

## United Nations Development Cooperation Challenges and reforms at the end of the 1990s

*The development cooperation (DC) of the United Nations (UN) at the end of the 1990s can be described and assessed as follows:*

- *The UN is an important pillar of multilateral DC. The organization is endowed with some fundamental presuppositions (universality, a high level of legitimation, good presence at country level) needed to deal with important development-cooperation tasks. This is above all true for politically sensitive areas and global challenges.*
- *Still, UN development cooperation is often perceived as weak and lacking in effectiveness. This is due on the one hand to shortcomings such as institutional fragmentation, inadequate financial mechanisms, and deficient quality standards, which constitute a tangible obstacle to effectiveness and efficiency. On the other hand, another factor responsible for this state of affairs is an often poor UN image that is largely based on exaggerated criticism.*
- *Following several decades in which reform debates at times proved intransigent and relatively unproductive, Secretary-General Kofi Annan in particular is now providing important new impulses aimed at reshaping the whole of UN development cooperation. Moreover, individual UN agencies like the United Nations Development Programme (UNDP) have, in the 1990s, embarked on an ambitious course of reform. Though the efforts undertaken by the Secretary-General toward improving the coordination of UN activities, enhancing quality, mobilizing financial resources, etc. are on the whole reasonable, they are nevertheless by no means sufficient in that certain important structural problems can be solved only by the member states themselves.*
- *To what extent the reform process already initiated will in the coming years be characterized by stagnation or by dynamism will largely depend on the policies of the UN member states. The central obstacles to reforms consist here in disinterest and anti-UN invectives on the part of many governments. What is instead called for is a tangible member-state commitment to reforms. There is often a lack of reform concepts, of the will to set aside national interests (for instance in personnel policy), and of a sufficient level of willingness to put the Secretary-General's overall reform program into practice.*
- *Germany can play a more active role in the reform debate as a means of strengthening UN development cooperation. Not least on account of the level of German contributions, a greater German commitment - including an indirect commitment via the European Union (EU) - could provide some important impulses toward reform.*

### Structure and role of UN development cooperation in the 1990s

The UN is an important pillar of multilateral development cooperation. Together with the specialized UN agencies (see the box entitled "Development policy in the UN system"), the development banks (World Bank group and regional development banks), the International Monetary Fund, and the EU, the UN constitutes the institutional core at the multilateral level.

Development-related activities are part of the United Nations' core functions. The UN activities in this field break down roughly into nonoperational and operational tasks:

- The nonoperational tasks are normative, standard-setting, or consultative activities. Thus, for instance, the "Agenda for Development" was drafted as a UN policy document in the field of development policy, and the aim of the UN World Conferences of the 1990s was to attempt to find solutions to important global challenges.
- The operational activities include the planning, implementation, and funding of DC measures. The past decades have seen the creation of numerous UN funds and programs, e.g. UNDP, UNICEF (United Nations

Children's Fund), and UNEP (United Nations Environment Programme). The present analysis refers exclusively to the activities of these UN funds and programs.

Of the overall publicly funded development cooperation (i.e. official development assistance / ODA) undertaken in 1996, amounting to US \$ 55.5 billion (net disbursements), a share of 29.5 % (or US \$ 16.4 billion) went through multilateral channels; the UN's share of overall ODA was 7.9 % (or US \$ 4.4 billion). The role played by UN funds and agencies in technical cooperation (TC) is, however, far greater (around ¼ of US \$ 14.2 billion), since the UN - aside from humanitarian aid - is almost exclusively active in this area; financial cooperation, on the other hand, is the core task of the development banks.

The UN funds and programs are not funded from the regular UN budget, with its fixed compulsory contributions (and the general financial problems of the UN associated with the latter); they are instead based on voluntary contributions. The payments and services are provided to the recipient countries as nonrefundable grants. The greater part of these funds is financed by the donor countries organized in the OECD (Organization for Economic Cooperation and Development). Here the past has shown that the group of the so-called like-minded countries

(mainly the Scandinavian countries and the Netherlands) accord a comparatively greater level of significance to UN development cooperation (a high UN share of their respective ODA) than most of the other donor countries.

### **Development policy in the UN system**

UN member states: 185 countries (Jan. 1, 1998)

#### Principle organs:

- General Assembly
- Security Council
- Economic and Social Council (ECOSOC)
- International Court of Justice
- Trusteeship Council
- Secretariat

#### Budget and finances:

- Regular UN budget, 1998/99: US \$ 2,532.3 million
- Voluntary contributions for UN development cooperation in 1996 (funds and programs: US \$ 4,474.3 million)

#### Commissions and institutions important in terms of development:

- Second Main Committee of the General Assembly
- Functional commissions of ECOSOC
- Regional commissions of ECOSOC
- Funds and programs of the General Assembly and of ECOSOC

#### Selected UN funds and programs (\* = institutions administered by UNDP):

- UNCDF\* - United Nations Capital Development Fund
- UNDP - United Nations Development Programme
- UNEP - United Nations Environment Programme
- UNFPA - United Nations Population Fund
- UNICEF - United Nations Children's Fund
- UNIFEM\* - United Nations Development Fund for Women
- UNV\* - United Nations Volunteers
- WFP - World Food Programme

#### Selected UN special agencies:

- FAO - Food and Agriculture Organization
- ILO - International Labour Organization
- UNESCO - United Nations Educational, Scientific and Cultural Organization
- UNIDO - United Nations Industrial Development Organization
- WHO - World Health Organization
- World Bank group
- IMF - International Monetary Fund

The term "United Nations" or "UN" does not extend to the special agencies; the term "UN system" does, however, include them. The special agencies are not organs of the UN and have a large measure of autonomy (statutes, organs, and budgets, etc. of their own). Their relationship to the UN is one that is merely regulated by treaty.

The activities of the UN funds and programs are highly diverse. Some institutions have a sectoral orientation (e.g. nutrition), others a target-group-specific one (e.g. chil-

dren), while UNDP, the largest UN program, has no fixed programmatic focus. While its activities extend to over 130 countries, it focuses chiefly on the poor and poorest developing countries.

UNDP has a key role in the UN's development cooperation. When the agency was founded, it was assigned cross-sectoral functions: it is the UN's central funding, coordination, and control body for operational development tasks. UNDP has, however, not yet succeeded in fulfilling these tasks in a satisfactory measure. Instead, UNDP has, in the past, proven to be an agency lacking in the clout needed to effectively address development-related problems. This is, among other things, due to its low level of funding (annually less than US \$ 1 billion in the mid-1990s).

### **Deficits and strengths of UN development cooperation**

For several decades now there have been controversial debates over the necessity to reform UN development cooperation. While again and again reform measures have been aimed for, and in part achieved, thus far it has proven impossible to reach a state satisfactory to all of the actors involved (i.e. the different groupings formed by UN member states and the different UN institutions with their divergent interests). It is in particular the main contributing countries that are calling for more clear-cut reform efforts. The problems involved in the public budgets of many donor countries have also fueled the growing pressure for reform in the 1990s.

The core deficits in UN development cooperation can be summed up in the following points:

- unclear substantive profile on the part of some agencies (e.g. UNDP, without any clearly defined substantive functions);
- inadequate political control and coordination inside the UN (especially as regards the General Assembly), the Economic and Social Council / ECOSOC, the UN Secretariat, and the supervisory bodies of funds and programs), as well as insufficient mechanisms and instruments of coordination between the UN and the specialized UN agencies;
- proliferation of UN development-cooperation agencies, which entails a fragmentation of tasks as well as overlapping functions and double work;
- inadequate quality and insufficient cost awareness (e.g. due to a lack of efforts aimed at concentration on clearly defined substantive priorities, poorly coordinated country programs, deficient *in situ* coordination of UN agencies, insufficient evaluation standards);
- inadequate and uncertain financial endowment of UN funds and programs.

Financial endowment and funding mechanisms are two central problems contributing to many controversies. What we can observe for most UN funds and agencies at the end of the 1990s is a stagnation, indeed in some cases even a decline in their most important financial resources. A tendency of this sort can be identified in the financial endowment of UNDP, which in 1991 had US \$ 1,022 million at its disposal for its core resources, a figure that had declined to US \$ 855 million in 1996. On the other hand, the funds referred to as non-core resources have increased drastically. These resources are chiefly cost-

sharing contributions by specific donor countries and, in addition, trust funds of some donor countries. As regards UNDP, these financial resources meanwhile even clearly exceed the volume of the core resources; these funds grew from US \$ 268 million in 1991 to US \$ 1,134 million in 1996. The growth in non-core resources can, however, in no way replace the contributions to the agency's core resources, since the former are only to a very limited extent subject to any development-related control by UNDP and its Executive Board.

The 1990s have also experienced fundamental criticism of the system of voluntary contributions. The problem here is that due to the annual basis on which they are committed and their voluntary nature these contributions do not offer a reliable financial basis. This substantially restricts the plannability and continuity of UN development cooperation.

In view of the weak points named above, it is also important not to lose sight of the development-related strengths and special features of UN development cooperation. We can mention above all the following points as positive features and potentials:

- the economic and political self-interests (e.g. aid-tying) of individual donor countries are comparatively small here;
- the UN's universality makes it easier for it to respond to global challenges; one important precondition in this connection is the close-knit UN/UNDP network of country representations;
- the standards and rules agreed on in the framework of the UN (e.g. in the field of human rights) provide UN activities with a special kind of legitimation; this is true above all for politically sensitive tasks (e.g. "good governance");
- the developing countries particularly esteem UN measures in that these offer the recipient countries concerned relatively great scopes of influence on country programs and individual projects; ownership is for this reason particularly marked here.

### State of reforms

In the past decades the UN launched a number of different reform initiatives and went through with various reforms. The efforts undertaken thus far have not amounted to the "Big Bang" or a comprehensive revision of the UN Charter, they have instead consisted of smaller steps such, for instance, as the institution of the Office of Internal Oversight Services in 1994 and the repeated reorganization of the units in the office of the Secretary-General concerned with development issues. In addition, some individual UN funds and programs have undertaken ambitious reform efforts within their organizations. For instance, the newly organized system in charge of preparing UNDP country programs contains for the first time financial incentives designed for meeting development-related quality standards.

Already in his first months in office UN Secretary-General Kofi Annan proved to be extraordinarily reform-minded, stepping up the reform processes initiated by his predecessor Boutros Boutros-Ghali. Only a few days following his inauguration Kofi Annan decided, among other things, on the establishment of new coordination bodies for the UN's four main functions (peace and security, humanitar-

ian affairs, economic and social affairs, and development activities); in June of 1997 he made public his overall reform package.

### The Secretary-General's reform package

The conception presented by Kofi Annan included, among others, the following reform measures and initiatives:

- establishment of a United Nations Development Group / UNDG to coordinate UN development cooperation; UNDP is to chair the Group's executive committee;
- formulation of a new UN program framework (United Nations Development Assistance Framework / UNDAF);
- creation of improved preconditions for unified UN procedures at the country level ("UN Houses");
- elaboration of a proposal for a more equitable financial burden-sharing, intended to increase core resources;
- search for innovative approaches to mobilizing financial resources;
- submission of a proposal to the General Assembly on establishing a special budget for development programs ("development dividend") which would be funded through saved UN resources.

In view of the difficult conditions and the various camps of vested interests, the reform efforts of the Secretary-General are on the whole ambitious. In various fields he will, however, be unable to achieve anything more than insufficient changes in that the General Assembly is responsible for these fields. The Secretary-General's scope of competence does not extend, for example, to the financial system and the dissolution or consolidation of UN funds and programs; he is at best able to make proposals and launch initiatives concerning these issues.

Kofi Annan's reform document was deliberated in the autumn of 1997 in the 52nd General Assembly, where it was generally welcomed. As anticipated, the member states placed different emphases on certain aspects of the reform efforts. The EU underlined that the reform package should not be opened up in order not to endanger the efforts as a whole. The developing countries united in the Group of 77 emphasized that the development-related tasks of the UN must not - above all with an eye to peace-related activities and financial commitments - be neglected in the future.

The reform proposals lying within the Secretary-General's sphere of competence were put into practice or initiated in 1997 and 1998 (including the establishment of the UN Development Group and the efforts aimed at setting up UN Houses). Apart from these initiatives, the 52nd General Assembly took up several other of Kofi Annan's proposals that lay in its sphere of competence (among others, creation of the office of a deputy secretary-general). Other, further-reaching measures have not yet been given final consideration; these include the proposal of achieving a more readily predictable, continuous, and reliable financial endowment for UN development cooperation. What is chiefly lacking for a change of this sort is the political willingness of some major contributor countries.

### Germany and the DC of the United Nations

Germany is an important contributor to UN development cooperation; in 1996 its contributions amounted to DM 471.2 million (UN funds and programs as well as specialized agencies). Yet, the German contributions to UNDP, the most significant UN program, show a distinctly declining tendency; with its contribution of DM 120 million Germany bore a share of 8.5 % in 1997 for 1999 contributions of only DM 75 million are planned.

Within the OECD countries Germany is neither one of the hard critics nor one of the prominent advocates of UN development cooperation. In terms of its self-conception, German DC is primarily oriented toward bilateral cooperation. The German position in the reform debate of the 1990s was advanced mainly not by Germany alone but in the framework of initiatives of the EU (above all the reform proposals of 1996) and the G7 (among others, the Lyon summit, 1996).

### Reform stagnation or reform dynamism?

The 1990s have on the whole been marked by stepped-up UN reform initiatives as well as a number of reform measures. The efforts already undertaken are important and positive; and they should be honored more tangibly in political terms. They do, however, as yet not constitute a safe platform for overcoming existing structural deficits in that this goal will require additional reform-related decisions on the part of UN member states.

Maurice Bertrand - who in 1986, in his report, called for a "third-generation world organization" - as well as other persons intimately familiar with the UN have repeatedly pointed out that many member states are not concerned with the efficiency and effectiveness of the United Nations. The policies of the big industrialized countries in particular are instead often marked by disinterest, indifference, or even "UN-bashing," above all in connection with the UN's economic and social activities. The personnel policy engaged in by the member states, the cavalier attitudes of some governments on paying their contributions, and the vehemence with which criticism of the UN is often expressed provide graphic examples of this problem.

In the coming years additional reform efforts will be required of the member states with an eye to better harnessing the UN for important development tasks and improving the organization's effectiveness in this field. The following would constitute key focal points for pending reforms:

- a more focused substantive profile for UNDP, in particular with an eye to politically sensitive tasks in the context of "good governance" as well as crisis prevention and peace consolidation;

- an extensive amalgamation of UN funds and programs under the umbrella of UNDP; effective coordination and control competences for UNDP;
- stabilization or indeed expansion of the volume of funding available to the organization and adjustment of financial mechanisms (including consolidation of international technical-cooperation funds, multi-year commitments);
- more effective political control of UN development cooperation by means of a professionalized joint Executive Board;
- further development of innovative approaches and instruments of technical cooperation (a large measure of responsibility of the recipient countries for the way in which measures are implemented, etc.).

Germany might in this connection pursue a more committed reform policy. It would make sense to further develop reform conceptions (above all in the framework of the EU) as well as commitments as to the extent to which Germany plans to participate in future UN development cooperation.

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### Additional readings

**Klingebiel, S.** (1999): Effectiveness and Reform of the United Nations Development Programme, London, Portland

**Overseas Development Institute** (1997): The UN's Role in Grant-financed Development (Briefing Paper), London

**United Nations** (1997): Renewing the United Nations: A Programme for Reform, Report of the Secretary-General, New York

- (1998): Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System, Report of the Secretary-General, New York