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Renewal of the
UN development
system

Renewing UN development – a path of least resistance or a process of real renewal?

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This paper argues that if true multilateralism in the global socio-economic arena is to be saved, there needs to be a radical re-think of what the UN delivers to its increasingly heterogeneous group of member states in the development field. The fundamental challenge for the UN development system is to reposition itself so that it remains relevant and provides an added value to all its member states.

The international development community, in the so-called post-2015 development process, is now scrambling to agree on how to follow up on the Millennium Development Goals when they expire in 2015. The stakes are high and there is no doubt that multilateral solutions will be needed to solve some of the more pressing global challenges. At the same time the UN development system is being put into question more than ever before. The need for renewal is as real as it is urgent.

At the moment the international development community is focusing on the process aimed at devising the next generation of internationally agreed development goals, also known as the post-2015 development process. The fact that there is such a strong interest in international development and how to make progress on international development goals constitutes an opportunity also from a UN development system renewal perspective. All stakeholders – UN member states, the UN itself, civil society organizations and private sector actors – need to ask themselves whether the international community is currently getting maximum return out of the world's only true multilateral development organization.

The Dag Hammarskjöld Foundation does not believe that all issues concerning the UN development system can and should be solved within the framework of the post-2015 process. We do however believe that the process building up to a decision about the post-2015 development agenda constitutes a valuable opportunity to critically examine and address the major challenges that the UN development system is facing. This is all the more important as the post-2015 development framework, including its goals, is supposed to be universally applicable. Against this backdrop it would seem pertinent to have a discussion among all concerned stakeholders about what the UN development system should contribute in the years ahead.

The path of least resistance, that is, maintaining the status quo in the UN development system, would be the easiest option for all actors involved. The Dag Hammarskjöld Foundation has however recognized that there is a genuine interest among certain member states as well as external stakeholders to explore avenues for UN development system renewal. Such interest could, with the assistance and facilitation of the Foundation, be translated into an informal process on how to best advance an agenda for UN development system renewal.

Reform of the UN development system – the involvement of the Dag Hammarskjöld Foundation

At the beginning of 2014, the Dag Hammarskjöld Foundation launched a programme on UN development system renewal. The Foundation has become engaged in this highly complex and contested area with the interest to support change within the UN development system, which, according to many observers and practitioners, is in a state of crisis.

The Dag Hammarskjöld Foundation's programme takes as its starting point that there already exists an abundance of knowledge on the topic of UN development system renewal. What is currently

missing however – despite the fact that the world has undergone tremendous developments in the past ten to fifteen years – is the initiative in international arenas as regards the need for renewal of the UN development system. The Foundation's programme on UN development system renewal therefore has as its overarching objective to stimulate debate among UN member states, within the UN itself, and among external stakeholders.

Why is the UN development system in need of renewal?

- The type of support needed by many partner countries is different from what it has been during the past decades. A decreasing number of member states are in need of traditional development assistance in the form of service delivery and instead need support by way of up stream policy advice. This puts into question whether the UN development system is delivering the right “product” and whether it is properly equipped to do so in accordance with the important principle and practice of national ownership?
- Since the inception of the UN development system many new actors have emerged on the international development scene. These actors are, in some cases, better at providing the services that have traditionally been provided by the UN while the UN clearly has comparative advantages and legitimacy in other areas. The UN does for example have a unique ability and legitimacy as regards the development of international policies, norms and standards.
- The funding history and the increasingly precarious financial situation of the UN development system speaks volumes of how the member states view the UN as a development actor. The current situation with predominantly strict earmarking is a clear indication that the general trust in the “system” is not high.

“Reform” has been attempted many times before – why should UN development system renewal succeed now?

This is certainly a valid question. We do however see cause for optimism in this regard due to the following factors:

- The UN development system is in a financial crisis. The total amount of resources allocated to the UN development system is decreasing while the share of strictly earmarked contributions to the UN's development agencies keeps increasing. There is a clear and present risk that member states will keep earmarking their contributions until such a point when the UN as a unique multilateral actor has lost

its comparative advantage all together. UN member states are increasingly becoming aware of the challenges caused by strictly earmarked contributions and will hopefully be willing to engage in discussion on alternative funding modalities.

- The recently initiated discussion about how the UN needs to become more “fit for purpose” may be an indication that it is becoming more accepted to question and to discuss the state of the UN development system internally. Although it is too early to draw any conclusions about where the “fit for purpose” discussion may lead it should still be seen as a step in the right direction and hopefully something to build upon.
- The post-2015 development process is giving cause for asking some necessary and fundamental questions. These questions pertain not only to the key thematic issues that are to be dealt with in the post-2015 development agenda but also to how to deliver on those issues. The role and function of the UN development system will inevitably be included in such discussions.
- The generally increased awareness of interdependence and global challenges that require joint and global efforts – such as food security, sustainable energy production and consumption and climate change – may lead to insights about the need for new roles and functions of the UN development system.

What are the key issues that need to be addressed?

- **The added value of the UN development system**

The most fundamental issue for the UN development system today is to reposition itself so that it provides a clear added value to the entire membership. That is, it needs to provide a clear added value to an ever increasingly heterogeneous group of countries with different needs and priorities. The international community will have the next generation of internationally agreed development goals, be they called the Sustainable Development Goals or something else, as its foremost guiding instrument. One of the UN’s top priorities, under the auspices of the global partnership, will be to assist all countries in their national implementation and attainment of these goals and commitments. In some cases this may imply that the UN contributes with monitoring of adherence to the goals and commitments made. In other countries it may mean that the UN provides policy support,

traditional Official Development Assistance (ODA), humanitarian assistance and peace building support. In short one can say that the roles and functions required of the UN development system are likely to become increasingly diverse. In this context the internal discussion on how to make the UN more “fit for purpose” in the development arena is quite fitting.

- **Function of the UN development system in international development**

As has already been argued by Bruce Jenks and Bruce Jones, it is imperative to first and foremost agree on what functions we want the UN to perform in the area of development¹. Should the UN remain heavily engaged in direct service delivery or should it focus more on the normative parts of its mandate (knowledge management, policy advice, facilitating international norms and standards)? Some argue that the UN development system should redirect its activities so as to focus primarily on facilitating the provision of global public goods in the coming years. Questions about where the relative focus of the UN development system should lie are not easily addressed, not least because there are highly diverging views among UN member states who value various aspects of the UN’s work differently. It is however imperative that this discussion is held as function needs to precede form. That is, before stakeholders decide how to possibly alter the way in which the UN development system is arranged and how it works, they need to agree on what they expect the system to deliver.

- **Funding of the UN development system is critical**

The international community will get the system it is willing to fund. Over the past 10–15 years it has become clear that the overall trust in the UN development system by the major donors, as manifested through their funding practices, has decreased. The extreme levels of earmarking to the various funds and programmes, some of which are now funded by earmarked contributions at more than 80%, is not conducive to a results-oriented, well-functioning and well governed UN in the development field. What we see is a situation where low quality funding (excessive use of strictly earmarked contributions) begets low quality governance of the UN’s development activities and low quality results of those activities.

Member states need to accept that as long as they treat the UN development system as a consultancy firm where they pick and chose the parts that are

¹ Bruce Jenks and Bruce Jones, *United Nations Development at a Crossroads* (New York Centre on International Cooperation, 2013).

a) most attractive to them, and b) where they will get a maximum amount of national visibility, they will perpetuate the image of a UN development system that can not deliver effectively in a coherent way and where the different agencies are competing for funding. Issues that require further discussion and radical renewal include: how to increase the quality of non-core funding, how to increase the predictability and transparency of funding from a UN agency perspective, how to broaden the donor base, how to provide better incentives for results based performance, etc.

These issues do not in any way constitute an exhaustive list of aspects that would be relevant to consider in a process aimed at achieving UN development system renewal. They are examples of key issues that need and deserve to be addressed in order to ensure the continued relevance of the UN in the international development architecture.

What is the endgame?

This paper has provided a rationale for renewal and discussed aspects of the UN development system that are in radical need of change. While some may say that this is a futile exercise that has been attempted before without success, the Dag Hammarskjöld Foundation maintains that it is possible. More importantly, we believe that it is necessary for the continued relevance of the UN's development work. The UN development system has proven in the recent past that it is capable of change in the following examples:

- The creation of UN Women in 2010 was a substantial reform that for the first time merged several entities into one new UN agency.
- The Delivering as One process, which was initiated in 2007-08, constitutes reform that has had some tangible impact on the way in which the UN development system functions, especially at country level.
- As late as in 2013 the General Assembly agreed on a reform package regarding the UN's Economic and Social Council (ECOSOC). While it is too early to assess the real implications of this reform it still shows that it is possible to achieve change in the basic structures of the UN development system.

What is needed now, as has been indicated above, is a more comprehensive agenda for renewal. Such an agenda should take its starting point in what functions the international community is expecting the UN development system to deliver in the process of addressing global challenges in an increasingly interdependent world. It is only through such a sequencing that we may see the emergence of a UN development system that:

- Regains its standing as the most premiere and legitimate multilateral development institution,
- Effectively provides all member states with the support they need to achieve progress in line with their national development plans, priorities and commitments,
- Conducts its work with a high degree of internal and system wide coherence as well as with coherence vis à vis other development actors.



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