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Reform of UN
development
system

UN Development at a Crossroads

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The UN development system stands at a crossroads. It can either embrace the deep reform required to remain relevant to development in today's global economy, or face the prospect of continued marginalisation. The path chosen at this juncture depends on the commitment of all relevant actors – UN agencies and governments – as well as strong leadership: from governments, from within the UN development system, and from the Secretary-General.

The magnitude and enormity of global challenges and changes require of the UN development system a major repositioning, well beyond the current focus on operational effectiveness.

The Secretary-General has taken initiatives to establish task forces on food security, Every Woman, Every Child, and Energy for all. A key challenge is whether it will prove possible to institutionalise these arrangements and use them as an instrument to drive strategic reform throughout the system.

In August 2013, Bruce Jenks and Bruce Jones released a new study on the urgent need for reform of the UN development system. This paper is a shortened and adapted version of the executive summary of that report.



Radical reform needed

On the one hand there is a strong measure of agreement among many practitioners and observers that the UN development system needs radical reform. The world has changed dramatically over the last two decades and this necessitates a major rethinking of the purposes and practices of official development assistance (ODA). On the other hand there is an equally solid consensus that it is politically impossible to reform the UN development system and it is therefore better to seek incremental changes than to pursue serious reform. This study argues that serious reform is needed. Moreover it argues that contrary to popular belief, the UN development system has proved itself capable of radical reform in the past. With leadership, reform is as possible today as it was in the past.

The report focuses on a number of the dimensions of the transformation that has characterised the global economy over the last two decades.

We have seen a period of extraordinary growth, with a massive expansion in the size of global markets, a significant development in the profile of poverty and consequently a major change in the role of ODA.

For many decades development was seen as progress along a fairly straight line. Development cooperation was progressively allocated along that line, giving the poorest the most. Countries were categorised along the line from least developed to middle income to high income. The distinction between poor people and poor states has always been recognised but development policy was largely framed on the basis that poor people and poor states shared the same space. It is only recently that the need to draw a much sharper distinction between the two has disrupted mainstream thinking about development.

The emergence of the new growth economies has led to a change in the weight and influence of different states. This has focused increasing attention on the need to find the space for emerging powers to play their full role as significant new stakeholders in the international system.

The emergence of new global challenges calls for new forms of collective response and new mechanisms of international collaboration. The provisioning of global public goods requires an understanding and agreement on the allocation of responsibility to make this possible.

Global Public Goods and the UN

In the dialogue on the key functions of the future, there is a real need to meet the challenge of allocating responsibility for the provision of Global Public Goods (GPGs). This challenge has been identified by multiple

actors, from the World Bank, the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) and many countries to a wide range of think tanks. The reasons for the UN's reluctance to engage in the Global Public Goods debate need to be reexamined.

The magnitude and enormity of these changes require of the UN development system a major exercise of strategic repositioning, which goes well beyond the current focus on measures to improve operational effectiveness.

To support its recommendations, the study provides a wealth of empirical evidence as to the profile of the UN development system today. It also draws from in-depth studies that were commissioned to capture the character of the changes in the challenges that the UN development system is facing. These studies cover developments in the areas of climate change, energy, global food security, global health and fragile states. A paper has also been prepared on the evolution of the concept of sustainable development. Finally, a country case study was prepared – Mozambique – to give us a country perspective on the global trends the report is analysing.

The report explores a number of perspectives on the implications of change:

- » There is a need increasingly to differentiate between the types of situations that countries face and the types of support they might be seeking from the UN system. The report distinguishes between the types of services that might be required from countries that are being left behind in the process of globalisation, countries that are actively in the process of getting on the globalisation train, countries that are seeking to negotiate collective responses to common problems and countries that need to be further empowered to enable them to become active shareholders in the system.
- » There is a need to analyse the different types of functions that might be expected from the UN development system: to distinguish between knowledge creation, the generation of norms, policy support, institutionalisation and implementation.
- » There are substantial consequences for the level at which UN intervention is envisaged – ranging from inter-state to regional to national to sub-national levels.
- » A critical ingredient in any reform initiative will be an analysis of the type of financing appropriate to different functions – ranging from regular financing to negotiated pledges to trust funds to voluntary contributions.

Financial instruments

– aligned to function?

Ensuring that financing instruments are aligned to function is a precondition for a credible reform strategy. The international community gets the system it funds. Today there is a wide variety of financial instruments that provide multiple incentives for the UN and other development actors to seek opportunities. The key challenge is a set of financial instruments that are aligned to function. The case for core funding must rest on the importance of functions that are properly financed by core contributions. There is no compelling case for increasing core resources to finance a project-driven system. It is in this context that the report argues that a much broader bargain is needed. For example, negotiated pledges might be the most appropriate instrument in the financing of Global Public Goods. The financing instruments of the future will eschew a simple one-size-fits-all approach and embrace a more complex variable geometry that is driven by function.

Agenda for reform

There are historical moments when there is a need for strategic repositioning. The UN development system unquestionably faces such a moment now. By analysing three possible scenarios we can shape an agenda for reform.

The three scenarios are not alternative visions of the future; each one will thrive under distinct circumstances in different areas of the system at any particular moment. While today's discourse is situated between the first two scenarios, the third must be internalised and put into practice.

- » The 'architect scenario' is the UN development system as it is supposed to function, responsive to and determined by formal mandates. Financing is secured through division of labour. Coherence is achieved through formal coordination machinery and this leads to a very introverted focus on internal structures. There are times and places where division of labour and respecting formal mandates is critical to effectiveness. But in practice the architect scenario is often disrupted by reality. Jobs are given to performing agencies that have a good track record in a particular country rather than because they have a headquarters-given mandate. The architect scenario is no match for the messiness that accompanies getting results on the ground.
- » Enter the 'seeking opportunities' scenario where functions get established by markets based on performance. Functions do not follow mandates so much as where market signals direct them to go. Seeking opportunities fosters competitive behaviours and is aligned to project-driven

financing arrangements. Ironically, this scenario can lead to a relatively healthy financial situation for the UN system overall as seen from inside, but can potentially lead to increasing marginalisation as a tiny piece of a huge market with no clearly defined and identifiable brand and uniqueness.

- » The Archimedes scenario is named after the saying attributed to him: 'Give me a lever long enough and a fulcrum on which to place it and I will change the world.' Within this scenario, functions are determined through a strategic process of identifying market failures in the provision of public goods and an assessment of the UN's ability to leverage solutions.

Perhaps most significantly, in this scenario form aligns with function. Coherence is no longer to be measured by the intricacy of internal coordination arrangements but by the alignment of all the key players behind the provision of a specific Global Public Good. It is important to observe that there are many examples of agencies and programmes in the system that increasingly focus on the challenge of external alignment and are increasingly uninterested in, and disillusioned with, the internal alignment. This is very evident in the trends observed and commented on in the case studies presented in the report. An 'Out-In' reform agenda would represent a fundamental departure from existing practice.

Today, the Secretary-General's initiatives to establish task forces on food security, Every Woman, Every Child, and energy for all represent important examples of what an 'Out-In' approach might mean in practical terms. Of equal interest are the increasing numbers of transformative partnerships that are being developed broadly across the system. A key challenge is whether it will prove possible to institutionalise these arrangements and use them as an instrument to drive strategic reform throughout the system. The way they are structured, financed and governed will provide invaluable practical experience for addressing today's challenges.

Reflections for Post-2015 and beyond

Right now, there is an opportunity arising from the current debate on what will replace or compliment the Millennium Development Goals framework when we reach their target deadline in 2015. The Secretary-General's High-level Panel report on the Post-2015 development challenge did not delve into the question of UN reform, understandably so; and the Secretary-General's own report only touches on this in the broadest terms. But a serious debate is needed, one that asks this central question: against a backdrop of a changed global economy, and new development challenges, how can the UN development system best

wield its assets – its legitimacy (derived in part from the inclusive membership of the Organisation), its US\$ 25 billion per year in expenditures, the experience and expertise of its 50,000 staff, its connection with the peacekeeping architecture of the UN – to make major contributions in the period ahead, as it has done in times past?

Above all, the study calls for interested and concerned parties to begin a long-term process of reflection and discussion. The reform process should be seen as a five-year voyage. There is a need for long-term thinking combined with very informal settings. This is a combination that will test the UN's capacity to initiate a very different kind of process from the one it is accustomed to.



Bruce Jenks is an adjunct professor at the Columbia University School of International and Public Affairs and lectures at the University of Geneva. He is a fellow at the Center for International Cooperation (CIC) at NYU and has been a senior non-resident fellow at the Corporate Social Responsibility Initiative of the Harvard Kennedy School of Government (2010–13). Dr. Jenks has just co-authored a study on ‘UN Development at a Crossroads’ . Since 2010, he has consulted with a number of Organisations, including the Office of the Secretary-General, the UNDESA, the UN / CEB, and AusAid.

In 2013 Dr. Jenks was appointed by the Secretary-General to be a member of the Council of the University for Peace where he has been elected Vice-President. Dr. Jenks served at the United Nations for almost thirty years, serving most recently from 2000 –10 as Assistant Secretary General at UNDP. He worked closely with five UNDP Administrators. Dr. Jenks has a PHD from Oxford University.

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