN agencies in each country. He or she should also have additional and specific functions for specialized agencies which have no representative at Director level within the country. But it is important that RC roles and operations enhance not crush or suppress the professional work and leadership roles of those agencies which have representation within the country. There should be clear guidelines for the RC's roles and functions which give priority for professional representation on all technical and professional matters. There are differences in the political mandates of the different UN agencies which also need to be preserved. UNICEF, for instance, has a mandate which enables it to work non-politically for children, even in areas of a country not recognized by the government in power.
4. In the case of UNIFEM, INSTRAW and DAW, there is a strong case for strengthening their roles at country level and in headquarters, to achieve goals for gender balance and advances for women throughout the UN. (The failure to achieve this in spite of many commitments and resolutions over the last 25 years is a clear indication of the inadequacies of an over centralized approach. The key challenge is therefore not to make them part of a

larger super UN, but of bringing them more closely together, to emphasize stronger coordination within the gender groups. There is also need to establish a much higher level of leadership for this group by the creation of an under-Secretary General post to lead its advocacy and to take on new responsibilities for i) promoting fulfilment of gender goals in programmes and representation within the UN system at large ii) promoting of CEDAW at country level and in all programmes of assistance.

5. Negotiations should be opened with those of the 71 global funds operating at country level in order to i) harmonize procedures and reporting arrangements and ii) minimize transaction costs for developing countries in seeking and obtaining financial support.
6. Donors should be encouraged to consider carefully their contributions to all existing and proposed new global funds – to ensure that these funds truly provide sharper focus and value added rather than diverting funding from existing UN funds and other agencies already operating satisfactorily within the same areas.
7. DAC should take on new efforts of donor coordination to explore further steps to simplify procedures and reporting arrangements, in order to minimize transactions costs.
8. The private sector demonstrated the benefits of competition and the risks of over centralization. Consideration should be given to how such private sector approaches and experience, in competitive situations can be drawn upon to strengthen the UN and minimise transaction costs.

Our earlier paper, drawing on the findings of the UN history project, showed that over the last 60 years, the UN has often been “ahead of the curve”. UN funds and programmes have long ago pioneered many of the practices and approaches which are now considered best practice - decentralized country level programming, multi-disciplinary programme approaches, teamwork with NGOs, and most notably, human rights approaches and implementation of social and economic goals. Though the UN embarked on a goal focused approach in the

1960s, many others, including the Bretton Woods Institutions only accepted this in the late 1990s. In spite of this pioneering record, financial resources since 1980 have been shifted from the UN to the World Bank, often leaving the UN starved of funds.

It is important that the UN's continuing capacity to innovate and pioneer such important and proven advances is not suffocated or submerged in the present efforts to achieve uniformity and tighter management. Flexibility and adaptability to the country situation and priorities has, at its best, been a strong feature of UN. It would be tragic if this was now lost in the very efforts being developed in the name of making the UN stronger and more effective.

than in It would seem important for the high level panel to consider carefully these trends and to ask how more resources can be channelled to the funds and programmes of the UN, using their capacities for lower cost, more decentralized approaches, directed towards women and children, marginalized groups and poor people more generally.