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Reforming Development Cooperation at the United Nations

An analysis of policy position and actions of
key states on reform options

Silke Weinlich

Reforming development cooperation at the United Nations

German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

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Preface

The present study came about as part of the research and consultation project on reforming development aid at the United Nations (UN). It offers a comprehensive analysis of the positions of industrialized countries and developing countries in terms of specific reform options for the design of UN development aid; on this basis, it assesses the possible future reform perspectives and coalitions.

The study is largely based on interviews and conversations with staff from the various UN delegations in New York, from national ministries, and from UN agencies. I would like to take this opportunity to thank all 54 interviewees, whose support was crucial in gaining an overview of country positions and an assessment of the complex negotiation processes. I would also like to cordially thank the members of the UN Department at the German Ministry of Economic Cooperation and Development (BMZ), in particular Rudolf Fetzer, for unrestricted access to important documents, insights in workflows, and the time they took for explanations. In the preparatory phase and during the writing of the study, I benefited from conversations with the director of the project on UN reform at the German Institute for Development Policy (DIE), Guido Ashoff, for whose support I am very grateful. I also benefited from the support and constructive criticism from colleagues, both from within and without the DIE. In particular, I would like to thank Stefan Gänzle, Christine Hackenesch, Julia Leininger, Thomas Fues, Gertrud Frankenreiter, Klaus Hüfner, and Marco Baumann; Steffen Stürznickel was also very helpful, not only in creating the charts and tables. Markus Weidling of Germany's UN office provided me with generous, sustained support in contacting busy colleagues from other embassies and UN agencies; my thanks also go out to him.

Bonn, March 2011

Silke Weinlich

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Abbreviations

BMZ	Federal Ministry for Economic Cooperation and Development / <i>Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung</i>
CEB	Chief Executives Board for Coordination
DAC	Development Assistance Committee
DaO	Delivering as One
DAW	Division for the Advancement of Women
DESA	Department of Economic and Social Affairs
DOCO	Development Operations Coordination Office
ECOSOC	UN Economic and Social Council
EU	European Union
FAO	Food and Agriculture Organization
G-77	Group of 77
GA	General Assembly
GEF	Global Environment Facility
HLP	High-Level Panel on System-Wide Coherence
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
INSTRAW	International Research and Training Institute for the Advancement of Women
IMF	International Monetary Fund
LDCs	Least Developed Countries
MDG	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
MEF	Multilateral Effectiveness Framework
MICs	Middle Income Countries
MOPAN	Multilateral Organization Performance Assessment Network
NAM	Non-Aligned Movement
NGO	Non-Governmental Organization
ODA	Official Development Assistance

OECD	Organisation for Economic Co-operation and Development
OSAGI	Office of the Special Adviser to the Secretary-General on Gender Issues and Advancement of Women
QCPR	Quadrennial Comprehensive Policy Review
SG	Secretary-General
SWC	System-Wide Coherence
TCPR	Triennial Comprehensive Policy Review
UN-DS	UN Development System
UNAIDS	Joint United Nations Programme on HIV/AIDS
UN HABITAT	United Nations Human Settlements Programme
UNCCF	United Nations Common Coordination Fund
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDCF	UN Capital Development Fund
UNDCP	United Nations International Drug Control Programme
UNDG	United Nations Development Group
UNDOCO	United Nations Development Operations Coordination Office
UNDP	United Nations Development Fund
UNDP/BCPR	Bureau of Crisis Prevention and Recovery
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations Refugee Agency
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNV	UN Volunteers
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

Summary

Practically since its founding, the United Nations (UN) has been undergoing constant change. The most recent example, a new organization for women and gender equality, UN WOMEN, was created in July 2010. Furthermore, important decisions were made to improve cooperation between UN agencies. Despite substantial progress, a number of observers do not believe reforms have gone far enough to properly position the UN's development cooperation system (UN-DS) and respond adequately to global development challenges. In addition to institutional lethargy, identified obstacles to reform include the contrary positions held by northern and southern countries (industrialized countries and developing/emerging powers). Although none of the groups of actors involved is homogenous, most of the negotiations at the United Nations follow these lines.

This study takes a look at financial and political behaviour and also investigates the motives and preferences of major actors from the group of industrial and developing countries and emerging powers with reference to current reform efforts. The study is largely based on conversations with state representatives and United Nations staff members. First, the positions of states vis-à-vis the external dimension of reforms are analysed, specifically concerning the position and desired role of the United Nations within the global development architecture. Second, the study sheds light on how states position themselves with respect to reform initiatives that focus on coherence and procedures within the UN-DS. In the following, this second aspect will be understood as the internal reform dimension.

Characteristics and problems of UN-DS

The United Nations is a special actor in multilateral development policy. UN agencies are generally held to have a number of unique qualities. Thanks to their universal membership, their broad mandate, and their reputation as a neutral actor, they are considered especially legitimate and credible. Developing countries and industrial nations can articulate their concerns with formal equality, making the UN a global forum where ideas can be developed, tested, shared, and translated into internationally applicable standards.

While 36 organizations engage in the UN's operational work, four organizations are especially prominent in terms of size: United Nations Development Programme – UNDP; United Nations Children's Fund – UNICEF; World Health Organization – WHO; and World Food Programme – WFP. UN agencies cover a very wide spectrum of tasks ranging from technical and financial cooperation to the definition and enforcement of standards. They perform analysis and knowledge-creation services, develop alternative concepts, and engage in advocacy work for especially disadvantaged groups. Whereas specialized agencies like *International Labour Organization* (ILO) and WHO are independent international organizations whose main tasks are normative, funds and programs like UNDP and UNICEF directly answer to the General Assembly and the Secretary-General (SG) and mainly focus on technical cooperation. In addition, there are international arenas like the Economic and Social Council (ECOSOC) and the General Assembly, which perform oversight over operational activities and serve as forums for global discussions, the shaping of opinions, and standards derived therefrom.

A number of the UN's strong points remain beneficial even in light of the changing global architecture of development cooperation. However, UN actors increasingly see competition from other governmental and nongovernmental development actors in the field of operational activities in particular. Despite the wide range of reforms and promising current reform initiatives, the following challenges can be identified in the internal and external reform dimension:

- The UN's development profile remains unfocused.
- Other actors, such as the World Bank and the European Union (EU), are entering the core fields of the UN's development work.
- The trend towards new financing modalities, such as budget support, raises questions about how UN actors can be involved.
- The UN-DS remains fragmented, which leads to overlaps and problems in cooperation and prevents system-wide priorities from being clearly enforced.

- The financing of the UN-DS needs to be reformed. There is a lack of reliable funding with no strings attached. More than 70 percent of funds for the UN's operational work are earmarked, which undermines the system's multilateral character, worsens fragmentation, and increases competition between agencies.
- The UN-DS' formal multilateral governance is insufficient. Along with formal governance structures, many donors use informal mechanisms to realize their priorities.
- Not everyone is convinced that the UN's development-cooperation work is effective and efficient. Indeed, the general scepticism of donor countries towards multilateral development organisations seems to be particularly strong in the case of the UN.

UN commitment profiles of major actors

Financial commitments

An analysis of the financial commitments of donor countries reveals that Scandinavian states (Norway, Denmark, and Sweden) and other small states (the Netherlands, Ireland, Switzerland, and Belgium) set a good example as donors who promote reform. Aside from Norway, however, these states make relatively small contributions to the UN-DS in absolute figures. Norway makes more core than earmarked payments to UNDP, but the balance for the overall UN-DS is not quite so positive. While Canada and the UK also support the reform process in a number of ways, their large share of earmarked funds undermines the multilateral character of the UN-DS. The same could be said of Japan and the US. Although the US makes the largest financial contribution to UN operational activities by far, its other donor practices have done little to overcome the fragmentation of the UN-DS. In other words, by drastically increasing their share of earmarked funds, a number of Western donors are substantially worsening the very coherence problems they are trying to solve through institutional changes. Germany is positioning itself outside of positive and negative extremes. Nonetheless, it will hardly be able to strategically promote reform given its relatively low level of payments in absolute figures.

In contrast, developing countries and emerging powers cannot be so easily categorized as “good” and “bad” donors. One reason is that most emerging powers still view themselves as beneficiaries of UN development cooperation and do not make substantial financial contributions themselves. Although countries like China and India bilaterally spend considerable sums on South-South cooperation and are involved in this issue within the UN as well, their commitment does not lead to voluntary payments to the UN-DS. Developing countries and emerging powers rarely make core payments to funds and programmes and pay only slightly more than their obligatory amounts to specialised agencies. In 2007 and 2008, only Mexico, South Korea (both of whom are members of the Organisation for Economic Co-operation and Development – OECD), and Saudi Arabia received less money from the UNDS than they contributed. If the sums that states pay to UN agencies for development activities in their own country (self-supporting contributions) are not included, most states pay roughly as much in core as in earmarked contributions. At the same time, it follows that the volume of each country’s earmarked contributions for other countries is not especially large. The practice of self-supporting contributions, which is especially common in Latin America and in other countries with middle and high incomes, makes up the largest part of contributions from developing countries and emerging powers to the UN-DS. This kind of financial commitment, however, also seems to promote the fragmentation rather than the coherence of the UN-DS.

Motives for UN commitment

Industrial and developing countries and emerging powers share basic motives for UN commitments. Within the groups, however, there are different mixes of motives that weigh on power politics, development, or values differently. Although industrialized and developing countries principally share an interest in making the UN-DS as good and effective as possible at the country level, there are fundamental conflicts in the overriding motives for commitments to the United Nations. While developing countries and emerging powers want to expand the UN’s role in the field of economics and finances and deal with development accordingly, industrial countries continue to want to marginalize the UN in economic issues outside of development policy. Although this basic conflict

does not drown out all negotiations about technical questions, practically all negotiation positions in almost all decision-making processes can somehow be reduced to this conflict, which takes the focus off of the actual content of decisions.

The study of state behaviour in governing bodies confirms this image. It seems obvious that industrial and developing countries share an interest in making UN-DS more effective and efficient. Nevertheless, member states have a hard time remembering that common ground. Again and again, the debate about what the world order should be and what role the UN should play in it overshadows the development agenda, especially in the General Assembly and the ECOSOC, where both parties often see negotiations as a zero-sum game in which one side wins and the other loses. As a result, both sides focus more on relative gains for themselves, losing sight of possible absolute gains from cooperating in the process. The polarization between North and South affects the governing bodies of funds and programmes to a lesser degree.

In addition, the political and financial behaviour of a number of states hardly promotes reform. There is a discrepancy between the calls for greater coherence and efficiency made in governing bodies, on the one hand, and financial practice and bilateral attempts to exercise influence on the other. For instance, a number of industrialized countries fragment the system even further even as they complain about the effects of this very fragmentation in governing bodies. Likewise, there are discrepancies in the positions and actions of developing countries and emerging powers. The interpretation of technical issues against the backdrop of overriding world order questions means that problems are not adequately dealt with even though everyone would benefit equally from a solution. In addition, states very often focus on their short-term national interests, which does not promote long-term organizational reform.

Reform options for the UN-DS' future role and organization

The external reform dimension - the role of UN-DS in the global development system

A lot of the problems in UN development cooperation have long been known, and there is no shortage of reform proposals. In contrast, there

are few up-to-date, sound, detailed ideas about what role the United Nations should play in the global development system. The UN-DS' great input legitimacy is often taken as the starting point for discussions about its future role.

Because of its universal character and neutral mandate, the UN plays a special role in the development system.

- A number of authors believe that *the role of the UN should be enhanced* because of the global organization's special legitimacy. For instance, it has been proposed that the UN should play a coordinating role in the global development system and be able to enforce policies vis-à-vis other important actors, such as the international financial institutions and bilateral donors. Researchers and non-governmental organizations, including those from the South, hold this position.
- Other authors draw opposite conclusions from the United Nations' great legitimacy. Although they do not want to relieve the UN of its important role in setting norms and standards, they call for *rationalizing operations and limiting the UN's role* to those fields where it has comparative advantages. Such proposals are rarely discussed in research discourse. Rather, they are found in internal papers and the white books of donor countries. The proposals would, for instance, focus the UN more on niche areas where it can perform better than other actors considered less legitimate and neutral.

The internal reform dimension – organization of the UN-DS

The World Summit in 2005 and the High-Level Panel (HLP) on system-wide coherence in 2006 collected ideas about which institutional changes should be made to improve the UN-DS's coherence. Several of the option papers produced in 2005/2006 highlighted institutional reform. These proposals all aimed to overcome system fragmentation through greater centralization and to further rationalize the wide variety of organizations and functions in the UN-DS.

- One prominent proposal was to set up three integral pillars for development, the environment, and humanitarian aid. The extent to which the development pillar would be integrated varied. While some rec-

ommended having all agencies combined in a single development organization, others only wanted to merge a select group of agencies. Another idea proposed somewhat loose groupings.

- In addition, a number of proposals focused on how UN agencies could speak with one voice, for instance through simplified administrative procedures, a single UN representative, better coordination procedures, common country programmes, and standardized financing mechanisms.

State positions pertaining to external and internal reform options

In terms of external and internal reform dimensions in the UN-DS, the positions of the states reviewed were greatly influenced by their experience over the past four years. The HLP's report led the General Assembly to discuss reforming the UN-DS. From the outset, developing countries were more reactive than proactive in the debate, feeling that the reform agenda was forced onto them and dominated by the West. A number of the visions proposed by donors met with a lot of suspicion and criticism among developing countries. The position of the G-77/NAM (Non-Aligned Movement) in the negotiations has largely focused on defending the UN's broad mandate and the current system. At present, state negotiations mainly focus on incremental improvements to the UN's operational activities. Fundamental reform proposals, such as institutional restructuring, are no longer being discussed because no consensus seems possible.

- *Enhancing the UN's role* None of the Western states want to have the UN as a powerful coordination forum for other development actors anytime soon, nor even in the distant future. In contrast, developing countries would like the UN to play a more prominent role in development policy, which would happen if the organization reliably received the funding it needs to fulfil its mandate. They also want the UN to play a much more prominent role as a coordinator, especially with respect to the international financial institutions and the World Trade Organization.
- *Concentration of the UN's activities* There is also a conflict between the industrial states and developing countries/emerging powers when

it comes to focusing the UN-DS on certain issues. While a number of Western donors want to have a clear focus, for instance on fragile states or the climate, developing/emerging powers countries believe that focusing on niche issues would further marginalize the UN. Specifically, they fear that industrial countries would take the opportunity to cut funding for the UN-DS.

- The North-South conflict is less obvious when it comes to having *a unified UN country presence*. All Western donor countries support the idea, which is already being implemented in a number of countries as part of the *Delivering as One* (DaO) initiative. Only the US and Japan are still hesitant. A number of small developing countries also welcome the idea because they believe transaction costs will drop. In contrast, a number of newly emerging countries, geographically large countries, and ideologically motivated states reject a unified presence of UN organizations in their countries. They are working to prevent the model from becoming the norm throughout the system.
- In other reform areas – *governance, financing, and the harmonization of business practices* – positions between industrial and developing/emerging powers also differ.

Common ground: previous results and future opportunities

The basic conflict between North and South still restricts the coalitions that can be formed between developing and industrial states on specific issues. At headquarters, basic disagreements about what role the United Nations should play in economics and finance hamper the reform of operational activities. What is perceived as a politicisation of seemingly technical issues from a Western perspective often is considered, from a developing-country perspective, to be a legitimate call to strengthen the only multilateral organization where developing countries can articulate their interests on an equal footing. For many developing countries, reforms that aim to strengthen the UN's operational activities only serve to further restrict the role of the UN in economic and financial issues – and hence to silence the voice of developing countries and emerging powers on these issues. Although not all developing countries share the often provocative rhetoric of the G77 spokespeople on specific issues, “toeing the party line” at least ensures that

their interests will be protected in other UN forums. In addition, a number of small developing countries that would benefit greatly from a reform of the operational activities at the country level are not completely able to articulate their interests in governing bodies in New York and defend their interests against emerging powers and radical proponents of a new world order. This is partly due to a lack of capacity, but also comes as a consequence of the special dynamics that dominate the majority of UN bodies in New York.

The prospects for the kind of fundamental restructuring of the UN-DS called for in 2005/2006 therefore seem bleak. At the same time, there is a lot of potential for a more incremental reform process driven by currently existing governing bodies and mechanisms. Since 2006, industrial and developing countries have managed to agree on a reform agenda. To date, three resolutions were adopted by consensus, and the third one of July 2010 contains some far-reaching reform decisions. Four institutions dedicated to women's issues and gender policy have been merged in a new organization called UN WOMEN, bringing together resources and mandates for greater impact. Important decisions were also reached in other areas of reform. Nonetheless, the reform agenda is hardly settled. In a growing number of programme countries, the UN applies the Delivering as One principles. Over the next few months, the DaO initiative will offer a crucial opportunity to redirect the UN-DS from the country level. In the midterm, these changes could result in more fundamental reform steps.

Consequences for the German government

The success of the reform of the UN development system is in Germany's own national interest. First, it is necessary from a development perspective. The UN needs to make an effective contribution to the response to global development challenges that cannot be addressed by national efforts alone. For this, it needs reformed structures. Second, reform is necessary because it would indirectly strengthen the UN as a forum for global policy and a central pillar of the global governance architecture. Even in the age of G20, the United Nations remains an indispensable forum for consensus building and decisions about urgent global challenges. Third, reform is necessary if the UN is to be suc-

cessful in other fields of policy (human rights, securing and consolidating peace, and mediation).

In its coalition agreement of 2009, the German government committed itself to strengthening the UN and said it would throw its weight behind comprehensive reform. But this commitment should not be limited to reforming the Security Council; instead, Germany should reinforce its commitment to the reform of the UN-DS. Unfortunately, Germany is more of a fellow traveller than a driver in many areas of the reform process. The following proposals are therefore made to show how Germany can step up reforms of the UN development system.

1. Greater contributions for more input

- The German government aims to increase the effectiveness and efficiency of multilateral organisations. Yet the German scope of action is limited by its comparatively small sum of voluntary contributions. The relatively small size of its contributions weakens the credibility and weight that Germany could have in articulating its concerns not only in the governing bodies of UN development agencies but also other UN arenas. Germany should therefore return to the level of contributions to the UN-DS of a few years ago and prospectively make additional funds available for reform priorities. Only then can the reform process of individual agencies be strategically supported and only then can Germany have greater influence to promote effectiveness and efficiency.
- The German government and the German Bundestag's budget committee should redefine the demarcation between bilateral and multilateral funds. A new discussion would not only be good from the vantage point of the UN. Greater multilateral involvement would also step up the implementation of the Paris and Accra commitments for a stricter division of tasks and thematic concentration. However, some political resistance is expected here, especially since there is still insufficient data to dispel criticism about multilateral development cooperation.
- Furthermore, Germany should revisit its rejection of multi-year payments for UN organizations. There is no budgetary reason why Ger-

many should not be able to voluntarily commit to a set contribution to UN agencies for more than one year. Rather, the decision is a political one, which unfortunately undermines Germany's call for greater effectiveness and efficiency of the UN-DS. It is hard for EU partners and other like-minded donors to understand why Germany refuses to commit to multi-year contributions. This limits Germany's scope of action.

2. Supporting *Delivering as One* to take advantage of reform momentum

- To make the DaO process more promising, the German government should continue to provide political support along with its EU partners and like-minded donors, including constructive support for establishing a mechanism to adopt Common Country Programmes and joint supportive statements in the General Assembly, ECOSOC, and other governing bodies. The German contribution to the *United Nations Common Coordination Fund* (UNCCF) should also be retained.
- As long as German contributions to the core budgets of UN organizations remain relatively small, the German Ministry of Economic Cooperation and Development (BMZ) should refrain from providing earmarked multilateral funding for UN country funds. Any possible financial multilateral leeway should be used to increase core budgets.
- The BMZ should look into whether bilateral funding can be provided for the respective UN country funds.
- Minor opportunities to make the political and financial support of the DaO process more visible should be seized.

3. Critically monitoring the DaO process to maintain and strengthen the advantages of the UN-DS

- Despite the strategic importance and basically positive initial reports from pilot countries, the DaO process has to be critically monitored. We need to see whether current developments are in line with German proposals for the midterm and long-term reorganisation of UN-DS.

- Within the Utstein Group, the German government could launch an informal workshop for a critical review of the overall reform process. Five years after the World Summit in 2005 that led to the proposal for the current round of reforms, the Utstein Group and the G13 should discuss which of the original expectations have been met and to what extent the incremental reform process complies with the ideas developed in 2005 and 2006.
4. Proactive positioning on financing the UN-DS so as not to leave the issue up to others
- The financing of the UN-DS is a key issue which has a number of consequences for other reform areas. Its current fragmentation, unpredictability, and supply-driven character are major causes of the problems that institutional and technical-administrative changes are to remedy. As a result, there are severe limitations to the success of these reform efforts.
 - The German government should therefore work constructively with other states to find a model that would ensure the sustainable financing of the UN-DS.
 - In formulating its own position vis-à-vis the critical-mass concept or similar proposals, the focus should not be on maintaining Germany's current financial practice.
 - There should be an internal discussion about content linked to a debate about multilateral development cooperation in general and global governance questions. Reforming how the UN-DS is funded is not least about how Germany plans to ensure the protection and provision of global public goods (climate stability, the environment, peace, health, justice, and security).
 - The governing bodies of diverse UN agencies will be discussing the concept of "critical mass." Here, the various line ministries urgently need to coordinate their actions. One important location for this process could be the coordination meeting dealing with issues of UN reform, which should be continued on a regular basis.
 - The group of Utstein states should also be included in the discussion.

- Based on these discussions among like-minded states, a Group of Friends could then be set up in New York, where interested emerging powers and other UN members could also take part.
5. Strengthening the evaluation system and results orientation of the UN-DS
- The German government should take a stand for making the system-wide UN evaluation mechanism to be established powerful enough to do its job. To this end, the mechanism needs to be properly embedded institutionally and also needs sufficient funding.
 - Germany is a member of the *Multilateral Performance Assessment Network* (MOPAN), which conducts annual evaluations of a select group of multilateral organizations. The BMZ should further expand its own expertise in the field of multilateral evaluations and take part in the further development of the MOPAN toolkit.
6. Entering into new reform coalitions to step up reform of UN-DS
- The closing of ranks between industrial states and a number of pilot countries in the governance bodies has created a new dynamic. Germany should also take part in forging coalitions with pilot countries and other small developing countries that will benefit from reforms at the country level.
 - The New York stage is not the only venue for the formation of coalitions. At the country-level, such as in bilateral consultations with governments of developing countries, and in donor coordination meetings, more attention should be paid to the reform of UN development cooperation. The issue could also be discussed in the OECD's Working Party on Aid Effectiveness. As members of the Working Party, representatives of developing countries and emerging powers are participating constructively in the very discussions about effectiveness that some of them reject in New York.
 - The non-Western G20 states, which are largely still looking for their role in the UN-DS, represent additional coalition candidates. Some of them could serve to bridge the differences that constitute the perpetual basic conflict in the General Assembly and the ECOSOC. Here, the German government would have to make UN reform a high priority and discuss the issue in forums like the G20 and in bilateral talks.

1 Introduction

Practically since its founding, the United Nations (UN) has been undergoing constant change. In economic and social fields, a few large-scale reform attempts have been successful, but otherwise adaptation to changing political, economic, and social conditions has been incremental. One of the results has been the institutional disorder that has become so notorious, with a number of subordinate and specialized agencies/programmes having overlapping tasks, with negative consequences for recipient and donor countries. In the past two decades in particular, a number of reforms have been conducted and proposed to solve these problems.

Despite substantial progress, a number of observers do not believe reforms to increase the coherence, coordination, and efficiency of the UN-DS have gone far enough to properly position the UN's development aid system and respond adequately to global development-policy challenges. Reform pressure has increased tremendously in the past decade. The changing donor landscape, increasing pressure to become efficient and effective, increasingly earmarked contributions, other international organizations taking over tasks originally assigned to the UN, and other challenges – such as global climate change and the global financial and economic crisis – are among the phenomena that make a fundamental reform of the United Nations' development system (UN-DS) more urgent. The current trend towards a greater division of labour requires the sharpening of the UN's development profile to make its own role more evident along with its added value for partner and donor countries.

In addition to institutional lethargy, the identified obstacles to reform include the contrary positions held by northern and southern countries (industrialized countries and developing/emerging countries). Although none of the groups of actors involved is homogenous, most of the negotiations at the United Nations follow those lines (Malone / Hagman 2002). Yet, the traditional North-South conflict makes itself felt within the UN not only in the form of potentially conflicting policy preferences between various groups of countries; rather, observers report that some forces often exploit diverging interests to worsen the conflict in multilateral negotiations.

What would feasible reform options for the UN-DS look like, and what roads must be taken to make these reforms successful? To provide a rough outline of the answers to these questions, this study investigates the finan-

cial and political actions along with the motives and preferences of major state actors in the field of development cooperation at the United Nations. One focal point is northern countries, i.e., the industrialized nations who cover a large part of the financial costs for UN development aid. This group includes the 27 states of the European Union (EU), which generally coordinate economic and social issues closely. Non-EU members, such as Switzerland and Norway, are also part of this group and often take similar positions, as do Canada, Australia, and New Zealand. The US and Japan are also part of the group of industrialized countries, though they often have independent positions. In addition, the positions of the group of developing countries and emerging powers are investigated; this group consists of a much larger number of countries. The Group of 77 (G-77), in which developing countries within the UN have come together to better represent their economic and social interests, now has 130 members. China is associated with the G-77 and with the Non-Aligned Movement (NAM), which now represents the political interests of 113 countries. There is great overlapping in the membership of the G-77 and NAM.

This analysis focuses on two reform dimensions:

1. First, the positions of states vis-à-vis the external dimension of reforms are analysed, specifically the position and desired role of the United Nations within the global development architecture – for instance, ideas about a global division of labour between EU, the World Bank, and UN agencies. After all, the overriding question is which facets of the United Nations' profile, which remains a bit vague, should be made more visible and which should be given up.
2. Second, the study sheds light on how states position themselves with respect to reform initiatives that focus on coherence and procedures within the UN-DS, hereinafter referred to as the internal dimension of reforms. Here, the focus is on the current reform process, which was intensified in 2006, when the High-Level Panel on UN System-Wide Coherence in Areas of Development, Humanitarian Assistance, and the Environment (hereinafter: High-Level Panel or HLP) published its report.

Chapter 2 provides a brief introduction of current problems and the need to reform the UN-DS. Chapter 3 explains the selection of the most important actors from the groups of Western states and developing countries and describes their UN profiles based on their financial and political commit-

ment. Chapter 4 provides an overview of current reform discussions and processes regarding the external and internal reform dimensions of the UN-DS. Chapter 5 sheds light on the positions of the various countries and country groups on current reform options based on official documents and interviews with decision-makers and people involved in the process. Chapter 6 discusses these findings along with the opportunities and possibilities for joint positions on far-reaching reform options. Finally, Chapter 7 contains some conclusions for the German government.

2 Characteristics and problems of the UN-DS: Status of the discussion

2.1 Basic characteristics of the UN's development system

The United Nations is a special actor in multilateral development cooperation. UN agencies are generally held to have a number of unique qualities. Its universal membership, its broad mandate, and its reputation as a neutral actor give the global organization a special legitimacy and credibility. Developing countries and industrialized nations can articulate their concerns with formal equality, making the UN a global forum where ideas can be developed, tested, shared, and made into internationally applicable standards. Excellent examples of standards set by the UN include the Millennium Declaration and the Millennium Development Goals; the resolutions of the Earth Summit 2002 and the conferences on development financing in 2002 and 2008; and standards pertaining to human rights, labour rights, and gender equality. The establishment of universal human rights standards and their wide acceptance are counted among the UN's fundamental achievements (Jolly / Emmerij / Weiss 2009).

UN agencies cover a very wide spectrum of tasks. The main ones are policy advice, capacity building and other forms of technical cooperation targeted at governments. Furthermore, UN agencies focus on specific issues (such as HIV/AIDS and reproductive health) and target groups (such as children and refugees) in a wide range of activities. In the past few decades, human rights, good governance, and environmental standards have gained much more importance. The United Nations also performs work where development overlaps with other areas, such as adaptation to global climate change and

peace consolidation. As the preferred partner of developing countries with offices almost all over the world, the UN can become involved in sensitive issue areas and “difficult” countries. UN agencies also provide support without conditions. Furthermore, the UN development system is considered to have a major advantage: close collaboration with partner countries.

In addition to serving as a forum, setting norms and standards, and working as an operational actor, the UN collects, systematises, and analyses information and knowledge about development issues. Partly on this basis, it reviews the implementation of globally agreed standards and calls for their enforcement. Furthermore, the UN acts as an advocate for the interests of the poorest of the poor and other disadvantaged groups, such as by contributing alternative concepts and content to global development-policy discussions. The most prominent examples include UNICEF’s study entitled “Adjustment with a human face,” the work done by UNIFEM on gender economics, the studies done by the International Labour Organization on the social effects of globalisation, and UNEP’s reports on human development (Jolly et al. 2004; Jolly / Emmerij / Weiss 2009).

It could be argued that this wide range of activities and the broad spectrum of tasks require a complex organizational structure. The UN-DS easily provides that complexity. Although only five agencies make up two thirds of the expenditures for operational activities, a total of 36 agencies are members of the United Nations Development Group (UNDG), the coordination forum for UN actors in the field of development. The most important and best known funds and programmes are the UN Development Programme (UNDP), the UN Population Fund (UNFPA), the UN Children’s Fund (UNICEF), and the UN World Food Programme (WFP). From a legal standpoint, funds and programmes are subsidiary to the General Assembly, which controls them by electing multinational executive boards, on which member states are represented according to standard regional proportion.¹ Their main task is the operational implementation of development projects, although a lot of them now also perform normative tasks.²

1 Funds and programs are not international organizations in the proper meaning of the term because they are formally answerable to the General Assembly. To improve readability, the term “UN agencies” will be used in the following for funds/programs as well as for specialized agencies.

2 Here and below, the term “normative” signifies the functions related to the creation of rules and standards that apply for all UN members.

In terms of development policy, the most important specialized agencies are the World Health Organization (WHO), the Food and Agriculture Organization (FAO), and the International Labour Organization (ILO). The World Bank Group has a special status. It is a member of the UN system but has its own independent governance and financing arrangements that differ from those of the main UN development actors.³ UN specialized agencies – 15 of them in total – are part of the UN system but are otherwise independent international organizations. They have their own membership, governance structures, and membership fees. Unlike funds and programmes, they are not bound to fulfilling instructions from the General Assembly. Aside from the World Bank Group, the main tasks of specialized agencies were originally providing analyses and setting standards. However, many of them have added operational activities to their spectrum of tasks. Specialized agencies were founded based on functionalist premises. In the WHO, health experts work together; in the FAO, agricultural experts do. A lot of specialized agencies therefore continue to work in sectors, not countries, unlike funds and programmes.

Intergovernmental bodies also work on normative issues pertaining to social and economic development. The General Assembly is a forum for global negotiation processes and, like the Economic and Social Council (ECOSOC), monitors and formally coordinates (on behalf of agencies) within the UN family. Within ECOSOC, regional and expert commissions write studies on development policy issues. While the Human Rights Council and the Peacebuilding Commission do not primarily have a development mandate, there is some overlap with development issues.

As part of the UN Secretariat, the Department of Economic and Social Affairs not only administratively supports the work of intergovernmental bodies, but also provides substantial work. For instance, the department is responsible for following up the outcome of global conferences. It also engages in technical cooperation.

3 The World Bank group is only marginally investigated in this study. Even though studies of reform options for the future role of UN-DS must take account of the World Bank's activities, the internal reform debate on the UN system focuses mainly on the structure, financing, and governing bodies within the UN-DS. Here, the World Bank plays a special role.

Figure 1: Structure of the United Nations development system			
	Funds and programmes	Specialized agencies	Intergovernmental bodies
Institutions	UNDP (+ UNIFEM) UNFPA UNICEF WFP UNEP UN-Habitat UNHCR	FAO WHO ILO IFAD UNESCO UNIDO World Bank Group IWF	General Assembly ECOSOC (including commissions on sustainable development, social development, regional commissions, etc.) Human Rights Council Peacebuilding Commission
Characteristics	Main task: technical cooperation Under surveillance and governance of the General Assembly	Main task: setting of standards*, but also operational activities Contractually bound to the UN but autonomous, not under the control of the General Assembly	Main task: providing information and adopting resolutions Governance of funds and programs and coordination of specialized agencies
Note: * except for the World Bank Group			
Source: Vatterodt (2007a); Fues (2010a)			

Development cooperation at the UN is mainly financed from voluntary contributions. In 2008, the UN-DS spent a total of 18.6 billion USD on operational activities – i.e., for development and humanitarian purposes (United Nations Secretariat 2010, 2) – roughly equivalent to 15 percent of global Official Development Assistance (ODA) (2008: 122.3 billion USD). The share of development cooperation made up some 63 percent of the total

sum, or roughly 11.7 billion USD (United Nations 2010: 25). From 1993 to 2008, the overall UN contributions for operational activities rose annually by around five percent. This rate of increase is much greater than the annual increase in global total ODA, which rose by 1.5 percent on the average per year during the same timeframe (not including debt relief) (UN Secretariat 2010, 6).

Most of the funding for UN development comes from countries, particularly from Western donor countries. In 2008, members of the OECD/DAC provided 62 percent of the overall contributions for operational activities (a total of 22.2 billion USD). In the same year, contributions from non-OECD/DAC countries only made up 12 percent of the total amount. Other actors – such as the Global Fund to fight malaria, tuberculosis and HIV/Aids, nongovernmental organizations, development banks, and the private sector – provided the remaining 26 percent. The European Union made up an especially large piece of the pie at seven percent of the total amount (UN 2010a, 13).

More than 50 percent of the expenditures for UN development activities were devoted to least developed countries (LDCs) in 2008. The geographic focus of these operations was Africa (UN 2010, 33). Relative to gross national income, the main countries in which UN agencies made expenditures for such operations were Liberia, Burundi, Afghanistan, Guinea-Bissau, and the Democratic Republic of Congo. Expenditures in these countries ranged from around six percent to 24 percent of the respective country's gross national income. In terms of absolute amounts, Sudan, Afghanistan, the Palestinian territories, the Democratic Republic of Congo, and Ethiopia were the main focal points (UN 2010a, 35–36).

On the one hand, the wide range of activities, the universal membership and the complex organisational structure are positive features of the UN-DS. On the other hand, these aspects are also the main points of criticism in terms of effectiveness and efficiency. The following sections discuss the main problems and the need for reform in terms of a) the role of the UN in the global development system and b) internal UN development policy.

2.2 Problems and the need for reform of the UN-DS

2.2.1 External reform dimension: The role of the UN in the global development system

The global development system is extremely complex. More recently, it has also been undergoing change. Governmental and nongovernmental actors are growing in number, and financing channels are becoming more diverse (Grimm et al. 2009; Messner / Faust 2009). Donor and recipient countries can choose from a large number of potential development partners; as a result, UN actors are increasingly under pressure to prove that they can provide services effectively and efficiently. Simultaneously, the way in which development is organised and conducted is changing as a reaction to the growing number and wider range of actors. The Paris Declaration on Aid Effectiveness and the subsequent Accra Agenda for Action obligate donors and partner countries to follow the aid effectiveness principles of ownership, alignment, harmonisation, results-orientation and mutual accountability. New financing modalities, such as budget support and sector programmes take greater account of these principles and are starting to replace fragmented financing of projects. Along with the call for greater efficiency and effectiveness, the general trend towards a greater division of labour and towards agreements between donors requires clearer donor profiles based on the comparative strengths of the respective actors (Burrall / Maxwell 2006; Ashoff 2010), all of which also has consequences for UN development cooperation.

Some of the strengths of the UN will continue even under these new conditions, such as its convening powers for states, international organizations, and civil-society actors, as was shown at the global summits in the 1990s. Likewise, the UN remains the only organisation where universal standards can be adopted. A lot of UN agencies play a special role in monitoring and enforcing such standards, partly because of the UN's universal membership and its perceived neutrality and legitimacy. However, UN actors increasingly see competition from other governmental and nongovernmental development actors in the field of operational activities in particular.

The following challenges are especially important in this context: first, the UN-DS' profile remains blurry; second, other actors are entering the core areas of the UN's development activities; and third, the trend towards new financing modalities, such as budget support, raises questions about the benefits of having UN actors involved.

Blurry profile

Despite a wide range of efforts, the contours of the UN system's development policy profile are still not sufficiently sharp. UN agencies know that they need to specialize more and have a greater strategic division of labour. They were well represented at the Accra Conference on Aid Effectiveness in 2008 and have been undertaking steps to implement the Paris Declaration (UNDG 2008b; Vatterodt 2007b; OECD 2009a, 78–82). Generally, UN agencies work up multiyear strategy plans which set forth the thematic core areas for approval by the governing bodies. At the country level, all agencies are called on to identify the comparative strengths of their contributions when formulating country strategy papers, such as the United Nations Development Assistance Frameworks (UNDAFs). They are to focus their efforts on areas where they can have the greatest impact in order to avoid overlapping and create synergetic effects (UNDG 2010a: 5; 11).

Aside from these efforts, attempts to define a clear focus for the system as a whole are still pending. To do so, UN actors would have to focus on areas where they can offer better services than other actors, and they would have to pull back from other areas. Most UN agencies have a global mandate, which makes greater geographic concentration inappropriate. Thematic concentration also is difficult. For instance, although the capacity building work done by the UNDP and others is considered the trump card for the UN, these agencies also do work in completely different fields and often raise funds for project activities at the country level. The agencies can hardly be faulted for such practices, for they have a hard time not only leaving fields they have been working in up to other organizations, but also refusing project requests. Member countries bear the main responsibility. They have continually entrusted the UN-DS with additional tasks; they also provide incentives for a diversification of activities by limiting the regular budgets of specialized agencies to zero growth while simultaneously offering financing outside the budget; and they increasingly use the UN as a contractor.

Competition from other actors

For a long time, the UN had a privileged role in the global development system, but now other actors are performing tasks previously thought to be the UN's core field. Often, donor countries can more easily control these competing organisations. The United Nations runs the risk of being marginalized.

Originally, for instance, international finance institutes and the UN were to have a complementary division of tasks, but these mandates increasingly overlap. More and more often, World Bank subsidiary IDA gives grants instead of loans, supports transition processes, and performs capacity building activities. The EU also works in related fields. Similar examples could also be given for the UN's function as a forum. The OECD's Development Assistance Committee has become the most important donor forum. Even though its exclusive membership limits its legitimacy and acceptance, the committee influences aid concepts and practice worldwide. The OECD is also clearly entering the UN's core field by setting up a global aid forum for dialogue between development stakeholders and by including recipient countries in its Working Party on Aid Effectiveness (Fues 2010b).

Challenges from new financing modalities

New types of financing, such as budget support, sector programmes, and pool funds, also call into question the role of the United Nations within the international development system. Such new modalities are becoming increasingly important for recipient and donor countries. At the same time, it is not yet clear to what extent UN agencies can and should take part. UN agencies generally do not have considerable financial leeway, nor is it clear what added value the UN could provide compared to direct budget support without added UN overhead costs. Furthermore, the special neutrality of UN agencies could be detrimentally affected if budget support and sector programmes are bound to conditions (Scanteam 2005). A number of countries refuse to let agencies like the UNDP have input in the management of budget support if they do not take part financially, even with a symbolic contribution. In 2008, the UNDP/UNFPA supervisory board reacted and allowed both agencies to become financially involved in sector budget support and in pool funds managed by the recipient government under certain conditions. Nonetheless, technical support – such as through policy advice – is still the priority (UNDP 2009b; UNDG 2009 f.).

2.2.2 Internal reform dimension: Organization of the UN-DS

Way back in 1964, experienced UN expert Robert Jackson called the UN system an ungovernable, prehistoric monster in his two-volume report on reforming that system (quoted in Weiss 2009, 73). Specifically, he felt that extreme fragmentation was one of the main causes of UN development pol-

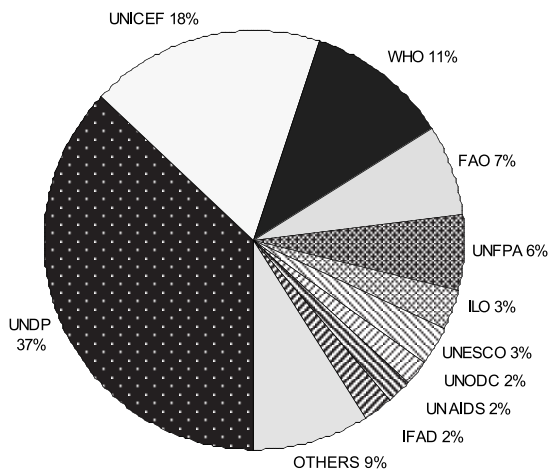
icy's coherence, efficiency, and effectiveness problems. Since the end of the 1990s in particular, a wide range of efforts have been undertaken to strengthen the coherence of the UN system (Jenks et al. 2005). There have been some success stories, especially at the country level (Vatterodt 2007b; UNDG 2009e). The Delivering as One reform initiative launched in 2007 is a good example. Nonetheless, challenges remain, and there is still a need to overcome the fragmentation of the UN-DS and its financing and governance structures; development activities also need to be demonstrably effective and efficient.

Fragmentation of UN institutional landscape

The fragmentation of the aid system is also reflected in the UN's institutional landscape. In the 1960s, there was still a generally accepted division of labour between, on the one hand, the UNDP as a central body for the planning, financing, and coordinating of UN aid activities and, on the other, specialized agencies as implementation agencies – but that would soon change. The number of funds and programmes grew as member states founded individual agencies for new issues, sometimes as the “price” that industrialized countries were willing to pay for consensus in normative questions. These agencies often took on lives of their own and expanded. Because they had rather limited resources, they focused on related issues or new topics for which donors were willing to provide earmarked funding (Stokke 2009). The result is a complex, fragmented institutional landscape where the mandates and activities of agencies sometimes overlap and duplications exist. Though they differ greatly in size as shown in Figure 2, 36 organizations take part in the UN's operational activities. In 2008, around two thirds of the total amount for development activities went to only three of these agencies: the UNDP (37 percent), UNICEF (18 percent), and the WHO (11 percent). Along with seven other agencies, they received around 91 percent of total contributions, with the remaining nine percent spread across 26 other agencies.⁴

4 If the entire contributions for UN operational activities are taken as the basis, the WFP received roughly as much as the UNDP in 2008 (United Nations 2010a, 14). Since 2010, the UN has been separately reporting contributions and expenditures for development-related activities in its annual statistical report. Contributions for humanitarian purposes are deducted from the total (27 percent of all UNICEF contributions and 100 percent of all contributions to the WFP, UNHCR, UNRWA, and OCHA – Office for the Coordination of Humanitarian Affairs) (UN 2010a, FN 1).

**Figure 2: Distribution of development-related funds to UN agencies
(2008: 13.6 billion USD)**



Source: UN (2010a, 29)

The fragmentation of the UN-DS has a positive side, however: partner and donor countries have a large number of development products to choose from. On the other hand, there are many negative consequences. The unclear division of tasks within the UN-DS is often a burden on relations between agencies and leads to rivalries and competition for scarce resources. At the country level, the UN-DS often presents itself as a large number of financially weak actors whose service ranges only differ slightly. As a result, coordination and cooperation are insufficient. It is hard to set priorities and make comparative advantages clear; furthermore, potential coordination requirements and synergetic effects are not sufficiently perceived. Indeed, strategies, programmes, and the projects of individual agencies may even compete or conflict.

Targeted reforms since the end of the 1990s have improved coordination at the country level. For instance, UN actors coordinate their contributions within an overall strategy agreed with the respective government in joint UNDAFs.

Box 1: The Delivering as One reform initiative

In 2005, then Secretary-General Kofi Annan was entrusted with the task of making recommendations of how to reform UN operational activities. In 2006, the High-Level Panel on UN Systemwide Coherence (HLP) he set up proposed ways to harmonize and improve coordination in the fields of development, emergency aid, and the environment. The main proposal for development consisted in having all the agencies act more as a single unit – in other words, “deliver as one” (DaO).

With the overall aim of improving coherence and efficiency, all UN agencies were to work with a common country programme, a single budget plan, and a common office with the same leadership. The Joint Programmes, which go beyond the UNDAF’s joint project frameworks that are now commonplace, are designed to ensure that all of the activities performed locally by UN agencies are part of a coherent whole. The recommendations for a single *director* are designed to comprehensively strengthen the authority of the *resident coordinator*. The *common budgetary framework* is intended to ensure that the allocation of funding within the UN-DS is transparent in the recipient country; costs are to be reduced by sharing a common infrastructure in a *single office*. For most of the DaO countries, an additional *One UN Fund* was also set up to close financial gaps in the financing of common country programmes.

Since 2007, Pakistan, Mozambique, Tanzania, Rwanda, Uruguay, Cape Verde, Albania, and Vietnam are official pilot countries. More than ten other countries (called “self-starters”) have begun following the principles voluntarily, and a large number of potential candidates have also shown interest.

Most of the evaluations of these pilot projects have been positive. UN agencies are working better together and are able to react more flexibly to national priorities. As a result, the ownership of developing countries is growing even as the transaction costs for governments are falling; in return, UN actors initially have to perform more work. Adjustments in procurement and other business practices have also led to savings, even though a number of obstacles remain (UNDG 2009a; UNDG 2008a).

Despite regional, economic, and geographic differences, all of the pilot countries and self-starters agreed at a meeting in Kigali in 2009 that there is “no way back” for them (UNDG 2009d). Based on the positive, country-specific evaluation results, they reiterated their agreement in June 2010 in Hanoi and called for changes at headquarters to allow UN agencies to work more closely together (UNDG 2010b). By the fall of 2011, the results of an independent, comprehensive evaluation of the pilot initiative are to be published to serve as the basis for recommendations for the implementation of lessons across the entire system.

At the level of the system itself, coordination bodies such as the Chief Executive Board for Coordination (CEB) and the United Nations Development Group (UNDP) have been established and reinforced. In these bodies, heads of the various UN agencies meet to coordinate system-wide policies (OECD 2009a, 96–100; Fues 2010a). But the reforms are hardly over. The Delivering as One initiative has made it clear how urgent harmonisation is in terms of reporting, human resources, procurement, and tools for programming and evaluation (UNDG 2009a; UNDG 2008a; Vatterodt 2007b).

Insufficient quality and quantity of financing

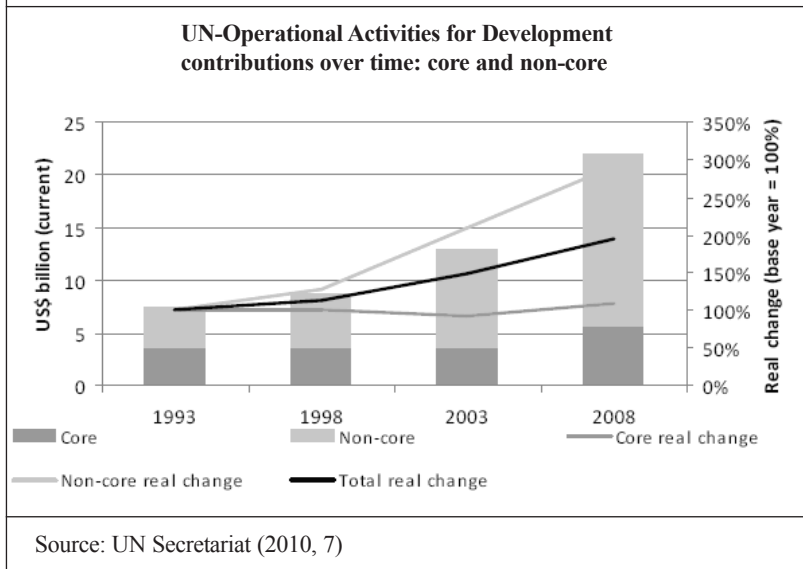
The way the UN-DS is financed also needs to be reformed. The quantity of the funding – i.e., the financing volume relative to the geographical reach and range of responsibilities – is not the only thing that’s important; the quality of financing – reliability and the ability to freely allocate funding – is just as important. Even as UN funding generally has been increasing, individual agencies remain chronically underfinanced, especially relative to their usually comprehensive mandates. Since the 1980s, there has also been a trend towards earmarks on funding.

Voluntary contributions, from which the majority of UN development activities are financed, can be divided up into core and non-core (“earmarked”) budgets.⁵ Contributions to core budgets lose their national identity and can be allocated as each agency sees fit in accordance with the priorities specified by intergovernmental governing bodies. With earmarked funding, each donor individually specifies on which region, country, issue, and/or activity the money has to be spent. In such cases, the agency performing the task must answer to the individual donor, not the intergovernmental governing body. In other words, UN agencies are used as an instrument for the implementation of bilateral development policy, which contradicts the multilateral principle of UN development cooperation.

5 The UN terminology differs from the OECD’s. In the OECD definition, official, multi-lateral ODA only includes core contributions that are not earmarked; non-core contributions are not considered multilateral, but rather bilateral ODA. Not all UN actors use the core/non-core dichotomy, but rather make a distinction between ordinary and other resources or between budgetary and extra-budgetary.

Up to the 1980s, core contributions were the most common. They were distributed across developing countries based on an allocation scheme, and governments could request funding to conduct programmes. These days, earmarked contributions make up a much larger share of the pie than core contributions do at most UN agencies. Figure 3 shows the rapid growth of earmarked funding for the overall UN-DS.⁶ Other multilateral organizations also receive earmarked contributions, but donor countries seem to like to resort to non-core contributions with the UN in particular.⁷

Figure 3: Trends in contributions for UN operational activities over time (1993–2008)



6 The figures given are for development-related and humanitarian activities summed up under the label “operational activities.”

7 In 2006, DAC members provided roughly 11 billion USD in earmarked contributions to multilateral organizations. The UN system received around 70 percent of that amount, followed by the World Bank in distant second place at 20 percent. Contributions to the EU are generally not earmarked (OECD 2009a, 29–30).

In the case of the UNDP, UNFPA, and UNICEF, for instance, the share of core funding in overall financing has fallen from 79.7 percent (1991) to 31.8 percent (2007) as non-core funding increased (UN Secretariat 2009b).⁸ This trend not only means that the basic idea behind multilateral development cooperation, in which developing countries and industrialized countries jointly decide how the funding is to be used, is undermined in favour of bilateral agreements. It also further fragments the UN-DS, for UN actors then often have to compete at the country level for scarce funding. While Figure 3 shows that contributions to core budgets have been increasing in the past few years, the share of earmarked contributions continues to grow much faster.

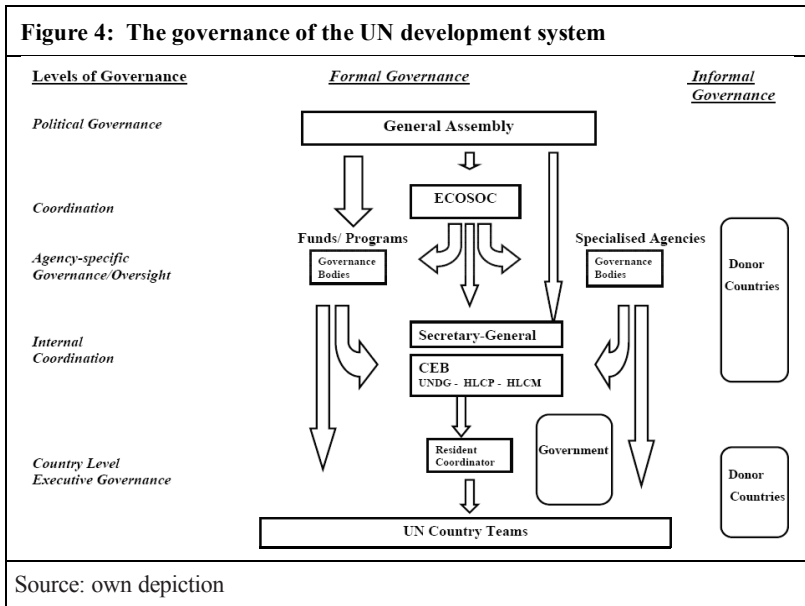
The unpredictability of funds also detrimentally affects the quality of contributions for UN development policy. In contrast to the World Bank Group, commitments to UN agencies are generally only made for one year. In a lot of countries, the UN receives the remainder after agencies of greater priority have received funding. Without reliable, predictable multi-year commitments, it is hard to engage in strategic planning, which is important for coherence, effectiveness, and efficiency. Many UN agencies, such as the UNDP, now formulate strategy plans for several years to encourage donors to make multi-year commitments. But despite some improvement, the agencies still complain that they cannot predict funding, especially in times of economic crisis (cf. UNDP 2010b, 8–9).

UN agencies are also working to expand the group of contributors. Despite a number of slight changes in the past few years, a majority of UN agencies remain greatly dependent on a handful of Western donors. In 2007, for instance, the ten largest donors made up 90 percent of the core budget of the UNDP and UNFPA and 85 percent of the total budget at the World Food Programme (UN 2009b, 21).

8 The IFAD (International Fund for Agricultural Development), UNFPA, UNAIDS (Joint United Nations Programme on HIV/AIDS), and UNRWA are the only agencies with a core budget that makes up far more than 50 percent of the total budget. One possible explanation is that these agencies have a clear mandate that is limited in scope/region. In all the other agencies, the volume of earmarked contributions exceeds the funding made available for the core budget (UN Secretariat 2009b, Section 22).

Insufficient governance structures

The governance of the UN-DS and its operational activities has a number of weak points, both in terms of the governance by intergovernmental bodies (system-wide political governance and coordination; agency-specific governance) and governance by international bureaucracies (internal coordination and executive governance at the country level). One reason is that informal governance mechanisms have come about in addition to formal governance structures. The formal structures either have nothing to do with making decisions on how to allocate resources for operational activities (ECOSOC, General Assembly) or de facto only control less than a third of UN development funding – namely, allocation of core contributions (governing bodies in funds and programmes / specialized agencies). Many donor countries influence the priorities of UN agencies via bilateral contacts at headquarters and at the country level – and more importantly, through their financing practice. In doing so, they undermine the actual governance and coordination mechanisms, which do not allow them to pursue their priorities as easily because of the need for consensus.



Political governance and coordination

The General Assembly and the Economic and Social Council (ECOSOC) provide political and strategic governance in addition to coordinating the UN-DS's wide range of operations, but they do so insufficiently. Although the founders of the United Nations saw “international cooperation in solving international problems of an economic, social, cultural or humanitarian character” as one of the organization's core tasks, they failed to set up a powerful body for political governance and coordination. While the ECOSOC is one of the six main bodies and handles coordination and governance, it simultaneously reports to the General Assembly, which provides the overarching normative frameworks and establishes key system-wide policy orientations. However, it is not always easy to tell where the General Assembly's mandate begins and ECOSOC's ends, partly because a lot of developing countries feel underrepresented in ECOSOC, which has 54 members, and therefore see the General Assembly as the right place to discuss a lot of the issues that are also on the agenda at ECOSOC. Many donor countries do not want to closely link or subsume under ECOSOC the executive boards they think are working well. ECOSOC can make recommendations but not any binding decisions. While ECOSOC can give these non-binding instructions to the funds and programmes set up by the General Assembly (such as UNDP and UNFPA) in principle, ECOSOC and the General Assembly hardly have any influence over specialized agencies, such as the FAO and WHO. In addition to these institutional problems, ECOSOC's agenda is always overburdened, there is too little knowledge about the complexity of operational activities, and a general emphasis on reaching compromises and a consensus – all of which contributes to the limitations on ECOSOC's ability to set priorities and strategic targets (Taylor 2000).

In the past few years, however, the division of tasks between ECOSOC and the General Assembly has improved considerably (Rosenthal 2005). The last two Triennial Comprehensive Policy Reviews (TCPRs) on UN operational activities not only formulated basic principles for UN development cooperation and supported by all UN members but also specified how coordination can be strengthened and called on all agencies to simplify, harmonize, and focus on results. UN agencies have to report to ECOSOC on the implementation of the TCPR resolution (cf. UN General Assembly 2007a).

Agency-specific governance

The executive boards and other governing bodies of UN agencies perform oversight over individual agencies and governance of varying quality. Interview partners complain that politics is taking over at the UNDP/UNFPA executive board and say that regional groups gain influence in the negotiations, which makes it harder to reach substantial decisions. In addition, there are complaints that the boards tend to make minor, technical decisions. A number of donor countries reportedly use the executive board to discuss detailed questions about individual country programmes and agency management; as a result, some interviewees say, not enough attention is paid to the main tasks of the executive boards: providing instructions for agencies' strategic focus. In contrast, others reported a positive trend in so far as discussions of details within the executive boards increasingly force the agencies to greater accountability concerning the allocation of core contributions and their development effectiveness.

Although the governments represented in governing bodies could insist on furthering greater system-wide coherence, up to now they have mainly focused on individual agencies. Joint board meetings have been held over the past few years, but they have no decision-making power. Thus, governing bodies have not been able to keep up with the integration of UN activities at the country level, which has continued to make progress in the past few years, not least because of the DaO initiative.

Coordination

The most important body for systemwide coordination is the Chief Executive Board for Coordination, which brings together the heads of all UN agencies. In terms of management and other issues, coordination is entirely voluntary. The UN Secretary-General is the chairperson but has no authority to give instructions to specialized agencies. In 2007, the undg was assigned to the CEB as a subcommittee (along with the High-Level Management Committee and the High-Level Programme Committee). The undg brings together the funds, programmes, specialized agencies, and the departments/offices of the Secretariat that perform operational activities. Through voluntary coordination, the undg promotes system-wide coherence in UN operational activities and supports the Resident Coordinator system through the United Nations Development Operations Coordination Office (UNDOCO) assigned to it. Despite the “soft” nature of vol-

untary governance, the CEB and UNDG have succeeded in improving the coordination and harmonization of agency practices in the past few years (UN 2009a). The UNDG and UNDOCO are the main drivers behind implementation of DaO pilot projects. They play an important role in identifying the first lessons to be drawn and in initiating additional systemwide changes. Despite major progress, coordination and harmonization between individual UN agencies remain a challenge because the structures that need to be harmonized grew independently for decades, and no binding specifications can be imposed.

Executive governance

The fragmentation of the system continues at the country level, although there has been some improvement over the past few years as the position of the Resident Coordinator has been strengthened. Resident Coordinators are to make sure that the work done by UN country teams complies with national priorities, the mandates and targets of the agencies involved, and the guidelines for UN operational activities. They are responsible that all local UN activities are coordinated and that the governments of the programme countries have access to the UN-DS's complete expertise. They are also expected to raise funding for the work done by the country teams. In 2007, the General Assembly stipulated that Resident Coordinators must report to the partner country's government on the work done by the entire UN country team, which consists of representatives of all of the UN agencies active at country level. But up to now, resident coordinators have not had much control over members of the country team, who also answer to their agencies at the regional level and at headquarters.

In 2008, the UNDG adopted a Management and Accountability Framework and agreed to delineate the responsibility and accountability of the Resident Coordinator and the country teams more clearly, partly to clarify the UNDP's dual function. On the one hand, the UNDP is a service provider for all UN agencies in the programme countries. For instance, the UNDP manages the Resident Coordinator system and allocates resources (such as the multi-donor trust funds, MDTFs) for other UN agencies. On the other, it is a development actor accused of pursuing its own interests (Vatterodt 2007b, 38–39; UN 2009c). Whereas UNDP country representatives used to automatically hold the position of resident coordinator, the position of the UNDP country director is increasingly a separate post from the position of Resident Coordinator.

All in all, it remains to be seen to what extent the new rules will allow the Resident Coordinator system to integrate the work done by country teams and focus that work on the needs of programme countries. The UNDP has already implemented the new rules, but other funds/programmes and special agencies have not.

Need for better proof of effectiveness and efficiency

UN development cooperation has a reputation of being not especially cost-efficient. The wide range of agencies, some of which conduct programmes with relatively small financial volumes, leads not only to high administrative costs, but also to more transaction costs for donor and recipient countries, which have to be in contact with many partners and follow different kinds of rules, for instance. From the viewpoint of the donor countries, a lot of UN agencies also still cannot sufficiently demonstrate that funding is employed cost-efficiently. Such specialized agencies as the FAO and the ILO are reacting especially slowly to the greater reform pressure (Swedish Ministry of Foreign Affairs 2009; Swedish Ministry of Foreign Affairs 2008).

Nonetheless, it would be unfair to accuse the overall UN-DS of being inefficient. Over the past few years, some UN agencies have undertaken far-reaching, impressive reforms, such as the introduction of results-based budgeting, even though a lot remains to be done (UNDP 2007). Evaluations have found that UN agencies are easily at the level of, and sometimes even ahead of, the World Bank and others (CIDA 2009). However, the UN-DS is a bit slow in implementing changes to increase efficiency. It also faces charges of having an overblown bureaucracy (Easterly / Pfitze 2008). A lot of UN agencies perform normative and operative activities, services for the intergovernmental political process, and activities pertaining to analysis and advocacy. Such activities require more staff-intensive support at headquarters than financial cooperation does, which constitutes the core activities of other non-UN organizations. But there is still room for improvement at a lot of agencies.

Similar complaints are lodged with reference to the effectiveness of UN development cooperation. Despite the lack of satisfactory tools to assess the effectiveness of multilateral development cooperation (Scott et al. 2008), a lot of donor countries believe UN development cooperation is not as effective as it could be. Indeed, donor countries' general scepticism about multilateral development cooperation seems to be especially strong when it

comes to UN agencies. According to a recent assessment by OECD/DAC, the scepticism is not primarily based on facts; after all, the information about multilateral results and effectiveness is generally not any worse than for bilateral development cooperation. Rather, the bad reputation of multilateral development cooperation mainly seems to be the result of a communications problem (OECD/DAC 2010, 4). Generally, the agencies themselves assess the effectiveness of UN development activities based on various internal and external mechanisms (UNDP 2010a). Here, the UN-DS once again suffers from its fragmentation. Up to now, no standardized information has been collected, collated, and analysed in detail for the system as a whole. However, a systemwide evaluation mechanism and a central repository for detailed, standardized data about operational activities are currently being prepared. Donor countries also use external mechanisms to assess the effectiveness and efficiency of the UN-DS. Bilateral assessment systems, such as the British Multilateral Effectiveness Framework (MEF), and multilateral evaluation initiatives, such as the Multilateral Organization Performance Assessment Network (MOPAN), have only focused on individual agencies up to now. The MEF concentrated on the efficiency of the agency – in other words, the inexpensive use of funding – not the effectiveness of the agency (OECD 2009a, 84–89). MOPAN investigates and compares the perception of effectiveness of each agency among donors and, to a limited extent, among developing countries over time. For instance, they found that the UNDP is a good forum for policy dialogue and praised its focus on good governance, gender equality, human rights, and environmental protection. In contrast, MOPAN criticized the extent to which UNDP uses national systems and applies lessons learned on its development targets (MOPAN 2010).

3. UN commitment profiles of major actors

Before we take a look at reform proposals on how the UN-DS should be positioned within global development system and on how the internal coherence of the UN-DS should be improved and analyse how major member countries position themselves in this regard, we first need to look at the UN profiles of these countries. The main question is whether and to what extent these countries support reforms to make UN development coopera-

tion more effective and efficient. The UN profile covers both financial commitments, which are mostly relevant for traditional donor countries, but also the behaviour of emerging non-traditional donors. Second, the political behaviour of the countries is important. We will begin with an overview of the overriding motives behind these countries' UN commitments in order to better understand their behaviour in the governing bodies of UN development cooperation. The findings in these subchapters are then collated in interim conclusions.

This study focuses on the top ten donor countries to UN operational activities in 2008 (UN 2009b, Table 6) under the assumption that the amount of financial contributions is an indicator of how relevant the UN is considered for national development policy and how much influence the country has within the UN system. In 2006, Denmark and France were also among the top ten contributors and are therefore also included in the analysis (UN 2008a, Table 7). As Switzerland, Belgium, and Ireland showed great interest in UN reforms and engaged in innovative behaviour, they are also taken into consideration.

Because industrialized countries are still the main financers of UN development cooperation, the volume of contributions is not a valid criterion for the selection of the most important developing countries. Rather, membership in G-20 is used under the assumption that its members (can) also play an important role in the United Nations. The financial UN commitments of these countries are also assessed. Egypt, Cuba, and Venezuela are also included in the analysis because they play important roles in the Group of 77 (G-77) and in the Non-Aligned Movement (NAM), the most important groups of developing countries and emerging powers in the UN. Last but not least, small developing countries like Tanzania, Rwanda, and Vietnam are included because they have showed special interest in reforming UN development cooperation in the past few years as part of the One UN pilot initiative.

3.1 Financial commitments

3.1.1 The actions of traditional donor countries

The analysis of the UN profiles of major industrialized states is informed by three questions. First, how important do the various countries take UN development cooperation to be? Here, the spotlight is mainly on the volume

of financing in absolute and relative terms. Second, do these 15 donor countries follow principles that promote the coherence and planning security of the UN-DS in allocating funding? Third, to what extent do these countries enter into strategic partnerships with UN agencies? Once these questions have been answered, a group of donors whose actions support reforms particularly well will be identified at the end of the subchapter.

The importance of UN development cooperation for industrialized countries

Appreciation of the UN and its activities is reflected in the financing made available, as is support for reform processes. Here, the absolute amounts are not the only important factor. Rather, comparisons allow us to understand the contributions in a larger context. For instance, the share that each country covers can be compared with the share they would have to pay according to the assessment scale for obligatory contributions to UN core budgets. This assessment scale is based on each member country's relative ability to pay which is calculated based on gross domestic product and other factors, such as foreign debt and per capita income.⁹ In addition, a comparison of the share of UN funds in overall ODA expenditures and the UN's share of multilateral ODA reveals how important individual countries believe the UN is.

In absolute figures, the US is the clear leader in financing UN operational activities for the entire timeframe under investigation (2003–2007). However, if the contributions of EU member states are added up, the EU clearly plays a larger role.

9 This scale of assessment applies not only to the regular UN core budget, but also to the core budgets of many specialized agencies. For political reasons, the share that the US pays is artificially limited to 22 percent of the UN's overall budget. The minimum contribution is 0.001 %; cf. Hüfner (2003).

Table 1: Industrialized countries: Contributions for UN operational activities (2003–2008, in USD Million)							
	2003	2004	2005	2006	2007	2008	Average 2003–08
US	2,284	1,780	2,607	2,710	2,776	3,939	2,683
UK	633	748	1,051	1,023	1,153	1,142	958
JP	639	664	911	938	845	1,084	847
NL	464	643	788	775	818	972	743
NO	435	481	759	826	901	909	719
SE	325	466	710	887	883	879	692
CA	337	418	674	621	706	835	599
IT	271	324	383	253	542	556	388
DE	230	269	472	359	426	504	377
DK	204	228	340	336	456	439	334
ES	56	70	119	262	573	801	314
FR	105	168	311	284	276	296	240
CH	145	164	198	225	228	254	202
IE	63	67	115	184	225	230	147
BE	82	98	162	151	161	166	137
Others	4,008	5,444	4,643	7,362	8,110	9,234	6,467
Total	10,299	12,032	14,243	17,196	19,078	22,240	15,848
<p>Note: The UN data on which this table is based are much higher than the comparable OECD/DAC figures; the UN itself says the difference exceeds 1.2 billion USD or 28 percent of the total just in terms of core contributions (United Nations 2008a, Section 58). These differences are the result of various inconsistencies, though the DAC and the UN system are working on harmonization (OECD 2009a; UN Secretariat 2009b). The DAC has not been collecting much data on earmarked payments to the UN-DS, which are considered bilateral contributions anyway and are therefore not assigned to the UN. In contrast, the UN figures include all contributions for UN operational activities – in other words, voluntary and obligatory contributions (if relevant to operational activities), or core and earmarked contributions. Furthermore, expenditures for operational activities also include contributions for humanitarian aid and those that developing countries use to finance UN activities at home (self-supporting contributions).</p>							
<p>Source: UN (2005); UN (2006a); UN (2007a); UN (2008a); UN (2009b); UNDESA (2010, Table A-4)</p>							

The biggest contributors among the group of EU member states are the United Kingdom, the Nordic countries (except for Denmark), and the Netherlands. They provide the UN-DS with far more funding than their neighbouring countries do. Spain has ramped up its contributions to the UN-DS considerably, increasing them more than 14-fold from 2003 to 2008. For years, Germany has been in the lower third of the top ten and now comes in at around the level of Denmark. Three countries from outside the EU – Norway, Japan, and Canada – are also in the top ten.

The scale of assessment of used for regular UN budgets provides a way of better assessing the absolute volume of payments to the UN-DS.¹⁰ A comparison of obligatory, assessed and voluntary contributions in the countries under investigation clearly shows that the burden of support is not equally spread across donor countries. If we compare the shares of these countries with the share they would have to pay to regular UN budgets based on their economic power, a number of countries are clearly below their mandatory amounts. In return, others pay far more. Table 2 illustrates these relations on the basis of the core budgets of the UNDP, UNICEF, and UNHCR.

For instance, Germany would have to more than double its contribution to the UNDP and UNHCR (United Nations Refugee Agency) if it wanted to pay its fair share in the financing of the UN-DS as it does in other areas. At UNICEF, Germany would have to up its contribution even more. The same holds true for Japan, the US, and Italy. France would also have to clearly increase its payments to all three agencies.

In contrast, a number of countries clearly pay more than they have to according to the scale of assessment (highlighted in gray in Table 2). In the UNDP's core budget, most of these are small countries (NL, CH, BE, and IE), the Nordic states (NO, SE, and DK), and countries with a multi-lateral focus, such as Canada, the United Kingdom, and Spain. The Scandinavian countries alone (without Finland) along with the Netherlands make up nearly 50 percent of the UNDP's core budget.

10 Again and again, there are discussions about an indicative payment scale of assessment for the UN-DS. For instance, in 2008 Switzerland proposed that the Secretary-General adopt a “good donorship initiative,” which would include such an assessment scale. Switzerland did so in the hope of increasing peer pressure in order to distribute burden sharing more equitably, see Schweizerische Eidgenossenschaft (2008a).

	Scale of assessment for regular UN budget (share as a percentage)		Contributions to UNICEF's core budget in 2008 (USD mill. / share as percentage)	Contribution to UNDP's core budget in 2008 (USD mill. / share as percentage)	Contribution to UNHCR's core budget in 2008 (USD mill. / share as percentage)
	2007-09	2010-12			
NO	0.782	0.871	73.5 / 12	137.6 / 12	52.0 / 6
NL	1.873	1.855	53.4 / 9	116.6 / 10	74.7 / 8
SE	1.071	1.064	71.9 / 12	109.6 / 10	86.6 / 10
US	22.00	22.00	128.0 / 20	97.4 / 9	250.1 / 28
UK	6.642	6.604	38.0 / 6	96.3 / 9	43.2 / 5
JP	16.624	12.530	15.7 / 3	73.1 / 7	72.6 / 8
DK	0.739	0.736	37.6 / 6	73.1 / 7	42.6 / 5
CA	2.977	3.207	17.7 / 3	55.4 / 5	27.0 / 3
ES	2.968	3.177	23.3 / 4	54.4 / 5	26.1 / 3
CH	1.216	1.130	16.9 / 3	45.6 / 4	21.2 / 2
FR	6.301	6.123	18.5 / 3	43.2 / 4	19.4 / 2
DE	8.577	8.018	8.3 / 1	42.2 / 4	32.9 / 4
IE	0.445	0.498	25.1 / 4	34 / 3	22.5 / 3
IT	5.079	4.999	17.7 / 3	23.6 / 2	32.7 / 4
BE	1.102	1.075	4.7 / 1	18.4 / 2	11.1 / 1
Others	21.604	26.11	65.4 / 10	29.5 / 7	73.7 / 8
Total	100	100	615.7 / 100	1.100 / (100)	888.4 / (100)

Source: Figures from UNDP (2009a); UN (2009b); UNICEF (2009); UNHCR (2009); UN General Assembly 2007b, 2009b; in some cases author's own calculations

During the East-West conflict, the Nordic states and the Netherlands paid more than their fair share into the UN-DS as like-minded donors and they seem to be continuing this policy in light of their current contributions in relation to their overall ODA expenditures. Not surprisingly, this example once again shows that the UN-DS is most important for small countries (Figure 5).

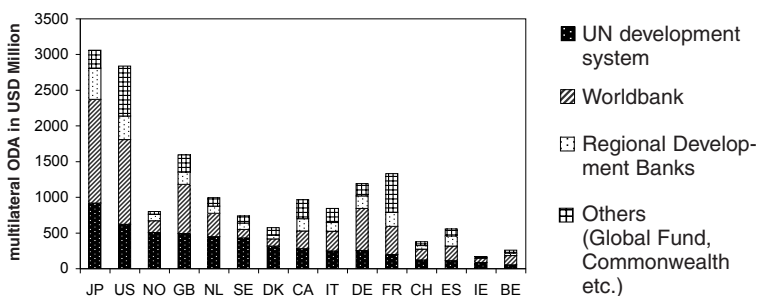
Figure 5: Share of UN core contributions in overall ODA (average value 2004–2006)					
NO	17 %	NL	8 %	DE	ca. 2 %
DK	14 %	CA	8 %	FR	ca. 2 %
SE	13 %	CH	7 %	BE	2 %
IE	ca. 10 %	IT	6 %	US	2 %
		JP	6 %		
		GB	5 %		
		ES	4 %		
Source: Author's data partly based on country chapters in OECD (2009a); OECD (2008, 80); OECD (2009b)					

From 2004 to 2006, Norway spent 17 percent of its total ODA on core contributions for the UN-DS. Denmark, Sweden, and Ireland trusted the UN-DS with more than ten percent of their ODA. France, Belgium, and the US are at the other end of the spectrum. For these countries, the UN-DS is not such an important partner in terms of core contributions, though the amounts are quite substantial in absolute figures. The UN-DS also plays only a minor financial role for Germany. These countries focus more on bilateral development cooperation and other multilateral agencies in their development work. They only provide two percent of their ODA to the UN-DS.

One other thing should be kept in mind here. Unlike the data used in Table 1, the OECD figures shown here contain less than half of the money that the UN-DS actually received because the figures only reflect core contributions, not earmarked payments. The tables reveal quite a bit if we assume that core contributions for UN agencies are more valuable than earmarked funding and therefore also represent a clear commitment on the part of the donor country to the multilateral character of the United Nations.

A comparison of the standing that the UN-DS has relative to other multilateral organizations confirms the indications above of the relevance of the UN-DS for the countries under investigation. Figure 6 shows each country's relative contributions to multilateral aid organizations in a bar graph that also indicates the absolute amount of contributions. Here, earmarked contributions are also not taken into consideration. The lowest part of the bar represents core contributions to the UN-DS.

Figure 6: Amount and distribution of multilateral ODA from donor countries (averages value 2004–2006 without EU)



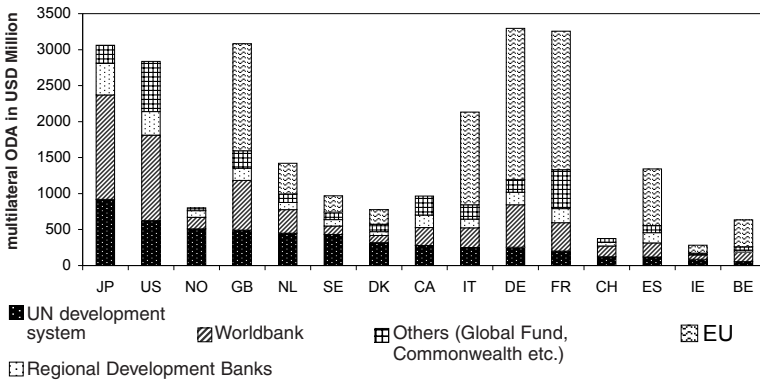
Source: Author's depiction based on OECD (2009b, Table 2.1)

For Norway, Sweden, Denmark, the Netherlands, Canada, and Ireland, the UN-DS was generally the main recipient of multilateral ODA from 2004-2006 if payments to the European Union are disregarded. These countries gave a smaller share of their ODA to all other multilateral organizations. For Japan and Switzerland, the World Bank was the most important multilateral development organization, with the UN coming in second – as was also the case for the UK, Italy, Spain, Belgium, Germany, and France. For the US, the UN was the third biggest multilateral partner and received only slightly less funding than other multilateral recipients, such as the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

If we add the multilateral funding paid to the EU during the same timeframe to the data above, the EU turns out to be by far the biggest recipient of multilateral aid for most EU member states. The funding that large EU member states (Germany, France, the UK, Italy, and Spain) provide to the EU exceeds by far all other multilateral contributions. The UN-DS only remains the most important multilateral partner for Sweden, Denmark, and the Netherlands, while it comes in second for Ireland. For all of the other EU member states investigated, the UN-DS is the third-largest recipient of multilateral funding.¹¹

11 As a supranational regional organization, the EU's funding allocation procedures differ greatly from those of the UN, the World Bank, and development banks, where developing countries take part in decisions. Furthermore, a large part of the multilateral aid is paid as obligatory national contributions to the EU's overall budget, and supranational EU bodies participate in the decision-making process on the size of the share that is designated for development cooperation (Grimm 2010).

Figure 7: Amount and distribution of multilateral ODA from donor countries (averages value 2004–2006 with EU)



Source: Author's depiction based on OECD (2009b, Table 2.1)

Good donorship practices in industrialized countries

In addition to the Good Humanitarian Donorship initiative launched in 2003, ideas about how to set up principles on good multilateral donorship to increase the UN agencies’ planning security are repeatedly tossed about at the UN (such as UN 2008b). An important element of such principles is a commitment to contributions over several years. Another is a healthy balance between earmarked and core contributions. Furthermore, the different types of earmarking are becoming more important. The following analysis focuses on donor practices in the 15 countries under investigation based on these criteria.

Multi-year contributions

When donor countries commit to fixed contributions for UN agencies over several years, the agencies have a secure basis for planning and management. In doing so, the donor countries support the agencies in their strategic long-term planning and protect them from short-term financial fluctuations. There are various reasons why a country might not want to or be able to make a multiyear commitment to the UN-DS. For instance, a foundation, legal or otherwise, may be lacking; national parliaments may shy away from advance commitments; budget cycles may limit leeway; and donors generally appreciate the flexibility that single-year commitments provide.

A cursory analysis of UN documents and interviews allows some conclusions to be drawn about which donors generally make multiyear commitments to the UN-DS. The data did not reveal the extent of these commitments, nor were all UN agencies taken into account. It was found that the group of states that make multi-year commitments is relatively small and consists of the Netherlands, Norway, the UK, Belgium, Canada, Denmark, Ireland, and Switzerland.

Table 3: Multi-year commitments for voluntary contributions to UN agencies	
	UN agencies and timeframe
Netherlands	UNDP (2008-2011); UNFPA (2007-2009); UNICEF (2007 pledged)
Norway	UNDP (2008-2011); UNFPA (2007-2009); UNICEF
United Kingdom	UNDP (2008-2011); UNIFEM
Belgium	UNDP (2008-2011); UNFPA (2007-2009)
Canada	UNDP (2008/9, 10/11); UNFPA (2007-2009); UNIFEM
Denmark	UNICEF (2007 pledged); UNDP
Ireland	UNFPA (2007-2009); UNICEF; UNHCR; WHO
Switzerland	UNFPA (2007-2009); UNV (2009); UNIFEM
Source: Author's depiction based on data from interviews; UNDG (2009c, Annex 3); UN (2007b, § 60)	

Other countries mainly complained of problems pertaining to budgetary rules, which rule out multi-year commitments to core budgets for UN agencies (above and beyond mandatory contributions). Although multi-year pledges are common practice in bilateral development cooperation (including earmarked contributions) and commitments to the multilateral development banks, Germany, Japan, the US, and France do not make any multi-year pledges for voluntary contributions to the core budgets of UN agencies. But there is an exception for Germany, which makes two-year pledges for contributions to the World Food Programme. Sweden is currently investigating how it can change its budgetary rules to allow multi-year contributions.

A healthy balance between earmarked contributions and core contributions

Core contributions are especially important for the UN-DS: “*Core resources are the bedrock of the UN system for development, as these resources allow it to pursue its mission according to the key principles of universality and neutrality*” (UN Secretariat 2009b, 3). Earmarked contributions have a number of drawbacks for the UN-DS:

- To a varying extent, they all undermine the priorities set by governance bodies.
- They increase transaction costs, such as when individual agreements have to be negotiated and signed and special, dedicated reports written.
- Funding for specific projects or programmes generally keeps UN agencies from working with other agencies and increases the amount of fundraising that staffs perform at the country level, leaving them less time to do their actual work.
- It is often claimed that activities funded by earmarked contributions are subsidized by core contributions. Although an administrative fee is charged for such activities, it does not cover the reproduction of the operative and normative basis of the UN-DS for the long term (UN 2009d, Sections 19–24). In other words, countries that mainly use the UN for projects do so at the expense of countries that pay a greater portion of core contributions.

In return, earmarked contributions seem attractive for donor countries at first glance:

- They are more visible and can be designed to suit national focal points.
- A country can more easily demand proof of the application of funds, and their efficient and effective usage. In addition, earmarking increases its influence on the recipient organization.
- Many donor countries take funding decisions locally in the programme countries themselves.
- When national strategies also set certain issues as priorities, earmarked funds for the UN-DS seem attractive to many donors.

UN agencies are not forced to accept earmarked funds, but they certainly have a hard time turning them down in light of the general dependence on

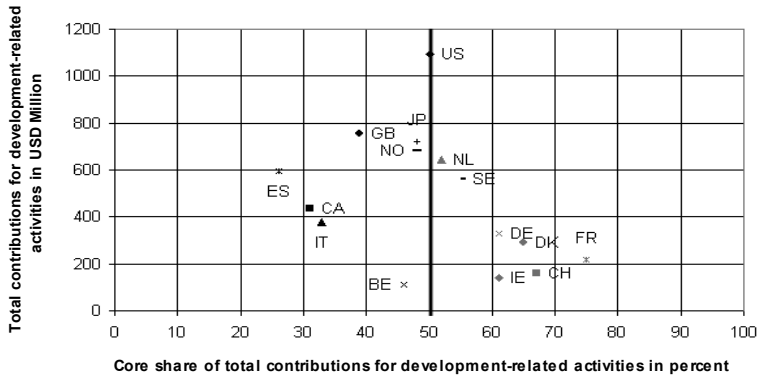
voluntary contributions, shrinking core budgets, and competition with other development actors. A report published by the UN Secretariat in 2009 proposes that countries pay at least half of their overall contributions for development as core contributions (UN Secretariat 2009b, Section 69). In New York, the 50 percent mark was criticized as arbitrary, and the Secretariat failed to produce an analysis explaining why exactly 50 percent should be core contributions. Yet this percentage lends itself as yardstick against which the contributions from the main donor countries can be assessed. If the 50 percent threshold were the target, France (75 percent), Switzerland (57 percent), Japan (59 percent), and Denmark (49 percent) would easily fulfil this principle of good donorship according to 2006 figures from the DAC. However, the DAC report, which does not include all earmarked funds, also suggests that Germany, Italy, and Spain could join the club of “good donors,” although no specific percentages can be given because of a lack of data.¹² Data are also lacking for Sweden. The Netherlands (38 percent), Canada (four percent), the UK (45 percent), and Norway – which are exemplary in other areas investigated – would have to change their donor practices. The same applies all the more for the US (25 percent) and Belgium (30 percent), which would have to make substantial changes (OECD 2009a). In other words, the findings relativise the assessment of some of the countries identified as “good donors” in the initial analysis.

The picture is slightly different if we base the analysis on UN data for 2008.¹³ For the sake of comparison, the x-axis in Figure 7 shows the percentage of core contributions in a country's overall contributions, while the y-axis indicates the absolute volume of contributions. Denmark, France, Germany, Switzerland, Ireland, Sweden, and the Netherlands provide more than half of their contributions to the UN-DS without any conditions and

12 The data are based on DAC data for 2006 from the various country chapters in the DAC report on multilateral aid. The figures are partly based on estimates since not all donors report “multi-bilateral” funding for the UN-DS, nor are the channels through which their aid funding flows reported in any standardized way.

13 Since 2010, the UN has been separately reporting contributions and expenditures for development-related activities in its annual statistical report. Contributions for humanitarian purposes are deducted from the total (27 percent of all UNICEF contributions and 100 percent of all contributions to the WFP, UNHCR, UNRWA, and OCHA – Office for the Coordination of Humanitarian Affairs) (UN 2010a, FN 1). Because earmarked funding is generally much more common in humanitarian aid, we are now finally able to map out the actual extent of earmarking within the development contributions

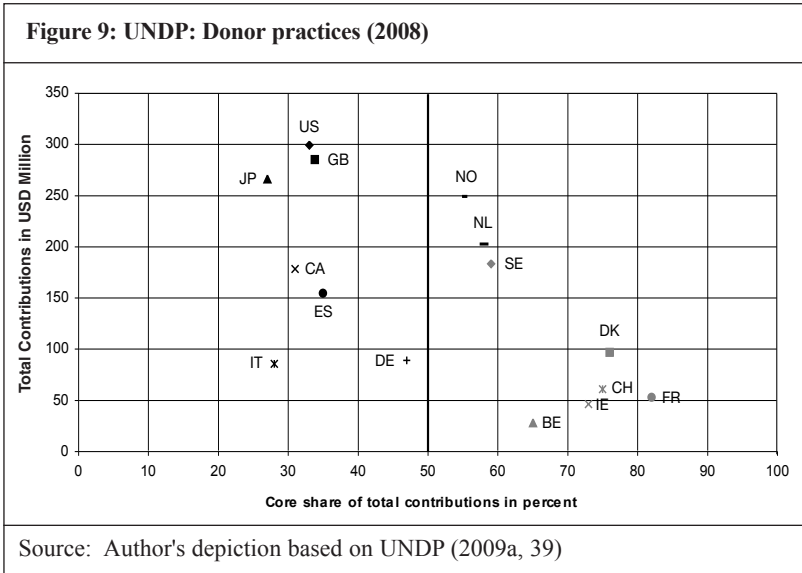
Figure 8: Donor countries: Core/non-core contributions to the UN-DS (2008)



Source: Author's depiction based on UNDESA (2010, Table A3)

therefore constitute “good donors” as defined by this indicator. The US also provides just as much core funding as it does earmarked funding and therefore also belongs to this group. Japan, Norway, and Belgium add additional conditions to less than 60 percent of their contributions. Spain is an outlier with less than 30 percent core contributions. Canada, Italy, and the UK are not that far off from Spain, however, with less than 40 percent core contributions. One salient feature is that countries with small absolute donations have higher shares of core contributions. Belgium is an exception here, however. Interestingly, the Belgian government has made drastic changes by agreeing to make donations exclusively to the core budgets of its multilateral partner organizations starting in January 2009. While it reserves the right to make earmarked contributions to programme countries, it aims to reduce them to the extent possible. Earmarked contributions to the UN-DS used to make up more than 70 percent of its contributions but are now to be converted into semi-core contributions, which focus on agencies’ strategic priorities (Anonymous 2008; UN 2008a, Box 1).

The analysis of contributions to the most important development agency at the UN with the biggest budget, the UNDP, more or less confirms the categories above (see Figure 8).



Once again, countries that make relatively small absolute financial contributions – Ireland, Switzerland, Denmark, France, and Belgium – provide most of their funding without any strings attached. Of the major contributors, Norway has the greatest multilateral focus with 55 percent core contributions. This weighting of core/non-core differs from Norway's overall contribution to the UN-DS, which indicates greater earmarking. While the US, the UK, and Japan provide the greatest quantity of financing, they do not perform as well in terms of quality. Seventy-three percent, 66 percent, and 67 percent of their contributions, respectively, are provided with additional conditions. Canada, Spain, and Italy are comparable. It can be assumed that the donor practices of these countries at the country level are not in line with the priorities they subscribe to in executive boards. According to UNDP 2008, Germany also comes in just below the 50 percent threshold.

Types of earmarking

There are different ways of providing earmarked funding to the UN-DS. In general, a distinction is made between multi-donor trust funds, thematic funds, project/programme funds, and self-supporting contributions. Not all

types undermine the system's multilateral character in the same way. Some of them represent a compromise between the agencies' wish for a more multilateral agenda and planning security, on the one hand, and the donor countries' wish for greater flexibility, on the other (UN Secretariat 2009b).

The contributions that support agencies in their multilateral core areas are considered especially positive. In particular, they include *thematic trust funds*, such as the UNDP Democratic Governance Thematic Trust Fund. In the best case, thematic trust funds focus on agencies' strategic plans, which are approved by governing bodies. The funds allow donors to set regional, programme, or thematic priorities. Contributions to special accounts for negotiated voluntary core funding, which a number of specialized agencies recently launched to compensate for the on-going shrinking of core budgets, also remain positive. *Multi-donor trust funds* (MDTFs), which have been booming in the past few years in terms of both number and volume, at least comply with the Paris Declaration. These funds allow countries to collectively provide supporting contributions to the UN-DS. In particular, MDTFs have been established for countries in crisis, such as Iraq, Sudan, and Sierra Leone. Earmarked *funding for specific projects and programmes* has a negative impact overall, especially in combination with shrinking core contributions. It is assumed that such funding only further increases competition between agencies and fundraising at the country level; furthermore, agencies are distracted from concentrating on multilateral priorities, and their ability to work with each other and with bilateral/multilateral aid actors is thereby limited. Developing countries and emerging powers make *self-supporting contributions*. They are explained in greater detail below.

At present, there is no aggregated data for the itemization of earmarked funding from the countries under review. However, Table 5 shows the composition of earmarked funding from OECD/DAC member states in 2008, with a distinction made between funding for development and for humanitarian activities. Based on this data, some general conclusions can be drawn about the countries under review.

The figures support the assumption that countries that earmark a large share of their donations do not help reduce the fragmentation of the UN-DS. While the one or other country under review here could have a more positive balance of earmarked funding for the UN-DS, the share of donations for specific projects and programmes dominates. A large share of earmarked funding from Spain, Canada, Italy, the UK, Norway, and Japan sug-

Type of financing	Total	Development activities				Humanitarian activities			
		All donors			OECD/DAC		All donors		OECD/DAC
	Mill. USD	Mill. USD	%	Mill. USD	%	Mill. USD	%	Mill. USD	%
Total contributions	22.0	13.3	61	7.7	58	8.7	39	6.1	70
Core contributions	6.3	4.5	72	3.6	79	1.8	28	1.0	60
Earmarked contributions	15.7	9.0	57	4.9	54	6.7	43	5.0	74
MDTFs	0.9	0.7	82	0.6	91	0.2	18	0.2	100
Thematic funds	0.4	0.3	72	0.3	91	0.1	28	0.1	91
Self-supporting contributions	1.7	1.6	91	0.0	0	0.1	9	0.0	0
Project / program-specific	12.7	6.4	51	4.1	64	6.3	49	4.7	75

Source: UN Secretariat (2010, Table 1)

gests that the donation practices of these countries contribute to the fragmentation of the UN-DS more than those of countries with balanced core/non-core contributions do. According to UN statistics, OECD/DAC members contributed 4.9 billion USD in earmarked funding to the UN-DS. By far the largest share, 4.1 billion USD, went to specific projects and programmes. In other words, more than 80 percent of the earmarked funding provided by OECD/DAC donors was contributed in a way generally held to undermine the system's coherence the most. In comparison, the contributions for thematic funds (0.3 billion USD) and MDTFs (0.6 billion USD) are very modest even though OECD/DAC members provide more than 90 percent of such funding.

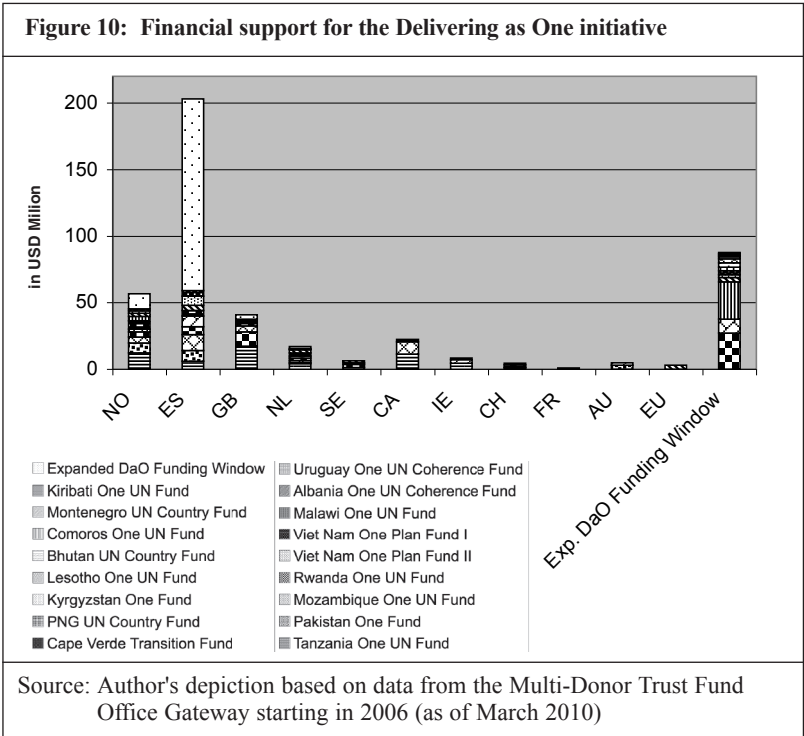
Reform support at the country level

When donor countries call for greater coherence and cooperation among UN agencies, it makes sense to see whether their actions support their demands. As the High-Level Panel proposed, Delivering as One principles are currently being implemented in eight official pilot countries (and numerous unofficial self-starters). One UN Country funds set up for each pilot country and several others are an important component. The MDTF-UNDG office currently administers 16 such funds (as of June 2010). Governing bodies and/or resident coordinators make all decisions about fund allocations at the country level. The funds are to cover shortfalls resulting from an imbalance between common country programmes and the core budgets of the agencies involved. The funds directly promote the coherence and cooperation of UN agencies in programme countries. They allow donors to allocate contributions to the UN-DS for specific countries (and often for specific topics as well) and bundle them with contributions from other donors. At the same time, the funds provide additional incentives for governments in programme countries to accept the additional work that needs to be done at the beginning of pilot projects; the funds also strengthen the position of the Resident Coordinators by giving them control over funding.¹⁴ Donors can also support the work done by the UNDP and DOCO to reach these goals, such as by contributing to UN Country Coordination Funds, which provide support and funding for coordination tasks to UN country teams (Vatterodt 2007b, 82–86).

Almost all of the countries under review contribute to the financing of current reform processes, although some countries invest far more than others. Spain has an extreme position in terms of finance volume. When the MDG Achievement Fund was set up in December 2006, Spain provided 528 million euros (up to 2010), with an additional 90 million euros being made available in 2008. Although the MDG Achievement Fund does not exclusively serve to promote reform projects, pilot countries can nonetheless receive such funding. These contributions are not reflected in Figure 9.

14 In the DaO pilot countries, One Funds made up different shares of the UN system's overall expenditures. While the One Funds in the Cape Verde, in Malawi, and in Pakistan do not make up any noteworthy share of the overall expenditures, the volume in Vietnam made up 26 percent, compared to around 20 percent in Rwanda, Albania, and Tanzania, nearly 15 percent in Uruguay, and 10 percent in Mozambique (UN 2010a, 40).

In September 2008, Spain joined forces with Norway and the UK to set up the Expanded DaO Funding Window for Achievement of the Millennium Development Goals to provide direct support for the DaO initiative; the Netherlands also contributes. This window expands the pilot countries' original financing options in two dimensions. First, part of the Spanish fund is converted into a multi-donor fund that is also open to other donor countries and is designed to provide better planning security and additional resources for the DaO process. The fund is also intended to compensate for differences in the funding available to “aid orphans” and “donor darlings.” Second, all country teams and programme countries that organize their work in a common country programme now have the right to apply for such funding. In other words, in addition to a UNDAF, they now have to come up with a UNDAF action plan that specifies exactly how which funding is to be used by who to reach the common goals specified. In this way, the circle of applicants is expanded to include unofficial pilot countries and pro-



gramme countries that choose to draw up a common country programme when negotiating upcoming UNDAFs (UNDG 2009b; UNDG 2009c). In March 2010, 17 programme countries were already authorized as applicants. Figure 9 shows the DaO Expanded Funding Window not only as a fund to which donors contribute in order to support the DaO initiative (part of the columns for Spain, Norway, the UK, and the Netherlands), but also as a donor itself because a lot of the new One UN country funds only receive money from this single source.

The UK is providing 40 million pounds (2009–2011), while Norway has pledged 40 million USD (2009–2011). The press release specifies the total amount for this two-year period at 275 million USD.¹⁵ With a total of around 20 million USD for various country funds, Canada is another country that has also invested a lot of money already in the DaO process. Belgium, Denmark, Italy, Germany, the US, and Japan have not yet taken part in financing the DaO process at the country level.

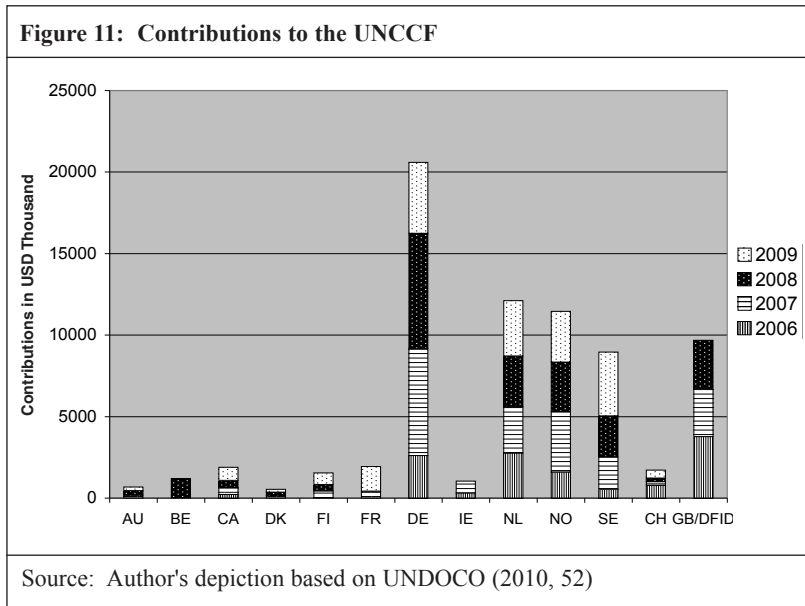
The financing of DaO processes is not uncontroversial among donors; after all, we are talking exclusively about earmarked contributions provided to the UN-DS right past the noses of the governing bodies in individual agencies. For instance, Sweden has chosen not to provide any money to the MDG Achievement Fund even though it is a big supporter of DaO. The Swedes are worried that the multi-donor facility will be strengthened at the expense of core budget contributions when countries stop providing additional funding over the long term. Switzerland also sees a risk that the projects financed with these funds might not be viewed as neutral because of the fund's governance structures, which are dominated by donors, as opposed to executive boards, in which developing countries formally hold the majority.

Proponents of this type of financing argue that the benefits outweigh the risks. They point out that funds from the Expanded Funding Window and the One UN country funds are used to close the gaps in common country programmes agreed to by a government and the UN country team, thereby substantially strengthening the ownership of programme countries. If the funding is increasingly made available at the country level, the process has

15 Norwegian government: Expanded Delivering as One Funding Window. 02.10.2009; online: http://www.norway-un.org/Selected+Topics/reform/021008_Spaniafond.htm (retrieved on 04.09.2009).

consequences for funds/programmes and specialized agencies. Power shifts out of agency headquarters and into the field, and agencies are forced to work together.

As Figure 11 shows, many states that support the DaO initiative at the country level also contribute to the Country Coordination Fund. This fund strengthens coherence at the country level by supporting the Resident Coordinator system and providing technical and financial assistance to help country teams work better together. Country teams in the pilot countries can also benefit from the funding (UN DOCO 2010). From 2007–2009, Germany contributed the most to UNCCF. Compared to the contributions that Spain, Norway, and the UK invested in the DaO process, however, Germany's contributions are quite modest. Belgium and France also promoted better cooperation at the country level in this way.



The US, Japan, and Italy are the big exceptions in the 15 countries under review. None of them have provided additional voluntary contributions to support the DaO initiative.

Strategic partnerships with UN agencies

The amount of funding, midterm reliability, and freedom from additional conditions are not the only things that reveal the extent to which countries support the UN in its reform efforts. Donor discipline also expresses itself in a strategic approach to partnerships with UN agencies. For instance, a small group of agencies may receive a relatively large amount of contributions. Another indicator is an explicit, coherent, and transparent strategy for selecting agencies to support; here, the criteria underlying the allocation of funds should also support agencies in reaching their reform goals. Of course, strategic partnerships can also be used to assert one's own political preferences within UN agencies. A growing number of donors are explicitly making efficiency and effectiveness a criterion for core contributions, which didn't used to be the case as often (Grimm / Warrener 2005). A lot of donors also enter into bilateral partnerships with the agencies involved; in such cases, the agencies are accountable directly to the donors. A number of donors (such as Canada) use executive boards to percent the results of such partnership agreements. In other words, they explicitly want to connect their own evaluation with the executive boards that are actually entrusted with such tasks. The counter example is the UK, whose partnership agreement with the UNDP contains goals that do not come from the agency's strategic plan.

- In 2001, Ireland reduced the number of its UN partners from 35 to 20. In 2005, it entered into strategic partnerships with six UN agencies (ILO, UNICEF, UNFPA, UNHCR, UNDP, and WHO). These agencies received pledges for multiyear contributions provided that some jointly formulated targets derived from the agencies' strategic documents are reached.
- Canada: The Canadian International Development Agency CIDA has come up with its own toolbox for assessing the effectiveness and relevance of multilateral organizations. This toolbox is currently still being tested. Along with Sweden and the UK, Canada entered into a strategic partnership with UNICEF for 2006-2009. For various reasons, this strategy was not extended, so the UK is now looking for other partners.
- Sweden: The multilateral strategy formulated in 2007 specifies that resources shall be allocated to multilateral agencies in accordance with the key categories of “relevance for national political goals” and the

“effectiveness of agencies.” Since 2008, Sweden's Foreign Ministry, the Swedish International Development Agency (SIDA), and Swedish embassies in developing countries have been working together to evaluate multilateral agencies. Up to now, the results have been published for 22 multilateral organizations, including 16 UN agencies. For instance, Sweden reduced its payments to UNDP by ten percent in 2007 because human rights aspects are not sufficiently anchored in the strategic plan for 2008-2010.

- The UK “rewards” agencies that are willing to reform and perform effectively with additional core contributions. It is the only government that has used UNDP criteria not completely taken from the agency's strategic plan for an assessment of the effectiveness and efficiency. The UNDP received an additional 2.82 million pounds in core contributions in recognition of its results and performance in 2008.
- Denmark and the UK have worked up joint strategies for UNICEF, UNFPA, and UNDP for 2009–2011. These strategies specify criteria and indicators used to assess the effectiveness and efficiency of agencies. The UK has also discussed the possibility of additional funding if certain indicator levels are attained.
- Norway plans to reduce its financing for (specialized) agencies that do not reform. It has not come up with its own indicators for the assessment of agencies, but instead uses MOPAN results and, especially, reports from the agencies themselves. Norway places great store on a dialogue with UN agencies and on partnership approaches.

Partnership agreements with individual UN agencies are not uncontroversial. On the one hand, they provide the agencies with planning security and a secure financial basis for several years. They fulfil donors' wishes for greater accountability and visibility. On the other hand, such bilateral agreements for core contributions undermine multilateral governing bodies. Likewise, the agreements increase the administrative work at UN agencies and for the governments of donor countries.

Preliminary conclusion

The analysis of donor countries' practices has clear results. As Table 6 shows, Nordic countries (Norway, Denmark, and Sweden) and other small countries (Ireland, the Netherlands, Switzerland, and Belgium) are exem-

plary donors who promote reform. Aside from Norway, however, these states make relatively small contributions to the UN-DS in absolute figures. Norway makes more core than earmarked payments to the UNDP, but the balance for the overall UN-DS is not quite so positive.

Table 5: Summary: An overview of donor practices									
	Importance of the UN				Good donor practices			Support for reform	
	“Appropriate volume of contributions”		UN share > 10% of total ODA	UN is biggest recipient of multilateral ODA	At least 50% financing for core budgets	Multi-year-pledges	Contributions for DaO/ UNCCF		
	UNICEF/ UNDP/ UNHCR				Total / UNDP				
NO									
DK									
SE									
IE									
NL									
CH									
BE									
CA									
GB									
ES									
DE									
FR									
US									
JP									
IT									
Source: own compilation									

While Canada and the UK also support the reform process in a number of ways, their large share of earmarked funds undermines the multilateral character of the UN-DS. The same could be said of Japan and the US. Although the US makes the largest financial contribution to UN operational activities by far, its other donor practices have done little to overcome the fragmentation of the UN-DS. Germany is positioning itself outside of positive and negative extremes. Nonetheless, given its relatively low level of payments in absolute figures, it will hardly be able to strategically promote reform (cf. Grimm 2005).

3.1.2 The actions of non-traditional donor countries

The analysis of the financial commitments of developing countries and emerging powers is necessarily more superficial. First, little data are available; there are no OECD/DAC data, and data are only just now being collected about the financial transactions of non-OECD/DAC donors (UN ECOSOC 2008). Commitments to the UN therefore cannot be compared to commitments in other multilateral organizations. Second, while a number of developing countries and emerging powers now contribute to the financing of operational activities, they still make up a very small piece of the pie. The analysis below therefore focuses on three issues: To what extent do emerging powers and countries with middle incomes finance the UN-DS? Are their contributions appropriate in terms of what they can afford? Do their payments fulfil the principles of “good multilateral donorship”?

	2003	2004	2005	2006	2007	2008	Average
Brazil (BR)	216	270	389	386	438	248	325
Argentina (AR)	165	276	297	301	280	186	251
Saudi-Arabia (SA)	26	28	38	90	99	541	137
China (CN)	39	42	54	61	72	86	59
South Korea (KR)	38	43	39	60	92	77	58
Egypt (EG)	18	28	38	42	51	61	40
Russian Federation (RU)	22	16	53	50	41	55	40
India (IN)	13	35	52	37	37	39	36
Mexico (MX)	26	18	17	43	45	45	32
Turkey (TR)	4	5	23	14	35	29	18
South Africa (ZA)	20	17	8	10	11	15	14
Pakistan (PK)	10	3	6	14	20	15	11
Indonesia (ID)	0.5	4	4	14	10	13	8
Malaysia (MY)	2	3	4	4	5	7	4
Others	9,700	11,244	13,221	16,070	17,842	20,814	14,815
Total	10,299	12,032	14,243	17,196	19,078	22,240	15,848
Source: UN (2005); UN (2006a); UN (2007a); UN (2008a); UN (2009b); UNDESA (2010, Table A-5)							

Contributions to finance the UN-DS

Increasingly, developing countries and emerging powers are helping to finance UN development. While non-OECD/DAC members only provided seven percent of the resources for UN operational activities in 1993, that figure had risen to twelve percent by 2008 (UN Secretariat 2010, 3). Because the countries under review include G20 members, Table 6 also contains contributions from countries that now belong to the OECD (Mexico and South Korea). This categorization seems defensible here as these countries are also the ones who were traditionally recipients of UN support, not primarily donors.

Compared to the contributions of most industrialized countries, the contributions from developing countries and emerging powers are marginal. For instance, China pays far less than Switzerland, Belgium, or Ireland for UN operational activities (cf. Table 1). South Korea also does not pay much although it has become an OECD/DAC member since 2010. The amounts that Latin American countries pay are also salient in the table, as is Saudi Arabia's. Cooperation between these countries and most UN agencies, especially the UNDP, is mainly based on the financing of development activities at home. However, Saudi Arabia's contributions rose considerably in 2008 mainly because they paid 500 million USD to the World Food Programme (UN 2010a, 20).

If the contributions paid to the UN-DS are compared to UN expenditures in each of the countries (Table 7), we clearly see that only a handful of countries are net contributors. In particular, it is especially clear that emerging powers generally have a hard time moving from the status of a developing country and a recipient of UN funds to a contributor. In 2007 and 2008, only South Korea, Saudi Arabia, and Mexico received less money from the UN-DS than they contributed to operational activities. All other states were net recipients in 2007 or 2008.

Appropriate volume of contributions

A comparison of the contributions that emerging powers could afford to pay based on their economic performance and their actual payments provides some interesting insights. Table 8 uses the assessment scale for the regular UN budget to measure the contributions that developing countries and emerging powers voluntarily make to the core budgets of select funds and programmes.

Table 7: Net contributors to the UN-DS (2007 and 2008, in thousands of USD)

	2007	2008
	<i>Contributions/expenditures/ difference</i>	<i>Contributions/expenditures/ difference</i>
CN	72 / 156 / -84	86 / 145 / -59
IN	37 / 277 / -240	39 / 214 / -175
PK	20 / 297 / -277	15 / 243 / -228
MY	5 / 16 / -11	7 / 13 / -6
BR	438 / 385 / 53	248 / 326 / -78
ZA	11 / 34 / -23	15 / 38 / -23
AR	280 / 268 / 12	186 / 194 / -8
ID	10 / 318 / -308	13 / 261 / -248
KR	92 / 8 / 84	77 / 10 / 67
MX	45 / 39 / 6	54 / 54 / 0
SA	99 / 31 / 68	541 / 30 / 511
TR	35 / 50 / -15	29 / 50 / -21
RU	41 / 68 / -27	55 / 55 / 0
EG	51 / 101 / -50	61 / 119 / -58
Others	17,842 / 15,295 / 2,547	20,814 / 16,879 / 3,935
Total	19,078 / 17,343 / 1,735	22,240 / 18,631 / 3,609

Source: Author's depiction based on UN data (2009b, Tables A-3, B-2); UNDESA (2010, Tables A-4, A-5, B-3)

Although developing countries and emerging powers, which have to deal with substantial poverty and inequality at home, cannot be called upon to contribute to global solidarity as much as industrialized countries can, clearly the UN-DS has hardly received funding for operational activities from these countries.¹⁶ While the sums spent on bilateral development cooperation are substantial, developing countries and emerging powers contribute little to the basic financing of UN operational activities. The greatest discrepancy can be seen in the People's Republic of China, which makes up more than 2.5 percent of the UN's two-year budget for 2008/2009. It contributed far less than one percent to the core budgets of

16 This analysis is based on data up to 2008 because the UN makes such data available every two years.

UNICEF, UNDP, and UNHCR. Its contribution to the UNDP was the greatest in 2008 at nearly 0.3 percent but would have to increase more than ten-fold if China is to provide the funding it accepts as its share of the regular UN budget for 2010/2011. South Korea, a donor country in the OECD, also pays

Table 8: Developing countries and emerging powers: Contributions to core budgets in 2007 (UNICEF, UNDP, and UNHCR)					
	Schedule for ordinary UN budgets (as a percentage)		Contribution to UNICEF's core budget in 2007 (in thousands of USD / share as percentage)	Contribution to UNDP's core budget in 2007 (in thousands of USD / share as percentage)	Contribution to UNHCR's core budget in 2007 (in thousands of USD / share as percentage)
	2007-2009	2010-2012			
CN	2.667	3.189	1489 / 0.137	3460 / 0.293	250 / 0.095
IN	0.450	0.534	938 / 0.086	4448 / 0.376	10 / 0.004
PK	0.059	0.082	62 / 0.006	466 / 0.039	0 / 0
MY	0.190	0.253	168 / 0.015	390 / 0.033	0 / 0
BR	0.876	1.611	966 / 0.087	0 / 0	0 / 0
ZA	0.290	0.385	0 / 0	0 / 0	0 / 0
AR	0.325	0.287	165 / 0.015	0 / 0	20 / 0.008
ID	0.161	0.238	202 / 0.019	148 / 0.013	0 / 0
KR	2.173	2.260	2500 / 0.229	10 / 0.001	2000 / 0.762
MX	2.257	2.356	1159 / 0.106	1060 / 0.090	1000 / 0.381
SA	0.748	0.830	1000 / 0.092	0 / 0	100 / 0.038
TR	0.381	0.617	140 / 0.013	1440 / 0.122	200 / 0.076
RU	1.200	1.602	1000 / 0.092	1100 / 0.093	1000 / 0.381
EG	0.088	0.094	0 / 0	0 / 0	0 / 0
Others	88.215	85.662	1,080,338 / 99.102	1,169,284 / 98.940	257,777 / 98.254
Total	100	100	1,090,127	1,181,806	262,357

Source: Collated statistics and some of the author's own calculations based on UN (2009b, Table A-4), UN General Assembly (2007b; 2009b)

very little to core budgets. The assessment scale for the regular budget would require it to increase its contributions considerably. The UN-DS is not a preferred partner in promoting development in other states for any of the developing countries or emerging powers investigated if we take the amount of financial contributions to the core budgets of funds and programmes as an indicator.

However, a number of emerging powers provide selective contributions to financing mechanisms on issues they favour. For instance, the Peacebuilding Fund was established in 2006 along with the Peacebuilding Commission (Weinlich 2006). Although most of the funding comes from Western donors, India also contributed (two million USD), as did China (three million USD) and the Russian Federation (four million USD), both of which are permanent members of the Security Council (UNDG 2010c).

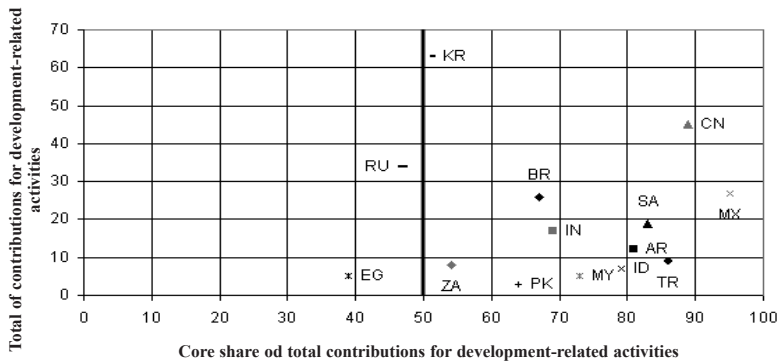
Good donorship practices among developing countries and emerging powers

To see the extent to which the payment practices of developing countries and emerging powers promote coherence, we have to take a look not only at the ratio of core to non-core funding. Rather, multiyear funding is also revealing. Unfortunately, there is no information on this issue. This investigation is therefore limited to the ratio of core to non-core contributions for UN operational activities; Figure 12 provides an overview by country. Local contributions by developing countries and emerging powers to finance the activities of UN agencies at home are not included in the calculation.

Figure 12 clearly shows that developing countries and emerging powers mainly pay core contributions to the UN-DS. Only the Russian Federation and Egypt had more than 50 percent earmarking in 2008.

The chart does not, however, include local resources that governments devoted to the activities of UN agencies at home (self-supporting contributions). The absolute contributions to the UN-DS for operational activities shown in Table 9 include these payments. The picture is therefore much different, especially for emerging powers. As with industrialized countries, most emerging powers pay far more in earmarked contributions than in contributions to core budgets. In 2007, only China, Mexico, and Malaysia contributed more to the core budgets of UN agencies than in earmarked funding. India is just above the 50 percent threshold, as is South Africa, which provides less than 40 percent of its – admittedly negligible – volume of contributions to the UN-DS with strings attached. Table 9 also shows that

Figure 12: Developing countries and emerging powers: Core/non-core contributions to the UN-DS (2008)



Source: Author's depiction based on UNDESA (2010, Tables A-3, A-5)

Table 9: Developing countries and emerging powers: Core and non-core contributions for UN operational activities (2007, in USD Million)

Total		Of which for specialized agencies	
Core contributions	Earmarked contributions	Core contributions mandatory	Earmarked contributions
CN	39	33	8
IN	17	20	4
PK	6	14	1
MY	3	1	0
BR	27	412	132
ZA	4	7	4
AR	12	268	40
ID	2	8	0
KR	26	65	24
MX	26	19	7
SA	10	89	67
TR	8	28	13
RU	16	25	6
EG	5	46	0.3
Others	5,321	12,613	3,086
Total	5,501	13,577	3,386

Source: Author's depiction based on UN (2009a, Tables A-4, A-5)

the overall contributions of almost all developing countries and emerging powers to core budgets are only slightly greater than the core contributions they pay as membership fees to specialized agencies, which means that they pay very little voluntarily to the core budgets of funds and programmes.

The contributions of Brazil and Argentina are salient in terms of volume, mainly because of self-supporting contributions. Latin American countries make especially frequent use of this option, as do other middle and high-income countries, such as those in the Arab world. Because these countries receive very little from the core budgets of UN agencies because of their economic progress, they have gradually begun financing their UNDP offices and programmes themselves and paying specialized organizations for their services directly. In some cases, they borrow money from international financial institutions and use UN actors as the agencies to execute programmes they finance either in part or in whole (Galvani / Morse 2004).

Earmarked funding and the contracting of UN agencies to conduct programmes have consequences in such cases. For instance, the UNDP generally benefits from this type of cooperation, not least because it is a source of income and ensures a place for the agency in mid-income countries. But the UNDP also says that such governments often ask for support in areas outside the mandate or the core competence of the agency (UNDP 2008, xi). External critics go further with their criticism, explaining that the UNDP cannot properly be an advocate, coordinator, and capacity builder if it acts only as contractor in these countries (Galvani / Morse 2004). But developing countries point out that government ownership is very strong in such arrangements.

Table 10 shows how widespread the practice of self-supporting contributions is throughout and beyond Latin America; the ten largest contributors of such earmarked contributions are listed along with the volume. In 2007, developing countries and emerging powers contributed a total of 2.2 billion USD as self-supporting contributions for UN operational activities. In 2008, the volume shrank to 1.6 billion USD. However, this item still makes up around 16 percent of all earmarked contributions to UN development activities (UN 2010a, 23). The figure is significant, especially in comparison to the 4.6 billion USD paid that year as contributions to the core budgets of the UN-DS.

Table 10: Top ten self-supporting countries (2008)		
Donor	Self-supporting contributions (in millions of USD)	Share of development activities in overall contributions (as a percentage)
Brazil	219	88
Panama	199	98
Argentina	173	93
Colombia	130	98
Peru	120	98
Egypt	56	91
Iraq	41	82
Honduras	38	98
Afghanistan	32	98
China	31	36
Source: UN (2010a, Table 5)		

Preliminary conclusion

The distinction made between “good” and “bad” donors among industrialized countries is not as easy to make among developing countries and emerging powers. One reason is that most emerging powers still view themselves as recipients of UN development activities and do not make substantial financial contributions themselves. Although countries like China and India bilaterally spend considerable sums on South-South cooperation and are involved in this issue within the UN as well, their commitment does not lead to voluntary payments to the UN-DS. Developing countries and emerging powers rarely make core payments to funds and programmes and pay only slightly more than their obligatory amounts to specialized agencies. In 2007 and 2008, only South Korea, Mexico (both OECD members), and Saudi Arabia received less money from the UN-DS than they contributed to operational activities. If the sums that states pay UN agencies for development activities in their own country (self-supporting contributions) are not included, most states pay roughly as much in core as in earmarked contributions. At the same time, it follows that the volume of each country’s earmarked contributions for other countries is not especially large. The

practice of self-supporting contributions, which is especially common in Latin America and in other countries with middle and high incomes, makes up the largest part of contributions from developing countries and emerging powers for UN development assistance. This kind of financial commitment, however, also seems to promote the fragmentation rather than the coherence of the UN-DS.

3.2 Motives and political commitment

Now that we have analysed financial allocation practices, this subsection will focus on the behaviour of countries in governing bodies. To what extent do countries act constructively and help ensure that the UN-DS has proper performance targets? To better understand how states position themselves, we will start with an overview of the motives of industrialized countries, developing countries, and emerging powers. Here, “motives” are understood to be the overriding reasons behind an individual country's commitment to the United Nations that guide the formulation of specific positions on basic goals and political strategies in reform negotiations.

3.2.1 Motives for UN commitment

This analysis of the motives behind the commitment of individual countries to UN development policy must perforce remain superficial and resort to simplifications. In general, both industrialized countries, on the one hand, and developing countries/emerging powers, on the other, share fundamental motives. Nonetheless, the motives are weighted differently within the groups depending on power relations, values, and development policies.

Although industrialized and developing countries principally share an interest in making the UN-DS as good and effective as possible at the country level, there are fundamental conflicts in the overriding motives for commitments in the UN, as Table 12 illustrates. Although this basic North-South conflict does not drown out all negotiations about technical questions, practically all negotiation positions in almost all decision-making processes can somehow be reduced to this conflict, which takes the focus off of the actual content of decisions. In most UN decisions, the call for greater resources conflicts with the wish to restrict expenditures; furthermore, the demand for the UN to play a greater role conflicts with the efforts to have it keep its current role.

Motives of industrialized countries

A distinction can be made in the motives of industrialized countries between those that guide the financial support of the UN-DS and those that influence the basic behaviour of countries within the UN. In general, all industrialized countries have an interest in retaining the current balance of power in the international system. The UN would then continue to play no major role in economic and financial issues. Most industrialized countries believe that these issues are better dealt with in the bodies in which they have the greatest formal influence, such as the G-8/G-20, the World Bank, and the International Monetary Fund (IMF).

UN agencies are potentially interesting as a multilateral partner for small countries without strong national implementing agencies (such as Switzerland), countries that plan to reduce their commitment to a manageable number of core countries in line with the Paris Agenda (such as Canada and Norway), countries that want to play a greater role in fragile states (the UK and Canada), and countries that want to have a humanitarian focus (such as Japan). The UN-DS allows them to bundle their limited funding with money from other countries to have a greater global impact than bilateral cooperation would allow. The protection and provision of such public goods as water, climate protection, and global health can also only be dealt with internationally. After all, financial contributions to UN agencies are a way of strengthening a country's own influence in the global organization, both in terms of specific policy fields and across policy fields.

Small states share an interest in having a strong global organization because they are not represented in other bodies, such as the G-20 or the EU (in the case of Norway and Switzerland), and/or they are not able to speak on an equal footing where they are represented. As much as the system could be improved in practice, the rules-based system of collective security offers these countries protection in the midterm and long term from powerful states that might otherwise ruthlessly pursue their own interests. But a functioning UN system is also important for mid-tier powers, such as Germany and Canada that have traditionally had a multilateral focus or placed great store on having a reputation as good international citizens.

Table 11: Motives of industrialized countries and developing countries/ emerging powers for UN commitment		
	Industrialized countries	Developing countries and emerging powers
Power-political motives	<ul style="list-style-type: none"> • Retaining the current balance of power in the international system • Retaining the marginal role of the UN in economic and financial issues (aside from development) • Protecting national influence in intergovernmental power plays • Greater prestige from UN commitment 	<ul style="list-style-type: none"> • Changing the balance of power in the international system • Strengthening the role of the UN in general and, in particular, in economic and financial issues • Protecting and, where possible, expanding voice • Greater prestige from UN commitment
Values-based motives	<ul style="list-style-type: none"> • Strengthening multilateral structures because the UN is important in the field of security, as a global forum, and as a guarantee of international rule of law • Protecting/providing public goods • Demonstrating global solidarity 	<ul style="list-style-type: none"> • Strengthening multilateral structures because the UN is important in the field of security, as a global forum including decision-making processes, and as a guarantee of international rule of law • Protecting/providing public goods • Demonstrating global solidarity
Development policy motives	<ul style="list-style-type: none"> • Strengthening the UN in its unique role as a universal setter of standards • UN-DS has advantages over other development actors ⇒ Taking advantage of scale economies ⇒ Using UN structures/range ⇒ UN as important humanitarian, neutral actor ⇒ UN as an actor with an integrated mandate (security, humanitarian, and development) ⇒ UN as important partner for program countries ⇒ UN has a unique normative-operative mandate • Control and quality assurance for the use of funding 	<ul style="list-style-type: none"> • Retaining special features of the UN-DS ⇒ No conditions ⇒ Neutrality and impartiality ⇒ Focus on national priorities • Reducing donor dominance and setting own priorities • Access to the UN system's resources and capacities • Greater funding for UN development • Using the UN as a forum for South-South cooperation

Source: own compilation

Development policy issues are not as important as the UN's security policy activities for permanent members of the Security Council. In extreme cases, financing for UN development and the tedious reform processes are viewed as the price that these countries are willing to pay for the Security Council to work properly and the UN to be able to set norms and standards. The number of staff members working on economic and social issues in New York is one indication of such priorities. In contrast to the US and France, however, the UK is exceptionally well positioned and very active in these fields.

ODA payments to the UN are also sometimes used as tools for overriding goals. Countries vying with each other for permanent membership on the Security Council, such as Japan, and Germany, or others that want to prevent certain changes like Italy, see contributions to the UN-DS as a way of supporting their demand for a seat. Often, however, direct bilateral payments to developing countries are a preferred way of getting support or consent in electoral or negotiation processes. At least in the case of the US, such practices have been empirically demonstrated as plausible (Kuziemko / Werker 2006).

Furthermore, industrialized countries – especially those that already carry a relatively large share of assessed contributions (the US, Japan, and Germany) – also share the common goal of keeping their own mandatory share of financing for the UN system as small as possible. Otherwise, there is also the basic desire to keep the general costs of funds and programmes down to the extent possible and work to reduce the moral or factual obligation to increase ODA payments.

Motives of developing countries and emerging powers

There are a lot of overlaps when we look at the reasons why developing countries and emerging powers are committed to the UN-DS. Although some interests potentially collide within this group, whose members greatly differ both economically and politically, developing countries and emerging powers nonetheless continue to have a great interest in speaking with one voice as the G-77 or NAM when negotiating with the industrialized countries. A distinction can be made between motives that guide basic country behaviour within the UN and those that influence the use of the UN-DS. As clearly illustrated above, emerging powers are not starting to act as traditional donors within the UN, but are instead only selectively entering into commitments.

Developing countries and emerging powers are collectively working to strengthen the role of the UN, especially in economic and financial issues.

This is the official position of the G-77, China, and the Non-Aligned Movement (cf. NAM 2009; G-77 2009). With its multilateral, inclusive decision-making processes, the UN is considered an indispensable, excellent forum. Making the economic agenda more important is a priority because the General Assembly and ECOSOC have become substantially less important in comparison to the Security Council over the past two decades, and major economic and financial issues are negotiated in other international institutions, where developing countries have less a say. Even some G-20 members, such as India, are sticking to their official position that the United Nations should be the most important international organization.

A number of countries see the UN in principle as a forum where they can fight for a more equitable world order and against the dominance of Western industrialized nations. The countries that are also attempting to come up with alternatives to mainstream capitalism at home are especially salient here, such as members of the Bolivarian Alliance for the Americas (ALBA), founded by Venezuela and Cuba. But the voicing of criticism of the dominant world order is also an important UN function for India and Pakistan. In addition to ideological motivation, confrontations in UN bodies can also serve as a signal to the general public at home or internationally of a claim for leadership. Finally, to distance oneself from the political North can strengthen unity within the group of developing countries.

From the perspective of developing countries and emerging powers, UN development policy is a fundamental component of the economic and social agenda. However, they do not wish to see development policy in isolation. Rather, they work to have the greater context, such as trade issues, included in the debate. The UN is supposed to play a major role in international development policy, but to do so its financial means and its ability to fulfil its mandate and effectively implement its programmes must be strengthened. The main shortcoming of the UN in the field of development from the viewpoint of developing countries and emerging powers is its lack of resources, which is not in line with the organization's comprehensive, important mandates. Critics point out that the funding for the UN's security agenda is comparatively greater and that the funding made available for development is exclusively voluntary and insufficient.

Developing countries and emerging powers share an interest in protecting the distinctive characteristics of UN development activities: no conditionalities should be imposed; UN agencies must continue to have the greatest possible flexibility in addressing the specific needs of individual pro-

gramme countries; the agencies should provide services worldwide; and the cooperation has to be voluntary and based on grants. As recipient countries, they also share the wish of receiving the greatest possible shares of technical and financial assistance that the UN-DS provides. Here, the countries compete with each other; for instance, funds and programmes allocate part of their core budgets in accordance with income categories (least developed countries or LDCs and middle-income countries or MICs).

Despite this competition, the group of developing countries and emerging powers (including China) works hard to speak with one voice. A number of small developing countries have joined forces with the opinion makers in the NAM and the G-77 because they often lack the staff capacity to keep up with all of the decision-making processes and therefore cannot properly protect their interests everywhere. In this way, such leading countries as India, Egypt, Cuba, and China articulate the interests of developing countries vis-a-vis industrialized countries in UN arenas.

3.2.2 Actions in governing bodies

This section focuses on the actions of a select group of countries in governing bodies of UN development agencies. Which countries are especially active, which ones mainly work to promote international prosperity, and which mainly pursue their own national special interests? The UNDP/UNFPA executive board, the operative segment of ECOSOC, and the General Assembly's second committee from 2009-2010 are taken as case studies for this analysis. The analysis is based on detailed background conversations, participatory observations, and document analyses.

UNDP/UNFPA executive board

In general, Western countries are very involved in meetings of the executive boards and play very active roles. Their delegations usually include experts from national ministries. Because representatives from EU member states do not speak with one voice, but rather coordinate their actions with colleagues from the regional group of Western European countries, individual countries play a larger, more direct role than they do in the ECOSOC. The UK, Sweden, the Netherlands, and Switzerland are conspicuously active, as was Germany when it was a member. These countries use their speaking time in the plenary session to demand greater efficiency and effectiveness and to clearly formulate their priorities. The UK, the US, Canada, the Netherlands, and Sweden are sometimes insistent about the

very precise demands they make on UN agencies. Other donors, such as Switzerland, the Nordic countries, and Germany, also support the overall direction of reform, but are more conciliatory. They try to protect the organization from excessive micromanagement.

Under the Bush administration, the US often played a special, confrontational role, and its actions further polarized the North and the South. For instance, in 2007 it forced an end to the UNDP country programme in North Korea with charges of corruption that turned out to be exaggerated and also took extreme positions on the publishing of internal audit reports. A number of Western donors supported the UNDP against the attacks, which were carried out in the press, and tried to reach a compromise about the publishing of internal audit reports. Under President Obama, the role of the US has changed. For instance, the US sent a high number of staff to executive board meetings and supported statements made by other countries for the first time in 2010.

The politics of donors in executive boards is not always in line with their financial practices. In the demands for greater efficiency and a focus on results, little notice is taken of how earmarking and the lack of multi-year financial pledges to the UNDP cause considerable problems. While UNDP's good work and commitment to reforms are often praised, a number of donors seem to believe that the agency could save far more money if it only wanted to. Here, there is yet another potential conflict. On the one hand, pressure is needed to make the unwieldy agency use funding more efficiently; on the other, that goal may conflict with calls for a stronger focus on results. To that end, greater financial leeway may be necessary for advancing the reform process.

Most developing countries are less involved in the executive board. One reason is the lack of staff in many permanent delegations in New York, where developing countries often only have a fraction of the staff members that Western offices do.¹⁷ In addition, few staff from national ministries visit New York from developing countries. As a result, individual developing

17 For instance, the UN protocol service lists the following staff sizes for diplomatic offices in New York: US (126), Germany (63), UK (41), Canada (28), Russian Federation (86), China (61), Cuba (39), Egypt (26), India (21), Kenya (12), Sudan (15), Tanzania (13), Ethiopia (11), Democratic Republic of Congo (7), Afghanistan (9), Mali (5), and Mozambique (6) (as of March 2010).

countries are less able to attend all events, some of which take place simultaneously, and adequately deal with complex issues. Furthermore, developing countries tend to be not as interested in the often technical questions dealt with in the executive boards as industrialized countries are, possibly because the latter have a greater need for information about and control of the way the money they provide is used. The basic power asymmetry between donor and recipient countries, which the voluntary nature of contributions only deepens, may be yet another reason. However, negotiations in regional groups offer a wider range of countries a way of articulating their concerns, just as they do for industrialized countries.

As a reaction to the confrontational policy of the US, developing countries came together as the G-77 for a while instead of organizing coordination and negotiation leadership via regional groups (African group, Asian group, etc.). This approach also further polarized the executive board. Countries like Cuba, Egypt, India, Pakistan, and Brazil are often able to dominate the official position of the G-77. They embed technical decisions in conflicts motivated by power politics, which generally does not help bring about a consensus. One example was the conflict in 2007/2008 about the UNDP's four-year strategic plan, in which the focus on human rights was the main bone of contention. Although the UNDP's human-rights approach is accepted and practiced in many programme countries, it has led to some rifts in the executive board. The G-77 managed to prevent donors from giving human rights a prominent role in the document, arguing that this came close to introducing conditionalities.

A number of countries in which UN agencies follow the DaO principle played a prominent role in the most recent meetings of the executive board. Pilot countries Rwanda, Tanzania, and Vietnam joined forces with self-starters Malawi and Ethiopia to present their experience with and initial results of the battle against gender violence, climate change, and food security and the achievement of Millennium Development Goals at the joint board meeting of the UNDP/UNFPA, UNICEF, and WFP. Tanzania also asked for permission to present soon its common country programme currently being developed.

China plays a relatively minor role but does not shy away from protecting its interests vis-à-vis other countries. For instance, in 2008 China temporarily prevented a compromise from being adopted on an accountability framework for the UNDP, UNFPA, and UNOPS (United Nations Office of

Project Services), which included disclosure rules for the agencies' internal books. One reason for China's stance may have been a reaction to the content and tone of US charges against the UNDP and North Korea; another may have been sovereignty concerns – sensitive information about programme countries might be misused. Other G-77 countries shared these concerns.

A lot of developing countries still have not decided what role they want to play in UN-DS. While they are confident in the Security Council and the General Assembly and demand leadership roles, they do not enter the foreground as much in governing bodies with the exception of South-South issues and trilateral cooperation.

The General Assembly and ECOSOC

Often, blocks of developing or industrialized countries dominate negotiations in ECOSOC or the General Assembly, which polarizes debates and leads to inappropriate package solutions when decisions are made. Developing countries come together as the G-77/NAM and China. Industrialized countries speak with the voice of the EU, which coordinates itself in the General Assembly and is represented by the rotating EU presidency. Canada, Australia, and New Zealand come together as CANZ. The US, Japan, and Switzerland have distinct positions.

In the General Assembly's second committee, which handles economic issues including sustainable development, the G-77 plays an important role – in fact, it has traditionally introduced almost all resolutions. Large emerging powers such as India, China, Brazil, and South Africa are the main drivers behind consensus-forming within the G-77 along with ideologically motivated countries, such as Cuba, Venezuela, and Egypt. Often, extreme positions are taken, explains Gert Rosenthal, who spent many years directing the regional commission of Latin America and is now Guatemala's representative to the UN:

“Exaggerating somewhat, just to make the point, many member states perceive the United Nations and its organs as places where each country or grouping can articulate its vision and its demands regarding international economic issues in maximalist terms, while conducting the ‘serious’ negotiations at other multilateral institutions” (Rosenthal 2005, 29).

Controversies in other parts of the UN influence negotiations in the second committee. Furthermore, disappointment about insufficient progress in the battle against poverty, MDGs and development financing, the unilateralism of the Bush administration, and the UN reform agenda formulated in the context of the World Summit 2005 (which some onlookers felt focused on cutting back and rationalizing development activities) have led the G-77 to lead negotiations in search of conflict. Not all countries have the same position, however. Argentina, Nicaragua, and Indonesia, all of which negotiated resolutions as burden sharers when they held the chairmanship of the G-77, focused more on consensus. Smaller developing countries, including pilot countries, often have a hard time getting involved, though the situation seems to be changing as a result of the systemwide coherence (SWC) negotiations.

In the past few years, the G-77 has increasingly had a hard time coordinating its members on a number of individual issues because of diverging interests. The result has not been greater coalition options with industrialized countries; rather, negotiations are temporarily blocked, and the results of negotiations reflect the smallest common denominator of all countries.

In the General Assembly's second committee, the EU usually speaks with one voice. The EU and the US are the main "sparring partners" for the G-77. During the Bush administration, the EU often moderated between the G-77 and the US, though that role is less necessary now with the US's new conciliatory approach. In the General Assembly, Japan generally stays in the background, as do the CANZ countries (Canada, Australia, and New Zealand). Switzerland played a major role in the negotiations leading to the 2007 TCPR Resolution. In an extremely polarized atmosphere, it helped balance out the interests between the G-77's call for more ownership, greater influence, and more financial services, on the one hand, and donor country calls for greater coherence, effectiveness, and transparency in UN development, on the other.

3.2.3 Preliminary conclusion

It seems obvious that industrialized and developing countries share an interest in making the UN-DS more effective and efficient. Nevertheless, member states have a hard time remembering that common ground. Again

and again, the debate about what the world order should be and what role the United Nations should play in it overshadows the development agenda. At times, both sides see negotiations as a zero-sum game, in which one party loses what the other wins. As a result, both sides focus more on relative gains for themselves, losing sight of possible absolute gains from cooperation.

In addition to this fundamental North-South conflict, which is mostly carried out in the General Assembly and in ECOSOC, the political and financial practices of a lot of countries do not promote reform. There is a discrepancy between the calls for greater coherence and efficiency made in governing bodies, on the one hand, and financial practice and bilateral attempts to exercise influence, on the other. In this way, a number of industrialized states fragment the system even further even as they complain about the effects of fragmentation in governing bodies. Likewise, there are discrepancies in developing countries and emerging powers. The interpretation of technical issues against the backdrop of overriding world order questions means that problems are not adequately dealt with even though everyone would benefit equally from a solution. In addition, countries very often focus on their short-term national interests: individual developing countries try to get a bigger share of the development pie or insist that the funding required for reform and coordination not be deducted from the funding for operational activities; and industrialized countries want to have greater control of how funding is allocated or underfinance the reform processes launched.

In some political fields, international bureaucracies can act as brokers and help countries achieve a better result, but UN secretariats in the area of development are perceived to be players representing their own interests. While the Secretary-General's reports do help step up negotiations in the General Assembly, it is more important for the success of political processes in political bodies that countries promote the overriding goals of reforms: a more effective and efficient UN-DS aligned with national priorities. Various countries play this role. Switzerland sometimes assumes the role of the honest broker, but Ireland has also worked with Tanzania as a facilitator to move the SWC negotiations forward in the General Assembly.

4. Reform options for the UN-DS' future role and organization

What proposals have been made for a clearer positioning of the United Nations in the international development system and for dealing with internal problems? A number of problems of the UN-DS have been known for a long time, and there is no lack of reform proposals (for an overview, see Hüfner / Martens 2000; UN Secretariat 2009a: Annex). In contrast, there are few up-to-date, sound, detailed ideas about what role the United Nations should play in global development system. One reason may be that current research is still trying to describe the growing complexity of the system and estimate the effects of recent trends (cf. Reisen 2009; Severino / Ray 2009; Cox 2007b; Kharas 2007). The system itself is in flux, and such unforeseen shocks as the economic and financial crisis – and the greater role that the IMF and the World Bank now play as a reaction to the crisis – continue to bring about changes with consequences that are hard to predict. Second, the research that deals with UN and reform options in the field of development often tend to focus on options in institutional change (Vatterodt 2007a: 68). Overriding goals are often insufficiently dealt with. Third, as described above, we lack a sound empirical basis to allow us to clearly recognize the comparative advantages of the UN-DS based on demonstrable success and failure. Without that empirical basis it is hard to know which way to go for the future. Fourth, the role of the UN is often viewed from a rather abstract global governance perspective (Commission on Global Governance 1995; Rosenau 1995; Dingwerth / Pattberg 2006).

4.1 External reform dimension: The role of the UN in the global development system

Concrete ideas about the role of the UN-DS in the global development system also require a clearer understanding of the roles and functions of other actors. Yet, no papers deal with this issue holistically, aside from a discussion paper from the UK Department for International Development (Turner et al. 2003). Most reform proposals come from industrialized countries. Overall, in their work on international development system researchers from developing countries do not deal much with the role of the UN-DS and how it could be improved (Morton 2005, 5). Investigations into the future role of the UN often start with the UN system's great input legiti-

macy. Because of its universal character and neutral mandate, the UN plays a special role in the global development system.

A greater role for the UN

A number of authors believe that the role of the UN should be better appreciated because of the global organization's special legitimacy. For instance, it has been proposed that the UN should play a coordinating role in the global development system and be able to enforce policies vis-à-vis other important aid actors, such as international financial institutions and national donors.

For instance, Messner et al. (2005) recommend that a Council for Global Development and Environment be set up within the UN to serve the key position in the global development system. This new council would replace ECOSOC and oversee the merged UN development budget. Furthermore, it would also perform a coordinating function with the World Bank and IMF. This council would have the same authority and institutional level as the UN Security Council. As a result, the UN would play a considerably greater role in the global development system. Likewise, it would also be a stronger counterpart to Bretton Woods institutions.¹⁸ Furthermore, the authors propose that various funds and specialized agencies be merged in a central, representative UN development agency (Messner et al. 2005, 18–30). Former UNDP Administrator Kemal Dervis would also like to strengthen the United Nations by setting up a UN Economic and Social Security Council (Dervis 2005). It would also be as important as the Security Council, with a stronger, a farther reaching mandate than ECOSOC; it would have oversight over the work performed by the WTO, IMF, World Bank, and all UN funds, programmes, and specialized agencies; and it would promote cooperation between these organizations and assess their performance.¹⁹

18 The authors propose that for a transitional period, a reformed Security Council should monitor the UN development system, international financial institutions, and the World Trade Organization by publishing an annual report which evaluates their performance.

19 Since the economic and financial crisis, the idea of a new, reformed council for economic and social issues within the United Nations has once again been popular (for earlier proposals, see Hüfner / Martens 2000). But there have also been proposals for a council that would give the UN a far greater mandate in economic and financial issues; cf. the Commission of Experts of the President of the UN General Assembly 2009, the interim report of the Stiglitz commission, named after its chairman.

The proposals made by the South Centre go even further; in 2003, it presented a comprehensive study on reforming the UN and continually comments on reform reports published by High-Level Panels and the UN Secretary-General (South Centre 1995; South Centre 2007; South Centre 2006; South Centre 2005). Here, too, one of the main messages is that the UN should be stronger than other organizations and be equipped with the competence to more effectively perform its coordinating functions. The subordinate organizations are not, however, limited to classic development agencies, but also include trade and financial organizations that influence global development. As a result, the UN's comprehensive mandate in the field of economic and social issues would be brought back to life. The proposals also reflect the desire to break the dominance of Bretton Woods institutions and donors in the current system (Culpeper / Morton 2008; Menocal / Rogerson 2006; Morton 2005).

British development expert Roger Riddell has made a revolutionary proposal for the restructuring of development system. He believes the UN is the natural home for the International Aid Office he proposes, which would revolutionize international development system in cooperation with the International Development Fund. In his ambitious proposal, the mandatory contributions to the new fund would cover the needs of developing countries. The money would be allocated according to their needs. Where state structures allow and governments commit themselves to combating poverty, the funding would be provided directly as budget support. Otherwise, national implementation agencies would be contracted to allocate funding. Bilateral and multilateral development agencies can sign contracts both with the recipient country's government and with national implementation agencies. The present author believes, however, that these new institutions should not initially be created within the UN system if the chance of having these changes come about are improved by having them founded within the OECD or the World Bank (Riddell 2007, 389–414).

More fragmented proposals that start off with the neutrality of the UN would have the UN performing a supervisory function over global development system. For instance, the nongovernmental organization (NGO) ActionAid proposes that the position of UN development commissioner be established. This person would review complaints, settle disputes, assess donor practices, and combat abuse (Cox 2007a, 23). Germany's Welthungerhilfe is working with a human rights NGO on a more pragmatic

proposal, which would give the UN the responsibility for global food policy in order to ensure that all countries can make decisions on equal footing in this field.²⁰

Focusing the role of the UN

In addition to such proposals to expand the role of the UN, which range from the ambitious to the revolutionary, other authors draw opposite conclusions from the great legitimacy of the UN. Although they do not want to relieve the UN of its important role in setting norms and standards, they call for rationalizing operational activities and limiting the UN's role to those fields where it is strongest. But such proposals are rarely discussed in research discourse. Rather, they are found in internal papers and the white books of donor countries. These approaches would have the UN focus more on niche issues, for instance, in which it can have the greatest impact as a neutral organization. Examples include conflict prevention, peace building, democratic governance, gender issues, humanitarian aid, and the environment. In return, the UN system would completely hand over macroeconomic issues along with trade and financial policy to the World Bank, IMF, and the WTO. There are also calls for a focus on certain target groups, such as least developed countries (see DFID 2009).

4.2 Internal reform dimension: Organization of the UN-DS

The World Summit in 2005 and the work done by the High-Level Panel on system-wide coherence in 2006 pooled ideas about how the UN should position itself and which institutional changes should be made. A lot of the option papers produced in 2005/2006 highlighted institutional reform. These proposals all aimed to overcome system fragmentation through greater centralization and to further rationalize the wide variety of agencies and functions in the UN-DS. Back in 1975, a group of experts appointed by the General Assembly recommended merging all funds and programmes in a single UN Development Authority (Jenks et al. 2005, 14). These recommendations for a central development agency are back in the discussion.

20 Frankfurter Rundschau, 13.10.2009, „Ein skandalöser Weltrekord. Hilfswerke fordern neue Politik gegen Hunger.“

Kofi Annan put the proposal back on the agenda when he was Secretary-General. In his 2005 report entitled *In Larger Freedom*, he said it was necessary to get started with such reforms as “*grouping the various agencies, funds and programmes into tightly managed entities, dealing respectively with development, the environment and humanitarian action*” and added that this “*regrouping might involve eliminating or merging those funds, programmes and agencies which have complementary or overlapping mandates and expertise*” (UN 2005, para 197). However, the report limited itself to proposing a pillar each for development, the environment, and humanitarian aid without explaining further how these pillars would be created. The three-pillar model drew a lot of comments, and a wide range of proposals were made for its design.

In July 2005, the CEB, which brings together all the heads of all UN agencies, published its own report in preparation for the World Summit (CEB 2005). “*One United Nations – Catalyst for Progress and Change*” begins with an overview of the extent to which UN agencies work with countries to help them reach the Millennium Development Goals. The report explains how the implementation of the MDGs has led to greater coherence and efficiency within the UN-DS. However, the CEB says that further improvements are needed if the UN is to truly speak with one voice, especially at the country level (CEB 2005, 65–66). This proposal for a unified presence in individual countries proved to be influential in the debate about reforming the UN-DS following the World Summit.

At the 2005 World Summit, Kofi Annan was entrusted with the task of working up proposals for three tightly managed entities in the fields of development, emergency aid, and the environment. In 2006, he convened the High-Level Panel on system-wide coherence and asked its fifteen members to take stock of UN’s operational activities in order to identify the comparative advantages of the UN-DS and identify duplications. Individually and in cooperation with Canada as the Group of 13 (G-13), a number of European countries immediately made their expectations and ideas clear to the HLP (Müller 2010, 46–49). The three-pillar model and the ideas that led to “delivering as one” were discussed in detail in these papers.

- The Netherlands proposed comprehensive restructuring that would lead to three UN agencies. The UN development agency would take over the activities of the UNDP, UNICEF, UNFPA, UNCTAD, UNIDO, UN HABITAT, UNDCP UNDCF, UNV, UNIFEM and UNAIDS. The UN

emergency aid agency would take over the work done by the WFP, UNICEF, UNHCR, UNDP/BCPR, and UNRWA. Finally, the UN environmental agency would take over the work done by the UNDP, UN HABITAT, UNEP, the Global Environment Facility (GEF), and multilateral environmental treaties (OECD 2005b). In addition to this radical proposal based on the merging of existing agencies, the Dutch also suggested a less fundamental regrouping of only some of the funds and programmes. Here, there would also be three pillars. The development pillar would consist of the UNDP, UNICEF, and UNFPA, with the other agencies being merged with the WTO, UNFPA, or UNDP. The third option was rationalization: the development pillar would consist of seven agencies, not all of which would perform independent operational activities (OECD 2005c).

- The three-pillar model is also the focus of a paper written by Canadian consultant Douglas Lindores for the UK. Lindores also makes a distinction between fundamental restructuring (into three new organizations for development, the environment, and humanitarian aid) and a more gradual regrouping. In this case, he stuck to the three-pillar structure. However, the agencies within each pillar would only be connected to each other via common monitoring and control mechanisms along with better integrated management structures. The proposals do not stop at designing a new organizational structure. In addition, Lindores presents ideas about systemwide and individual governance and financing mechanisms, programming and implementation (including measurement of success). Lindores' third option is the gradual further development of the system, leaving the existing UN structure largely intact but working to make UN development more coherent and effective within existing mandates and structures (Lindores 2005).
- The proposal brought forward by Belgium describes in detail the ideal model of a single UN development agency with high visibility in the field and headquarters in New York. This new agency would include all funds and programmes, including humanitarian actors. The system would be coherent partly because specialized agencies would no longer have to conduct fundraising for earmarked contributions, but would instead receive allocations from the development agency. Each partner country would have a single, consolidated representative for the overall UN-DS. To ensure a reliable financial basis, multiyear financing would

be the rule, with equitable burden-sharing among UN members (OECD 2005a).

- Four high-level UN staff members with many years of experience have also called for the creation of the UN development pillar, but their pillar is based on the principle of groupings, not the integration of all funds and programmes in a single organizational unit. Instead, the goal is to ensure the viability of agencies with great “brand recognition” (such as UNICEF). The independence of specialized agencies would not be touched. Where the diversity of UN entities makes functional sense and is justified with an eye towards fulfilling certain mandates, it is to be retained and further developed. Along with a development aid pillar, there would be similarly integrated pillar constructions for emergency aid, political issues, and human rights. System coherence would come from a stronger Resident Coordinator system and coordination committees, not from the creation of a new central bureaucracy (Jenks et al. 2005).
- The British proposal, which does not reflect the government's opinion, sets a different priority when it starts off with the financing question and organization at the level of programme countries. It calls for a unified model with a single representative for all UN agencies within each country, which would have a consolidated programming process. All member states would be obligated to make multiyear pledges for financing with consideration of equitable burden sharing. In addition to the gradual unity at the country level, the UN-DS would also be unified at headquarters (Schultz 2005).
- In a discussion paper, the BMZ also calls for a unified, integrated UN development system for the long term. This long-term goal would be reached by strengthening the Resident Coordinator system, incrementally setting up a joint executive board with the authority to make decisions, merging agencies in a cluster for sustainable development with a unified organizational structure, and increasing core budgets along with multiyear pledges (BMZ 2006).

In addition to the proposals described above, proposals have come from other countries and international organizations. For instance, France has proposed to reform the WFP, the International Fund for Agricultural Development (IFAD), and the FAO, all based in Rome. In this proposal,

the WFP would no longer perform development work. Switzerland has proposed reforms for internal governance mechanisms that would integrate the UNDG in the CEB. Individual UN agencies also commented during the HLP's consultation process.

In November 2006, the High-Level Panel published its report. Overall, the HLP avoided proposing a comprehensive blueprint for reform. It did not take a position on the politically controversial question of merging development agencies. Likewise, the question of whether specialized agencies should be integrated in the planned coordination and governing bodies was left open. The HLP decided not to propose a specific institutional model. It explicitly distanced itself from recommending mergers with the goal of creating a UN development agency because *“some individual agencies can best achieve their vital role in the provision of global public goods, advocacy, research, promoting best practice and global norms and standards by operating individually in their specific sectors”* (UN 2006b, para 17). Instead, the HLP recommended the creation of a group of experts to come up with detailed proposals to get rid of duplications.

Consolidation and rationalization proposals were made for entities working on women and gender. It was argued that the issue of gender equality could be made more visible if UNIFEM were merged with two organizational units in the UN Secretariat, with an Undersecretary-General at its head. The HLP also believed environmental policy could be made more visible if the UNEP became the central environmental agency.

The report's core message for development is that the UN must “deliver as one” much more often. The HLP explained, however, that this recommendation did not mean the immediate merger of agencies, but rather that all of the agencies involved must agree to pursue common goals and strategies. The HLP's other proposals included establishing a sustainable development board to review and approve unified country programmes. In the midterm, existing executive boards for funds and programmes would be integrated into the board. ECOSOC would get a new Global Leaders Forum (L-27) with a global leadership role in setting development norms; it would bring together heads of states and governments each year. The financing of UN operational activities would continue to be voluntary; in addition to a unified country budget, a central financing pool for multiyear financing was recommended (MDG financing mechanism). Furthermore,

a systemwide evaluation mechanism was to be set up (UN 2006b; Rohner 2007).

The HLP report mainly drew criticism from an NGO coalition in New York and from the South Centre in Geneva, both of whom commented extensively on the HLP's individual proposals. The NGO coalition complained that the HLP report did not pay enough attention to financing, focused too much on achieving MDGs, left Bretton Woods institutions out of its coherence proposals although they are clearly part of the UN system, and may have further promoted the privatization of the public sector by concentrating so much on results (Centre of Concern et al. 2007, 6–7). Furthermore, the authors point out that decisions made by industrialized countries on development and trade issues have marginalized the UN system relative to international financial institutions and the WTO. Against this backdrop, they fear that the quite justified call for greater coherence and streamlined structures will further marginalize the UN:

“Demanding that agencies act ‘coherently’ may simply represent the endorsement of one view at the expense of others, with that view being often-times that of the strongest or more resourced agency... we believe that a certain amount of choice among providers of what we would call ‘development services’ should not only be preserved, but fostered, in the interest of the health of the whole system” (Centre of Concern et al. 2007, 2).

The South Centre also criticized in detail the individual HLP recommendations and specified reform priorities not reflected in the HLP report. In particular, it argued that the UN's role should be understood holistically, not reduced to the implementation of development assistance: *“As the **primary** global governance institution, the UN **must not** be confined to simply becoming a humanitarian assistance agency and another operational provider of development assistance projects to developing countries”* (South Centre 2007: 22, emphasis in original). For instance, ECOSOC's oversight function should be strengthened vis-à-vis the WTO and international financial institutions, and UN agencies should have greater research and analysis capacities so they can better support developing countries in structural issues. Developing countries and emerging powers took up many of these points of criticism in subsequent intergovernmental negotiations.

4.3 The status of reform proposal implementation

The HLP's report caused much commotion within the United Nations. One reason was certainly that the report dealt with human rights aspects, which provoked a strong reaction among developing countries, who wished to protect their sovereignty.²¹ The polarization between the North and the South was exacerbated when some donors were perceived to having had a strong influence on the panel process (Deen 2007; Fues / Dongyan / Vatterodt 2007b).

Since 2006, the recommendations have been determining the internal reform agenda so that operational activities now are a main area of reform. During Kofi Annan's tenure, Delivering as One principles were implemented in eight pilot countries. Ban Ki-Moon, who became Secretary-General in 2007, presented a report in which he expressed his support for these recommendations and presented the first changes in the UN-DS (UN 2007c). Many of the HLP's reform proposals to harmonize the UN-DS do not require any inter-governmental mandates and are currently being implemented.

Box 2: Major reform steps and current reform projects in the UN-DS since 2005

Resolutions of the General Assembly (GA)

- GA calls on funds & programmes and specialized agencies to simplify, harmonize, and increase result-orientation and development effectiveness (UN General Assembly 2007a)
- GA sets up UN WOMEN and adopts minor changes in other SWC areas (SWC UN General Assembly 2010)

Chief Executive Board becomes proactive actor

- Integration of the UNDG in CEB structures
- CEB formulates system-wide answers to upcoming challenges, such as climate change, the global food crisis, and the financial and economic crisis

Harmonization and the alignment with partner countries

- 2007: CEB adopts action plan to harmonize business practices in the UN-DS, under implementation since 2010

21 During the World Summit, there was a fierce debate about the responsibility-to-protect norm (Fröhlich 2006).

- Standardization of financial management: for instance, the systemwide implementation of International Public Sector Accounting Standards (IPSAS); unified, system-wide financial statistics and reports; harmonization of procurement and information and communication technologies; implementation of the Harmonized Approach for Cash Transfers (HACT); 2009: formulation of common financial rules and regulations by the UNDP, UNFPA, UNICEF, and WFP; preparation of an integrated budget of these agencies by 2013
- Creation of a central repository for data on operational activities and a system-wide evaluation mechanism currently being prepared

Reform of work at the country level

- Delivering as One initiative in eight pilot countries and more than ten self-starters, supported by UN-DOCO
- UNDG comes up with a new functional description for the position of resident coordinator along with guidelines for cooperation at the country level
- Development and start of implementation of the Resident Coordinator Management and accountability system, which provides clearer mandates and accountability in country teams
- UNDG adopts new guidance on the preparation of UNDAFs and on UNDAF action plans for closer, results-based cooperation within country teams

Source: Müller (2010, 75-89); UN (2009a; 2009c; 2010b; 2010c); UNDG (2009e)

The intergovernmental process initially progressed much more slowly (von Freiesleben 2008; Müller (2010, 54–69, 73–74), but a major milestone was reached in July 2010 with the founding of the UN Entity for Gender Equality and the Empowerment of Women (UN Women). After controversial plenary sessions and negotiations supported by facilitators, the General Assembly initially adopted the first resolution in September 2008, though concrete decisions on individual items were mostly postponed (UN General Assembly 2008). Another resolution with more content was passed in September 2009, particularly setting a concrete course in gender issues: a new organization is to handle the normative and operative tasks of the previous four agencies. Furthermore, the resolution structured the upcoming negotiations by thematic issue, dividing the agenda for reform approaches into gender, governance, financing, and Delivering as One (UN General Assem-

bly 2009a). In July 2010, the countries agreed on another resolution that has led to tangible results (UN General Assembly 2010).

- The most important decision concerns the founding of UN Women. The two UN Secretariat units, the Division for the Advancement of Women (DAW) and the Office of the Special Adviser on Gender Issues and Advancement of Women (OSAGI), have joined forces with the UN International Research and Training Institute for the Advancement of Women (INSTRAW) and the UN Development Fund for Women (UNIFEM) to create a larger agency with a comprehensive mandate – and probably more influence. Starting in January 2011, the agency is to be completely functional and begin strengthening women's rights and gender equality worldwide.
- In the field of governance, the resolution includes a number of minor changes. For instance, governing bodies are to improve coordination, national representatives are to be offered orientation and training on the UN-DS, and financial support is to be provided so that national policymakers from developing countries can more easily participate in meetings of governing bodies.
- In the field of financing, fundamental principles were reiterated, and it was resolved that the concept of a “critical mass” of core contributions is to be further explored by each of the governing bodies of funds, programmes, and specialized agencies.
- In the field of Delivering as One, progress in the pilot countries is appreciated. The Secretary-General is called on to undertake the systemwide evaluation of the DaO initiative as planned. In addition, member states acknowledge that developing countries can choose common country programmes as the basis for their cooperation with the UN-DS. Governing bodies of UN agencies were encouraged to accept such country programmes and approve them where necessary (UN General Assembly 2010).

The founding of the new women's agency marks an important milestone in the process that began in 2005. Agreements about governance structures and the agency's mandate were reached after intense negotiations between the G-77 and Western donors. As demanded by industrialized countries, UN Women has a broad mandate in the fields of gender and women's rights. And as demanded by developing countries and emerging

powers, UN Women has its own executive board for its operational activities. In addition, developing countries and emerging powers have more voting shares than in the executive boards of other funds and programmes.²²

But the reform agenda is not finished now that UN Women has been established and resolutions have been adopted on other SWC issues. First, the measures to improve governance have to be implemented so we can assess the extent to which the governance of operational activities has been improved. In the field of Delivering as One and in the area of financing, concrete decisions will be made in the next few years. At the moment, it seems that the approach is evolution, not revolution. Unlike in 2005/2006, incremental steps are being discussed, though they will collectively have far-reaching consequences.

5. The positions of countries on reform options

This chapter focuses on the positions of select countries and country groups pertaining to reform options for a) the role of the UN in the global development system and b) the internal coherence of the UN-DS. This chapter is based on interviews and analyses of national statements in informal and formal SWC negotiations at the General Assembly. The NGO World Federalist Movement provides a number of these statements for free at its homepage reformtheun.org.

5.1 External reform dimension: The role of the UN-DS in the global development system

In terms of external and internal reform dimensions of the UN-DS, the positions of these countries greatly depend on their experience over the past four years. Most of the donor countries under review seem to have lost the visions they still had in their discussion papers from 2005/2006. Positions

22 In the UNDP/UNFPA executive board, developing countries and emerging powers have two thirds of the vote; industrialized countries, one third. In UN Women's executive board, ten of the 41 seats are held by Africa and Asia each, four by Eastern Europe, six by Latin America and the Caribbean, and five by Western Europe and other groups (WEOG). The four largest UN contributors have four seats, and donor states from the South have two. The WEOG seats and the seats for the largest donors together provide traditional donors with only 22 percent of the seats.

are often taken reactively and focus on the struggle for power between the G-77 and donor countries.²³ From the outset, developing countries and emerging powers were more reactive than proactive in the debate, feeling that the reform agenda was forced onto them and dominated by the West (Centre of Concern et al. 2007). A number of the visions proposed by donors met with a lot of suspicion and criticism among developing countries. In negotiations in the General Assembly, the position of the G-77/NAM focused on defending the UN's broad mandate and protecting the current system.

Table 12: External reform dimension: Positions of member states		
	Industrialized countries	Developing countries and emerging powers
A greater role for the UN	<ul style="list-style-type: none"> rejection 	<ul style="list-style-type: none"> strong proponents
Limits on UN mandate	<ul style="list-style-type: none"> proponents, but not unanimous 	<ul style="list-style-type: none"> general rejection more open in terms of a clear focus for the profile of individual agencies
Consolidation & rationalization of the UN-DS	<ul style="list-style-type: none"> general support 	<ul style="list-style-type: none"> general rejection
Type and speed of reform process	<ul style="list-style-type: none"> 2006: radical reforms 2009: quick establishment of UN Women, quick consolidation of consensus achieved 	<ul style="list-style-type: none"> 2006: against radical reforms and quick decisions 2009: not unanimous: partial support for quick establishment of UN Women; partial support for DaO
Source: own compilation		

23 This finding may be the result of the particular interviewees chosen, mainly because diplomats in New York were spoken with. Most interviewees did, however, say that they have a lot of leeway in formulating their policy.

A greater role for the United Nations

None of the Western states under review want to have the UN as a powerful coordination forum for other development actors anytime soon, nor even in the distant future. Such a possible future role for the United Nations is currently not part of any debates by practitioners in New York. While a number of Western states are calling for a stronger UN-DS, they believe that fragmentation has to be reduced and the focus has to be more on results first. They do not wish to see the UN become stronger vis-à-vis other multilateral organizations, such as the World Bank or the IMF. While the UN is considered an important forum, for instance for the MDG process, most Western countries do not want the UN to have more responsibility beyond its function as a forum; specifically, they do not want the UN to review fulfilment of ODA pledges and other international obligations. This attitude was also seen in the G-20's decisions reacting to the economic and financial crisis, where the UN only played a marginal role (Martens / Schultheis 2010).

In the course of the global economic and financial crisis, developing countries and emerging powers reiterated their view that the UN is the most legitimate organization for them. Because of its inclusivity, the UN should play a central role in international cooperation and problem solving in economic and financial issues. The emerging powers who are also members of the G-20 and therefore have more global say already nonetheless continue to support this viewpoint in UN forums. Developing countries would like the UN to play a more prominent role in development policy, which would happen if the organization reliably received the funding it needs to fulfil its broad mandate. They also want the UN to play a much more prominent role as a coordinator, especially with respect to international financial institutions and the World Trade Organization, as the G-77 stated at a meeting of ministers in 2006:

“We emphasize that one of the fundamental reforms required would be for the United Nations, which is the most representative global organization, to mobilize the highest political commitment, and to provide policy directions and guidance to the Bretton Woods Institutions, the World Trade Organization and other relevant organizations and institutions that have an impact in the development of many countries” (UN 2006c, para 14).

But the call for the UN to play a greater role is not unanimous even among developing countries and emerging powers, as the examples of South-South

partnerships and trilateral development cooperation show. Although all developing countries and emerging powers want to see this issue prominently anchored in the UN, a number of countries (such as South Africa, India, and China) prefer South-only forums, such as the Non-Aligned Movement. The fear is that traditional donors might attempt to demand more of emerging powers as a part of global burden-sharing and that norms dominated by the West might be imposed, such as the Paris declaration and the Accra action agenda. In addition, a number of non-OECD/DAC donors do not want to give up the alliance with developing countries. Other countries, such as Mexico and Brazil, see great potential for the UN in the field of South-South cooperation (Fues s. a.).

Industrialized countries and emerging powers are equally interested in the Development Cooperation Forum (DCF) that was created as part of ECOSOC. Since 2008, the DCF has been taking place every two years and is open to all member states. The DCF was founded in order to create an inclusive dialogue forum for a global discussion about the effectiveness and coherence of international development cooperation. It is not yet clear whether the forum can live up to expectations. Up to now, Western countries such as the UK, Austria, Switzerland, and Germany have been the main ones to support the preparatory processes for DCF 2008 financially and logistically, but other countries such as Egypt, Brazil, Bangladesh, and China are also showing interest (Fues s. a.).

Limiting the role of the United Nations

The UK, Belgium, and – to a limited extent – Canada are the most vehement supporters of limiting the operative role of the United Nations to certain issues. For instance, the UK's development policy White Paper published in 2009 states:

“Our long-term vision is of a focused and effective UN, where the agencies plan, manage and deliver as one for the most vulnerable people. This will mean hard choices about the areas where the UN can add real value – and where it cannot” (DFID 2009, 105).

These countries see the role of the UN mainly in conflict regions, where their hands are tied bilaterally and the World Bank cannot become involved – but the UN can more easily thanks to its neutrality. In return, the UN-DS would withdraw from other fields (infrastructure, financing, etc.). Other countries, such as France, are less radical in their wordings when they call for a clearer

delineation between the mandates of individual agencies, which does not necessarily mean that the UN-DS's overall mandate would be limited. A number of donors (such as Norway, Sweden, Belgium, and Germany) argue that UN agencies should focus more on upstream activities, such as policy advice and other types of technical cooperation. The role of the honest broker is also seen as promising, for instance in donor coordination. Direct project financing and implementation would then be limited in favour of other activities. Furthermore, specialized agencies would focus more on their original role of setting norms and standards and only continue to perform operational activities in a select number of areas, such as humanitarian aid.

In general, developing countries and emerging powers oppose a more limited mandate for the United Nations. In light of the demands that UN development activities be aligned with national priorities and the specific development situation of the country in question and that the UN should play a greater role in economics and financing, developing countries and emerging powers object to the proposals made in the context of the HLP report:

“... the G77 and China wonder about the appropriateness of defining or confining the United Nations’ role to ‘niche issues’ (such as disaster management, post-conflict reconstruction or the environment), while leaving issues such as development strategies, trade, finance and macro-economic policy to other international organizations. The United Nations system is developmentally holistic and provides a diversity of views and approaches that the Bretton Woods Institutions seriously lack” (G-77 2006).

The focus on niche issues would make the UN a secondary organization and possibly give industrialized countries a welcome excuse to cut funding for the UN-DS. This is the official, maximalist position of the G-77. Interviews with national representatives in New York did not reveal the extent to which smaller developing countries and emerging powers have a deviating position. Developing countries and emerging powers are more open towards thematic focal points in the executive boards. They participate in the formulation of strategic plans for agencies and praise the capacity-building expertise of the UNDP, for instance.

Consolidation and rationalization of the UN-DS

Donor countries no longer actively and openly pursue the idea of a unified development pillar that would at least cover UN funds and programmes. In

light of the explicit resistance of the G-77, the initial concepts about merging individual agencies are not being further developed. There is also no consensus among the donor countries about which agencies should be kept and which should be merged. The task force proposed in the HLP report to come up with recommendations about rationalizing the institutional landscape was not created. Instead, donor countries are working to bring about greater administrative coherence between funds and programmes.

Some donor countries are more persistent than others about the long-term goal of a unified development pillar. In the on-going negotiations, the UK, Ireland, Norway, Sweden, and Canada are working to create a foundation on which at least funds and programmes might one day come together to form such a unified pillar. Efforts to use the joint meeting of the governing councils from the UNDP/UNFPA/UNOPs (United Nations Office for Partnerships), WFP, and UNICEF as a place to discuss common country programmes, set the course for a joint budget for the UNDP, UNFPA, and UNICEF, and harmonize agency programme cycles can be seen as going in this direction. However, these measures are also useful in and of themselves without any hidden agenda.

Without exception, developing countries and emerging powers strongly reject the rationalization of the UN-DS and the establishment of a unified UN development pillar. They give several reasons for their position. From their perspective, the wide range of approaches, perspectives, methodologies, and systems in the various UN agencies represents a unique, creative response to specific development situations. They argue that this variety should not be seen as an institutional weakness. On the contrary, they believe it is a strength of UN-DS that must be protected:

“We declare in favour of a greater coordination and coherence among the UN Funds, Programs and Agencies in order to avoid unnecessary duplications and overlaps of their functions and maximize the effectiveness of their work. Nevertheless, the necessary coordination among them shall not mean a loss of identity whatsoever... The field work those entities perform in different areas of development, for which they have accumulated unique experiences, provides them with a privileged position as to being aware of and addressing the real needs of developing countries, hence the key importance of preserving the valuable contribution of development funds, programs and agencies“ (JCC 2008).

It can be assumed that this position partly reflects the fear that industrialized countries could impose their priorities more if there were a unified development pillar and that developing countries would thereby see their choices limited. In addition, the creation of a unified development pillar would entail rationalization and a concentration on certain issues, an outcome rejected by those who believe the UN has a “general mandate.” There has been especially fierce criticism of proposals made by Western donors to get rid of UNCTAD or have it become part of the WTO, UNDP, or the UN Secretariat. For developing countries and emerging powers, having economic and trade issues anchored in the UN-DS is an achievement in and of itself, and they are not willing to give it up (Khor 2006). Another fear is that a central development pillar might be much more bureaucratic.

Type and speed of reform process

The countries under review have different positions about the speed and specific design of the reform process. At present, not even industrialized countries are calling for a “Big Bang” reform at the intergovernmental level. After four years of controversial intergovernmental negotiations, everyone has a more pragmatic, realistic approach. While some concepts being tossed about would take advantage of major upcoming events as an opportunity to have a second go at major reform, no one believes such attempts have any chance of success. The clearly articulated rejection by the G-77 countries and Russia of the kind of comprehensive structural reforms conceived by Western donors makes this highly unlikely. Other factors also make the current climate in the UN seem less than friendly to reform: the current UN Secretary-General is not held to be a strong leader, and such major events as the UN conference on the financial crisis in June 2009 revealed major controversies about the role of the UN in economic and social matters.

The UK, Canada, Spain, the Netherlands, Norway, and – to a certain extent – Sweden continue, however, to pursue a more ambitious reform programme than other states. Although the G-77 strongly rejected the Sustainable Development Board proposed by the HLP, the group is attempting to help create a joint executive board structure for funds and programmes. Other countries, especially Switzerland and Ireland, are working towards an incremental reform process without losing sight of the goal of greater unity. These two countries propose that the tools that already exist be used to step up the reform process. They emphasize how much progress could

come from a coherent, systemwide policy and call for existing structures to be strengthened:

“While Switzerland is certainly prepared to listen to and engage with those who are calling for a big exercise to recast the UN system in a unified way and under a single governance mechanism, we believe that we do not have the leisure to wait for such a debate to start or even conclude. We must make the best possible use of the existing intergovernmental structures, in particular the ECOSOC operational activities segment, to foster increased coherence and unity in the system” (Schweizerische Eidgenossenschaft 2008b).

While the US and Japan are taking part in the negotiation process for systemwide coherence, they have not yet revealed what their preferences are about the speed and design of the reform process. The US has merely insisted on a quick decision about a possible new organization for women and gender issues and indicated a willingness to make significant concessions towards that goal. The US was in line with the Nordic states, Switzerland, and other like-minded donors in the call to quickly set up UN Women in 2010 after the resolution was adopted in 2009. Like-minded donors believe urgent action is needed in other areas as well. In light of the long duration of negotiations and the impression that a consensus is now within reach, the desire for concrete results is growing.

Under the leadership of Cuba and Egypt, emerging powers and developing countries organized in the G-77 have worked to slow down the process from the beginning of SWC negotiations. Because they disagreed with a large part of the content in the HLP's proposals, they combated the momentum for reform after the World Summit in 2005 and the Panel's report by arguing that there should not be any rush or artificial deadlines. By insisting that individual issues be dealt with in an integrated fashion, they ensured that all thematic negotiations had roughly the same duration and that the content of compromises covers all of these subitems. These countries continue to pursue this strategy.

Some pilot countries and self-starters, however, are interested in setting up a mechanism soon to adopt common country programmes. In terms of consolidating the agencies for women and gender equality, a number of African countries agreed with industrialized countries that action needed to be taken in 2010 after the basic decision of 2009 to set up the organization.

5.2 Internal reform dimension: Current focal points of reform

This section provides a brief overview of the current positions of a select group of countries on four main issues discussed in the General Assembly: gender, governance, Delivering as One, and funding.

Gender

The proposal in the HLP report that turned out to be the most likely to produce a consensus was the founding of a new organization for women and gender issues to bring together the normative and operative functions currently spread across four different UN agencies. The founding of UN Women is very important, including for tactical reasons. In light of the importance the issue had for industrialized countries, developing countries and emerging powers were able to use it for concessions in other areas.

All Western donor countries strongly supported the founding of UN Women. The Nordic states, Canada, and the United Kingdom especially advocated fast action. After the last presidential elections, the US reinforced its commitment and provided support at the highest level for the agency to be found quickly. The positions of Western countries differed in terms of the amount and type of financing, the size of the secretariat, and the institutional location of the agency.

The original rejection of the G-77, which saw the call for the new agency as a purely Western desire, gradually gave way to broad consensus. On behalf of the G-77/NAM, Egypt and Yemen did, however, work to have a limited normative role for the new agency. The goal was to ensure that the new agency would only have a weak mandate to monitor the enforcement of gender standards. Here, the principle of voluntary compliance was once again to apply; the agency would only become involved on request by governments. The role of civil society was to be more limited than the West would have liked, but the agency would have a more secure financial basis in return, with multiyear pledges. The G-77 also pointed out that the agency has a universal mandate and therefore must not limit its operational activities to developing countries (JCC 2010). Furthermore, developing countries and emerging powers also demanded that a new governing body be created for the new agency's operational activities instead of having the UNDP/UNFPA executive board handle oversight, as most Western countries wanted to have it. Emerging powers like Mexico wanted the new gov-

erning body to provide potential larger future contributors from the South with a seat and a voice, while others wanted developing countries and emerging powers to have greater input in general. The new governing body was to have the same distribution of votes as the General Assembly. Developing countries and emerging powers would therefore have much greater influence over the new agency's potentially sensitive work should there be a need to resort to voting.

Governance

Originally, the founding of the sustainable development board and a Global Leadership Forum for ECOSOC was handled under the topic of “governance,” but these proposals are no longer part of the current reform agenda. Instead, negotiations focused on improving the governance architecture by increasing the inclusiveness of decision-making processes, increasing coherence between individual decision-making bodies, and making the decisions reached more effective and relevant. There was also a debate about how to create a mechanism to allow common country programmes to be approved (UN Secretariat 2009a).

The countries that support DaO the most are also the ones most interested in setting up such a common country programme approval mechanism. Originally, the UK, Canada, and Belgium wanted to create a joint executive board with decision-making competence. From their perspective and in the opinion of most Western industrialized countries, such a board would be based on the joint board meetings of funds and programmes. The proposal is similar to the HLP's recommendation to set up a sustainable development board. But these terms are no longer used. In the course of the negotiations, a number of countries began to prefer a pragmatic solution that does not require any change in mandate. The various boards would then continue to be responsible for agency-specific parts of the common country programme in question. In addition, however, a comprehensive discussion of common country programmes would be possible. The joint board meetings were considered the best place for this purpose; given that the boards of UNICEF, the UNDP/UNFPA, and the WFP and possibly others would take part. The governing bodies of specialized agencies whose work is also included in common country programmes would, however, not be involved. It should be kept in mind though that the governing bodies of most specialized agencies do not discuss or approve country programmes in any way.

At an early stage, Switzerland spoke out against the founding of a joint board with decision-making authority for the approval of common country programmes. Instead, a transitional mechanism located within ECOSOC would have the official coordination body become more involved; programme countries could voluntarily present the drafts of their common country programmes to ECOSOC, which would discuss them in its operative segment. The common programmes would subsequently be approved by the respective executive boards without having them deal with the documents any further. The discussion in ECOSOC would ensure that specialized agencies were better integrated. Aside from Switzerland, however, few industrialized countries believe ECOSOC is up to the task. Although almost all countries officially want to strengthen ECOSOC, in the discussion of current governance issues they are very reluctant about the matter, if not completely opposed. A number of industrialized countries – especially the US, the UK, and Canada – believe that giving ECOSOC any additional tasks that are crucial for the current reform process would be tantamount to weakening the boards. This option is therefore opposed.

Developing countries and emerging powers did not believe that ECOSOC should be strengthened necessarily. Unlike the General Assembly, ECOSOC does not represent all countries. Developing countries are therefore generally interested in making the General Assembly stronger wherever possible by giving it additional tasks and competence. For instance, the G-77 wants the CEB to be more accountable to and report more to the General Assembly.

Pilot countries, especially Tanzania and Papua New Guinea, were very interested in coming up with a way to approve their common country programmes although they have not made any proposals to this end. The DaO opponents logically oppose the creation of such a mechanism. The Russian Federation would also like to prevent complex changes because it generally supports the status quo of the UN-DS, which it believes works well.

Table 13: Internal reform dimension: Positions of member states		
	Industrialized countries	Developing countries and emerging powers
Gender	<ul style="list-style-type: none"> • Broad support for creation of new agency soon with a broad mandate • Different positions about size, finances, governing bodies 	<ul style="list-style-type: none"> • Selective support for / opposition to new agency • In favour of new executive board for the new agency's operational activities • In favour of more seats for the South in the new board
Governance	<ul style="list-style-type: none"> • 2006: Creation of Sustainable Development Board • Little support for greater role for ECOSOC • Establishment of an approval mechanism for common country programs 	<ul style="list-style-type: none"> • 2006: No Sustainable Development Board • strengthening of the General Assembly • No consensus about approval mechanism for common country programs
Financing	<ul style="list-style-type: none"> • In general, no additional obligations • Selectively, garner recognition for non-core contributions 	<ul style="list-style-type: none"> • More funding should be provided, and it should be predictable • No consensus about core versus non-core funding • Contributors from the South should not be part of global burden-sharing
Delivering as One (DaO)	<ul style="list-style-type: none"> • General support for DaO • Implementation of systemwide DaO lessons 	<ul style="list-style-type: none"> • Selective support for DaO (pilot countries and self-starters) • Selective resistance to DaO, against application of the DaO model to the UN-DS
Source: own compilation		

Financing

In the field of financing, countries negotiate ways and means of improving the quality and quantity of financing for the UN development system. The quality of financial contributions includes the predictability of contributions, the core/non-core ratio, and the type of earmarking. At the beginning of 2010, the concept of “critical mass” came about in reference to core contributions for individual agencies, though the concept has not yet been specified. In the past few years, the debate about the proper ratio of core to earmarked contributions has not really led to significant changes in the financial practices of donors. The reduction in voluntary contributions that can be expected in times of economic and financial crises means that UN agencies face even greater problems. Here, the concept of “critical mass” is an attempt to define the volume of core contributions a specific agency needs to fulfil its core mandate. Unlike the abstract, systemwide, prorated ratio for core contributions, the concept allows the strategic documents of such agencies to be taken into account, and a greater focus on results.

Not surprisingly, the countries that already make multiyear pledges are calling for others to follow their example. Germany, Japan, and the US oppose multiyear pledges for themselves. Japan argues that multiyear pledges reduce flexibility. Along with Japan, the US is sceptical about calls to increase the share of core contributions. Again, the main argument is flexibility, which these countries claim is needed in crises and other emergencies. Another aspect that is especially important for the United States is greater accountability, which earmarking offers and citizens demand, especially in times of economic crises. Canada and the UK are also somewhat cautious when it comes to introducing a quota for core contributions. They argue that UN agencies first have to demonstrate that they are efficiently and effectively using the funding already provided.

Norway, Sweden, and other small countries that make up a large financial share of core budgets believe a more equitable distribution of burdens is necessary. But even Norway believes that a lower limit of 50 percent core contributions is too ambitious. Belgium supports to set a minimum quota for core budgets but mainly wants the discussion about the topic to get going. Germany is not in the foreground in the discussion about core contributions because its financing practices would not need to be greatly modified. Western countries that have a large share of earmarked contri-

butions, such as Canada and the UK, are trying to keep the financing debate from focusing on the ratio of core to earmarked contributions. Instead, they are trying to garner recognition for their complementary payments, such as to thematic trust funds. In principle, all industrialized countries have begun thinking about how “critical mass” could be defined.

But when it comes to the quantity of funding for UN operational activities, none of the Western donor countries have shown any interest in making financial pledges during the negotiations. While a number of countries have talked about providing financial rewards if the focus is more on results and if reforms are successful, this approach is currently only found in statements made by the UK.

Yet, developing countries and emerging powers are calling for such financial commitments because they believe the largest problem in UN development is that too few resources are provided and that Western countries are not fulfilling their international duties. The G-77 also officially oppose the linking of funding to an agency's willingness/unwillingness to reform because such linking would only punish developing countries:

“The JCC disagrees with the approach of some recommendations linking the funding to the performance of and commitment to reform. It can imply punishments to ‘ineffective’ UN entities or would eventually imply an unduly punishment against countries recipient of development cooperation [sic]. It is difficult to support that agencies, funds and programmes can get core funds if they are committed to reform when more core funding should be an aim applied to all funds, programmes and agencies of the UN System” (JCC 2009).

Officially, the G-77 mainly support an increase in core funding. In current negotiations, the G-77/NAM are working to have a lower limit on the share of core funding specified. They also proposed that a target volume be specified for the UN's share of global ODA (JCC 2008). But behind closed doors, G-77 members do disagree among themselves. Smaller developing countries informally say that the effect of UN development assistance is far more important than where the funding comes from. Pilot countries also praise the One UN Fund financed by earmarked contributions and the Expanded Funding Window. Furthermore, most of the funding to the UN-DS from emerging countries is also earmarked, and these countries do not want to be forced to switch to core contributions. Emerg-

ing powers also do not wish to be put in the same category with traditional UN donors. On the one hand, they do not wish to bear a larger share of the burden; on the other, countries like China and Brazil insist that the quality of their development assistance substantially differs from traditional, hierarchical aid.

Delivering as One

Delivering as One is the banner for the pilot initiative proposed by the HLP and launched by Kofi Annan for a unified UN representation in eight pilot countries along with a number of self-starters (see Box 1). The focus is on ways to facilitate cooperation with the UN-DS for pilot countries and self-starters. Each pilot country went down a different path in implementing DaO principles. No negotiations have yet reviewed which of these paths proved especially fruitful and which may serve as a model for the UN-DS. Before that happens, there first needs to be a determination of the extent to which these pilot programmes made the UN-DS more effective and efficient at the country level and whether the outcome can be generalized. For 2011, an independent evaluation of the pilot projects is planned, and it is hoped that lessons can be drawn for the UN-DS. In 2009 and 2010, negotiations therefore focused on the modalities of the independent evaluation to be prepared by the Secretary-General.

All of the industrialized countries under review place great hope in the DaO process and support it actively. As described in Chapter 3, this support is both financial, such as contributions to One UN Funds, etc., and political, such as by supporting the concerns of pilot countries in governance bodies. The broad support for the DaO process also has a strategic component. Many representatives of Western countries hope that the pressure from below – from programme countries – will make itself felt in the negotiations in New York to increase the chances that the intergovernmental reform process will be successful.

However, there are differing ideas about the extent to which the Delivering as One model can be transferred to all programme countries. The United Kingdom is the strongest voice calling for a unified solution for the beginning,²⁴ while other countries (such as Norway and Switzerland) counter that the G-77 is right when it argues that “no one size fits all.” Mid-income

countries, countries in crisis situations, and LDCs cannot be thrown into one basket. But none of the Western countries reviewed questions the One UN model as the future of the UN development. Only the US and Japan are taking a wait-and-see approach, though they remain interested.

All DaO supporters from the group of industrialized countries advocate the greatest possible independence for the systemwide evaluation of the pilot initiative. The results are to be sound, credible, and of high quality to serve as a basis for conclusions about a possible reorientation of the UN-DS.

Opinions about the DaO initiative vary widely within the group of developing countries. All of the pilot countries (Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay, and Vietnam) and all of the self-starters (such as Benin, Bhutan, the Comoros, Papua New Guinea, Kiribati, Malawi, and Ethiopia) strongly support unified UN representation. At a meeting in October 2009 in Kigali, they argued that *“there is no going back to doing business in the manner prior to the ‘Delivering as One’ initiative”* (UNDG 2009d). Based on the positive, country-specific evaluation results, they reiterated their agreement in June 2010 in Hanoi and called for changes at headquarters to allow UN agencies to work more closely together (UNDG 2010b). Many members of the African group have expressed interest in implementing the DaO concept either in part or whole. They hope not only that transaction costs will be lower, but also that more funding will be provided. In official statements, the ASEAN countries have also expressed their support for Vietnam as a pilot country.

24 This position can also be interpreted as support for the creation of the UN development pillar “from the ground up.” In 2010 and 2011, some 75 program countries will renew their UNDAFs. Additional financial incentives such as the Expanded Funding Window in the MDG Achievement Fund are designed to ensure that a lot of countries and UN country teams voluntarily choose common country programs. In the mid to long term, the result will be considerable structural changes. In the ideal case, each program country would have its own UN program in which a select group of funds, programs, and specialized agencies would be involved as desired by the government. One UN representative would speak on behalf of all UN agencies and would be accountable to program country governments (and UN executive bodies) for the attainment of the agreed development targets. To this end, a single annual report would be presented. The budget would be formulated in a single framework and be covered by the core budgets of the agencies involved, with possible additional funding from country funds, and with funding from the Expanded Funding Window, which will have become a deep-pocketed MDTF that may even have a jointly agreed budget replenishment mechanism. In the ideal case, a single supervisory body would approve the common country programmes.

But these supporters from the G-77 have to face a number of opponents who have managed to dominate the group's position up to now. Decentralized countries or large ones such as India and Malaysia are not interested in dealing with a single UN representative. For them, the change would not make things easier, but would instead clearly increase transaction costs. At the same time, countries like China want to retain the right to pick and choose specific services offered by the UN-DS. If uniform country programmes become standard procedure systemwide, there is concern that service packages will also be standardized rather than customized to suit the needs and preferences of local governments, as is currently done. For instance, the sovereign freedom of choice of developing countries would be limited, since a number of governments currently benefit from competition between individual UN agencies. Furthermore, there is a fear that conditionality might be added to UN development assistance as a single UN negotiating partner might be dominated by Western countries more easily. There is also the general suspicion that calls to cut budgets might be disguised as calls to increase efficiency. Finally, these countries reject a solution that treats all developing countries the same. In addition to these concerns about substance, overriding concerns about global power politics seem to be behind the strong opposition of Egypt and Cuba to a unified UN country presence. This negative attitude makes it possible for them to position themselves as leaders in the fight against the policies favoured by donor countries within their regional groups.

Along with the group of proponents and opponents, a number of countries have not yet taken a clear position. Mexico and others reject a unified UN country presence for themselves but do not see any need to speak out against the concept in light of the principle of voluntary participation.

DaO opponents made an attempt to have the systemwide evaluation made subject to review by the General Assembly. In 2009, they demanded that countries play a major role in the formulation of assessment criteria. The fear is that Western DaO proponents would otherwise influence evaluation targets. After the 2009 General Assembly transferred responsibility for the evaluation to the Secretary-General in principle, the dispute in 2010 was about how independently the Secretary-General should be able to design the evaluation modalities and to what extent countries should be involved in the evaluation process formally or informally. The resolution adopted in July 2010 does not specify the matter any further though it does ask the Secretary-General to consult with countries in the further process.

6. Common ground: Previous results and future opportunities

6.1 Common positions

Despite a number of differences, Western countries generally have common, coordinated positions in intergovernmental UN bodies. Traditionally, the Nordic states and the Netherlands have been particularly close, but the larger Utstein group also overlaps in a number of aspects.²⁵ Smaller countries such as Switzerland and Ireland sometimes intentionally distance themselves from others so they can better serve as mediators. Canada works in close coordination with Australia and New Zealand (CANZ) but often gives its positions a different accent. Up to now, the US and Japan have taken on special roles and have often distanced themselves from others, though the two countries have not played an especially important role in general. The role of the US changed in negotiations to establish the new agency for women and gender issues, where the US entered into bilateral agreements with developing countries and emerging powers to speed up the founding of the agency without consideration of European countries.

The United Kingdom, Spain, Norway, and the Netherlands constitute the core support group for the Delivering as One pilot initiative and actively support the further development of the initiative both at the country level and at headquarters. These countries in particular have represented joint positions with DaO pilot countries and self-starters. The UK, the Netherlands, and Norway worked with African pilot countries – Mozambique, Tanzania, Malawi, and later Rwanda – to found the informal Group of Seven, which drew a lot of public attention. They made joint statements to support the process in the governing bodies of development agencies, such as the World Health Organization, the UNDP/UNFPA executive board, the UNICEF executive board, and the General Assembly. In a joint board meeting in January 2010, Tanzania, a DaO pilot country, received even broader

25 The Utstein group was founded in 1999 by the development ministers of the Netherlands, Germany, Norway, and the UK. Over the years, the group has grown considerably and now also includes Sweden, Canada, France, Spain, Ireland, Belgium, Finland, Switzerland, and Denmark. Once a year, Utstein countries hold joint consultations with the funds and programs and are also in close contact both in New York and at the national level. Utstein countries see themselves as like-minded donors even if their positions sometimes deviate in detail.

support for its proposal to present a common country programme for approval at a later date. In a joint statement, Australia, New Zealand, Belgium, the Netherlands, Luxembourg, Denmark, Finland, Sweden, France, Germany, Slovenia, Spain, the United Kingdom, Ireland, the US, and the pilot countries of Rwanda, Cape Verde, Malawi, Papua New Guinea, and Uruguay expressed their support for Tanzania's proposal. The African Group also expressed its support.

Otherwise, it is quite rare for industrialized and developing countries to take the same positions in governing bodies. In the past three years, however, the two camps have come considerably closer. The 2007 General Assembly's TCPR resolution sets forth the basic principles of UN development policy and was adopted at a time when the HLP's report was causing a lot of commotion in the General Assembly. In the governing bodies of individual agencies, developing and industrialized countries have also begun to jointly demand that agencies focus more on harmonization and results.

Developing countries and emerging powers coordinate their concerns in the Group of 77 and the Non-Aligned Movement. Both groups remain dominated by emerging powers, such as India and Brazil, and by ideologically motivated countries, such as Cuba and Egypt. Often, foreign policy trumps development policy in such cases. The countries that then speak the loudest are the ones that least need development assistance in general and UN development assistance in particular. This is possible because most national representatives are foreign-policy experts and can act relatively independent of instructions from home. On the other hand, the coordination and consensus-building process is increasingly controversial within the G-77/NAM. African states, such as the pilot countries of Mozambique, Tanzania, and Rwanda, are not satisfied with the G-77's negotiation strategy and want to have more leeway so that progress within the DaO initiative can be made voluntarily. There is also growing resentment against G-20 members, as became clear at the Climate Summit in Copenhagen, where the Sudanese spokesperson of the G-77 criticized South Africa for breaking up the unity within the African Group.

6.2 Opportunities for common positions on further reform options

External reform dimension

Roughly five years after Western states submitted to the High-Level Panel on systemwide coherence their wishes for fundamental institutional change, the political will for such far-reaching restructuring in the field of development seems to have been used up now that a number of developing countries and emerging powers so strongly oppose such change. Not all countries have been convinced that such a streamlining of the UN-DS would actually strengthen the UN and therefore be in everyone's interest. The reform of the UN -DS is no longer a matter for top-level decision-makers but is instead now negotiated at the level of experts without any high-level attention, with the DaO process and the establishment of a new agency for women and gender issues garnering the most attention.

In the foreseeable future, it is hard to imagine for a number of reasons that the current dynamics in the General Assembly and ECOSOC will change and countries will be able to agree to explicitly limit the range of operational activities within the UN-DS and get rid of or merge individual agencies. A number of emerging powers and radical proponents of a new world order will continue to refuse to take part in the discussion about the comparative advantages as Western countries see them, which they believe will only further marginalize the UN. Developing countries believe that the UN-DS should have a larger mandate within its principal core competences of trade, financing, etc., but this approach is not compatible with the proposals made by industrialized countries. It will probably also be hard to get the EU and the group of industrialized countries to agree about which areas, much less which agencies, should be done away with. The founding of UN Women also showed that developing countries and emerging powers will insist on having a greater say in any new organizational structures. Because this demand is contrary to the interests of industrialized countries, their calls for streamlining may die down. Finally, a number of factors not related to development policy continue to influence decision-making in New York.

This does not mean, however, that the development profile of UN agencies will not see any changes. Rather, such changes will come not from a central authority, but from the allocation of funding, the specification of need

in developing countries, and decisions made by the governing bodies of individual agencies.

- Industrialized countries will continue to use the allocation of development funds to strengthen the UN-DS in areas they favour (such as climate change and fragile states). At the same time, they are working to reduce the fragmentation of financing for specific programmes and projects. Mid-income countries will demand certain services from the UN-DS, thereby setting thematic priorities “from the bottom up.”
- The DaO initiative strengthens the ownership of governments in small programme countries and can therefore lead to progress in this respect. The same holds true for other programme countries, although it is still true that not all governments can set clear priorities for UN country teams.
- The new UNDAF guidelines call on UN country teams to underscore the comparative benefits of their services more clearly. The UN-DS is also being forced to define its role more clearly in donor coordination rounds held in developing countries.
- Furthermore, the governing bodies of the various agencies will continue to make decisions that step up the thematic concentration of each respective organization. The common positions of developing and industrialized countries face far fewer obstacles in the governing bodies of specific agencies than in the General Assembly and ECOSOC.

Ground-breaking decisions by the General Assembly would have certainly had a catalytic effect had they been made on the basis of an expert report on streamlining UN development services (as recommended by the HLP). On the other hand, the implementation of these decisions would have had to overcome hurdles similar to the ones that the incremental reform currently faces. While the incremental restructuring in the various governing bodies depends on an agreement between developing and industrialized countries about the general direction, the special challenge of this distributed approach is in coming up with a coherent design. To this end, states have to formulate a consistent policy across the various executive bodies. Agricultural and health experts have to coordinate their actions carefully with their colleagues at the UNDP, UNICEF, and elsewhere so that, for instance, specialized agencies are not further encouraged to expand their operational activities into new areas. The multilateral strategy papers that a

growing number of Western countries have produced could promote that aim. Nonetheless, industrialized countries will, for the foreseeable future, continue to use their financing decisions to dominate the definition of the comparative advantages of UN development services, which remains problematic.

In the next few years, four processes could bring about positive change in the preconditions for major reform steps.

- The DaO initiative could help smaller developing countries voice their concerns more often and better articulate their interest in a more effective UN development system. As a result, it might be easier to build thematic coalitions between developing and industrialized countries for minor compromises.
- Developing countries, emerging powers, and industrialized countries could agree to broad development principles that are also generally applicable to the UN-DS in the Development Cooperation Forum. Such a common basis could be a good starting point for a pragmatic reform of the UN-DS.
- The reform of the UN-DS could also benefit from reform processes in other fields of policy and the resulting amount of political attention. At present, the reform of the global environmental architecture – which is also the focus of the HLP – is gaining momentum (Swart / Perry 2007). An agreement among member states to an institutional model that would allow the UN to speak with a unified voice, political weight, and expert authority in environmental issues seems within grasp. Because the development and environmental agendas widely overlap, especially in the area of climate change, it makes sense for these two reform processes to be viewed together.
- Furthermore, the G-20 and its newly won importance could yet increase the pressure to reform the United Nations, thereby opening up more options for cooperation and consensus.

Internal reform dimension

Common positions seem more within reach in the internal reform dimension, as the SWC resolution negotiated in July 2010 shows. The incremental reform process is already underway, though it could be sped up. The General Assembly's TCPR resolutions from 2004 and 2007 established a

common understanding of the basic principles underlying the UN-DS. That understanding serves as the basis for greater harmonization and coordination within the system. The negotiations for the next Quadrennial Comprehensive Policy Review (QCPR) resolution are expected to begin in 2011.²⁶ For the broad consensus attained to be kept and further expanded, industrialized countries will have to demonstrate their willingness to compromise. The Monterrey Consensus and proof that serious efforts are being made to reach the 0.7 percent target are therefore crucial symbols.

Harmonization

The last two TCPR resolutions from the General Assembly provide a broad mandate for greater efforts to simplify and harmonize across the UN-DS. The governing bodies of individual agencies and ECOSOC have been making use of this mandate and making decisions to step up systemwide harmonization. In the past few years, decisions have been made by consensus to bring funds and programmes closer together administratively. For instance, the UNDP, UNFPA, and UNICEF were called on to come up with a joint budget and synchronize planning cycles for their strategic frameworks. These and similar decisions were much easier to reach than principle decisions in the General Assembly. Now, patience and coherent policy are mainly needed for further progress to be made using the mechanisms currently available. This will require a lot of commitment, discipline, and coherence in national policy in the various decision-making bodies. Germany can also improve the strategic reform orientation and coherence of its own policy towards the UN in the respective governing bodies of funds, programmes, and specialized agencies in order to step up reforms actively (cf. Vatterodt 2007, 79).

Financing

The contours of common positions concerning a few financing and efficiency issues are becoming clear. Emerging powers and middle-income countries are increasingly emphasizing that the UN-DS has to make cost-effective use of the funding provided. Industrialized countries with large non-core shares and emerging countries that make self-supporting contributions share an interest in keeping administrative overhead costs to a min-

26 In 2008, the General Assembly resolved to change the intervals between negotiations for the resolution from three years to four years.

imum. If this coalition results in greater pressure on UN agencies to lower costs, the outcome could be negative consequences for the multilateral character of the UN-DS. In light of small core budgets, UN agencies should charge even more to cover administrative costs in order to protect their core tasks and mandates.

Differences remain when it comes to financing reform projects and coordination tasks. Developing countries are generally very interested in making the greatest possible share of funding available for operational activities. Donor countries share this interest in terms of cost efficiency. Yet developing countries reject funding coordination tasks (such as strengthening the Resident Coordinator system) from core funds. As long as the conflict between core funding and earmarked contributions exists, industrialized countries will have to finance reforms with earmarked funding (such as contributions to the UNCCF).

There are also major differences when it comes to designing a sustainable financing model for the UN-DS. Here, traditional donors are having trouble coming to an agreement. The tension between the principles of voluntariness, reliability, just burden sharing, flexibility, and appropriate funding is simply too great. The G-77/NAM's call for greater funding in general for the UN-DS will also not promote an intergovernmental agreement.

Governance

Industrialized and developing countries wish to keep or increase their own influence in the UN, which will only hamper, if not prevent altogether, more fundamental changes in governance issues for the foreseeable future. Here, there are few options for thematic coalitions across groups as both industrialized and developing countries address these issues mainly from their own power-political perspectives. Ideas on how to design new, constituency-based governance bodies could provide the negotiations with some new momentum as these bodies would no longer be designed simply in terms of geography. Instead, various stakeholders – such as LDCs, MICs, and fragile states – would have seats, while industrialized countries (and possibly even emerging powers) would have to earn their seats through good donor behaviour. A similar model was attempted for the Peacebuilding Commission set up in 2005 (Weinlich 2006). In the executive board of UN Women, six seats are distributed on the basis of merit. The largest contributors among traditional donors received four seats, with two being given

to donor countries from the South. But such an endeavour would require a lot of pressure from heads of state and governments, among other things.

Delivering as One

The DaO process currently has the most sustained political support from industrialized countries. Although not all of the countries under review financially contribute to promoting reform at the country level, no Western country doubts that the pilot initiative points in the right direction. Unfortunately, no sound assessments of the costs and benefits of the pilot projects are available yet. The states that currently cover most of the financial burden for the pilot initiative are expected to ask for a broader supporter base once proper reviews have been made available, which is also necessary for reasons of sustainability. DaO will only further develop its catalytic effect on the reform process if it has broad support. But it may be hard for industrialized countries to reach agreements on certain details. The discrepancies are the greatest when it comes to financing, but other issues – such as the inclusion of specialized agencies – may also lead to controversy.

Within the G-77, resistance to DaO seems to be losing support. The UNDG reports that many developing countries have chosen DaO elements for the upcoming reformulation of their UNDAFs. One can therefore hope that these countries will manage to decide together whether and to what extent DaO can serve as a model for the UN-DS at the country level once the results of the independent evaluation have been made available. Success will partly depend on whether the DaO model is attractive for larger countries and mid-income countries.

7. Conclusions for the German government

The percent study shows that the reform process for the UN development system is not only necessary, but also making progress even though it faces a number of difficulties. At headquarters, basic disagreements about what role the United Nations should play in economics and finance hamper the reform of UN development assistance. While the West often perceives the “politicization” of a number of technical issues, a lot of developing countries speak of legitimate calls to strengthen the only multilateral organization where they can articulate their interests eye to eye. Although not all

developing countries share the often provocative rhetoric of the G-77 spokespeople on specific issues, “toeing the party line” at least ensures that their interests will be protected in other UN forums. The basic conflict between North and South still restricts the coalitions that can be formed between developing and industrialized states on specific issues.

But differences in the priorities, interests, and capacities of the 192 permanent representations in New York are not the only things hampering the reform process. By increasing the share of earmarked contributions, a lot of Western donors are making substantially worse the very coherence problem that they wish to solve through institutional change. Likewise, the practice of self-supporting contributions, which is becoming increasingly popular in mid-income countries, provides negative incentives towards a more narrow focus for individual UN agencies.

Nonetheless, the reform process is making progress, be it ever so incremental. This does not have to be negative necessarily; after all, the lengthy consultation process over the past few years at least allowed all countries to agree to a common reform agenda that contains a lot of elements developed in the HLP report. The founding of UN Women and the adoption of a number of more minor proposals in other SWC areas shows that an agreement that seemed far off only four years ago is now principally within reach. In governing bodies and the General Assembly, the way has been paved for an administrative simplification of the UN-DS and a greater focus on results. If such decisions can be solidified and enforced, the result would be much better than the current status quo. In addition to this incremental evolution, the consequences of the Delivering as One process may have a revolutionary potential at the country level. If a growing number of programme countries voluntarily choose the DaO model in the next few years, the UN development system will noticeably change.

The success of reform of the UN development system is in Germany's own national interest.

1. First, it is necessary from a development perspective. The UN has to have a more effective development system if it is to properly respond to global development challenges that cannot be addressed at the national level alone. The UN can and must play a crucial role in the ever more urgently needed efforts to reach the Millennium Development Goals. Furthermore, the UN development system needs to take better advantage

of its strengths in the battle against climate change. Finally, limited resources need to be used more effectively.

2. Second, reform is necessary because it would indirectly strengthen the UN as a forum for global policy and a central pillar of the global governance architecture. For developing countries and emerging powers, the UN's development activities are a crucial factor towards acceptance. Were industrialized countries to pull out of the UN-DS – one possible outcome of a failure to reform – it might be much harder to cooperate and reach a consensus in areas where industrialized countries also believe there is a greater need for multilateralism. Yet, a strong UN is urgently needed even in the age of the G-8/G-20. To prevent catastrophes like global warming and to continue to be able to live in stability, prosperity, and security, there is not alternative to a multilateral approach for Germany. Global interdependence not only greatly limits the freedom of individual states to design their own policies, but also makes global definitions of problems and their solutions indispensable, as the economic and financial crisis recently showed once again. The pressure from global problems in other policy fields – such as climate change, the environment, security, and migration – is also drastically increasing. The UN seems to have been pushed into the background since the G-8/G-20 began managing the economic and financial crisis. In the mid to long term, however, the effectiveness of the G-20 depends on its legitimacy and its cooperation with global governance institutions considered legitimate. The UN is one such institution, though it cannot keep up with the pace of decision-making with club governance mechanisms. On the other hand, it not only offers economically weaker actors an opportunity to take part in debates and initiatives to politically shape globalization, but also stands for legalized world order based on universally valid, binding norms and rules. If the rule of law prevails, the weak are protected from the power of the strong. This global legal framework brought about by two world wars – as imperfect as it may be in reality – must be protected and strengthened, the more so in times of looming re-nationalisations.
3. A successful reform of the UN development system is crucial for the UN to be successful in other policy fields. The UN's work in such fields as human rights, peacekeeping and peacebuilding, mediation, and the settling of disputes is based on the UN's reputation as an inclusive, neutral,

and legitimate organization. This reputation is strengthened by an effective and sustainable UN development system

In its coalition agreement of 2009, the German government committed itself to strengthening the UN and said it would throw its weight behind comprehensive reform. But this commitment should not be limited to reforming the Security Council; instead, Germany should reinforce its commitment to the UN development system and its reform. Unfortunately, Germany is more of a fellow traveller than a driver in many areas of the reform process. The following proposals are therefore made to show how Germany can step up reforms of the UN-DS.

1. Greater contributions for greater leeway

Germany's leeway in the UN is limited by the relatively small volume of contributions on an international scale. The relatively small size of its contributions weakens the credibility and weight that Germany could have in articulating its concerns in UN-DS governing bodies and other UN forums. At present, Germany cannot make any ground-breaking contributions in two core areas of the systemwide coherence agenda. In terms of financing, German proposals for more sustainable, reliable financing seem dubious in light of Germany's cuts in funding and its refusal to switch to multiyear pledges. Up to now, Germany has also provided only political support for the DaO initiative, aside from UNCCF contributions. Here, a second drawback of the small size of Germany's contributions makes itself felt. While other donor countries can provide financial incentives and support to underscore their political reform priorities, Germany does not have this flexibility. As a result, it has a harder time actively influencing the direction of UN agencies and UN reform processes.

For years, Germany's voluntary payments to the UN-DS have not been in line with what Germany could and should pay based on its economy and general multilateral focus. You could never tell by looking at the UN that Germany is the world's third-largest ODA donor. In 2008, Germany came in 25th based on the amount of voluntary contributions in relation to gross national income. In 2010, this already small volume was substantially reduced even further by more than ten million euros, equivalent to a cut of more than ten percent. Although other countries, such as Ireland and Italy, have also drastically reduced their voluntary payments to the UN-DS in light of the economic and financial crisis, Germany will fall even further

behind in the ranking for contributions in 2010. In 2009, it only came in 11th at the UNDP and 15th at UNICEF.

- The German government aims to increase the effectiveness and efficiency of multilateral organizations. For this commitment to be successful in the case of the UN development system, German payments need to be increased back up to the level of a few years ago, and additional funding should be promised contingent upon certain reform priorities. Only then can the reform process be strategically supported at individual organizations, and only then can Germany have greater influence to promote effectiveness and efficiency.

An increase in German contributions is prevented by decisions made by the German Bundestag's budget committee and the current coalition's governmental agreement, which states that no more than a third of German development funding is to go to multilateral organizations and the EU (CDU/CSU/FDP 2009, 129). With this approach, the German government forgoes an opportunity to provide multilateral development funding based on strategic considerations with regard to the future functioning of the multilateral development system and the protection/provision of global public goods. Instead, the German government relies on an arbitrary quota, which will even leave less leeway for adjustments in times of stagnating ODA figures.

In practice, the “one third” ceiling has an especially detrimental effect on Germany's strategic policy towards the United Nations. All too often, the UN merely receives the remainder left over after (multiyear) pledges to the EU, the World Bank, and multilateral development banks have been allocated. A large piece of the pie goes to the EU, whose development funding does not pursue the same political goals as those of the UN, the World Bank, and regional development banks because developing countries are not involved in the decisions made. In light of the financial pledges made at the G-8/G-20 meetings (such as for the battle against child mortality maternal health), the left-over sum can be expected to shrink even further over the next few years.

- The German government and the German Bundestag's budget committee should redefine the demarcation between bilateral and multilateral funds. A new discussion would not only be good from the vantage point of the UN. Greater multilateral commitment would also step up the

implementation of the Paris and Accra Agendas for a stricter division of labour and thematic concentration. However, some political resistance is expected here, especially since there is still insufficient data to dispel criticism about multilateral development cooperation.

- Furthermore, Germany should revisit its rejection of multiyear payments for UN agencies. There is no budgetary reason why Germany should not be able to voluntarily commit to a set contribution to UN agencies for more than one year. Rather, the decision is a political one, which unfortunately undermines Germany's call for greater effectiveness and efficiency of the UN-DS. Germany's refusal to commit to specific contributions for UN agencies over several years is also hard for EU partners and other like-minded donors to understand, which limits Germany's leeway.

2. Supporting Delivering as One to take advantage of reform momentum

The future of the DaO process is strategically crucial if the UN development system is to be further reformed. Because the reform process at the intergovernmental level is not keeping up with developments at the country level, we are entering a fragile transformation phase that will probably last several years and be decisive for the success of the reform. Only when the DaO process provides clear benefits to programme countries – such as greater ownership, lower transaction costs, and probably also more financing options – can momentum from the bottom up come about at the intergovernmental level. Only then can it also change the way that some UN agencies against reform think. It must be kept in mind, however, that the DaO process is not expected to lead directly to savings and greater efficiency; rather, transaction costs will increase at first.

- To make the DaO process more promising, the German government should continue to provide political support along with its EU partners and like-minded donors.
- Constructive support is needed to establish a mechanism for the approval of common country programmes along with joint supportive statements in the General Assembly, ECOSOC, and other governing bodies. German contributions to the UNCCF should also be retained.
- As long as German contributions to the core budgets of UN agencies remain relatively small, the German Ministry of Economic Cooperation and Development (BMZ) should refrain from providing multilateral

funding for One UN country funds. The financial multilateral leeway that is possible should be used to increase core budgets. The DaO process would then also be supported, though indirectly.

- The BMZ should look into whether bilateral funding can be provided for the respective country funds. A number of pilot countries (Albania, Malawi, Tanzania, Rwanda, and Vietnam) are German partner countries. In this way, the German government could express its support for the DaO process financially. But the practice should not become the rule; one of the goals in cooperating with the United Nations is to promote countries that are not part of the select group of bilateral partners.
- Minor opportunities to make the political and financial support of the DaO process more visible should be utilized. For instance, Germany could demonstrate its support for the DaO approach by financially supporting the independent evaluation scheduled for 2011/2012. Furthermore, the Junior Professional Officers (JPO) programme should be used more to promote improvements in cooperation at the country level. German JPOs could be sent to positions at the UNDG/UNDOCO to support Resident Coordinators at the country level and the systemwide evaluation mechanisms currently being established.

3. Critically monitoring the DaO process to maintain and strengthen the advantages of the UN-DS

Despite the strategic importance and basically positive initial reports from pilot countries, the DaO process has to be critically monitored. We need to see whether current developments are in line with German proposals for the midterm and long-term restructuring of UN-DS. The financing of the reform processes with earmarked funding may be a necessary step to move the process forward, but it also entails risks. UN agencies can lose credibility and legitimacy, responsibility for the reform process could be passed on to donor countries, and the reform process might not be sustainable (Vatterodt 2007a, 83). At present, the data available are not sufficient for an assessment of the effectiveness of the pilot projects and their consequences for the UN-DS. But in the next few months, the results of the seven country-led pilot country evaluations and the independent evaluation will change that.

- Within the Utstein Group, the German government could launch an informal workshop for a critical review of the overall reform process. Five years after the World Summit that led to the proposal for the current round of reforms, the Utstein Group and the G-13 should discuss which of the original expectations have been met and to what extent the incremental reform process complies with the ideas developed in 2005 and 2006.

4. Proactive positioning on finance issues so as not to leave the issue up to others

The financing of UN-DS is a key issue which has a number of consequences for other reform areas. Its current fragmentation, unpredictability, and supply-driven character are major causes of the problems that institutional and technical-administrative changes are to remedy. As a result, there are severe limitations to the success of these reform efforts. Although all donor countries officially underscore the necessity for greater core budgets, it seems improbable that the relatively large share from the 1980s can be reached again. Instead, an alliance seems to be forming between traditional donors with a large share of earmarked contributions and mid-income countries that wish to use the UN mainly for self-supporting contributions. If this alliance receives support from additional emerging powers who also wish to earmark a large part of their contributions, the UN-DS's financial situation will worsen instead of improving. A race to the bottom in core contributions could further undermine the UN's financial basis. The problem then would not only be that the success of reform efforts to overcome the fragmentation of the system would be in danger. In the mid to long term, the multilateral basis of the UN development system would also be eroded, which would further damage the main strong points of the UN development system: its neutrality, global presence, and combination of normative and operative tasks. An "amputated" UN development system that mainly sells its service to donors and recipients would lose a lot of these special characteristics.

In light of the relatively "good" ratio of core to non-core contributions and the relatively minor role that MDTFs play for the BMZ, Germany has up to now mainly been reacting in the debate about the financing of the UN-DS by rejecting calls for multiyear pledges and greater volumes. Because Germany currently only makes small voluntary contributions and no increases are planned, the country is not in a good position to have a crucial input in

the debate about the financing of the UN development system. Nonetheless, the topic is of crucial importance for Germany; after all, the long-term financing of the United Nations as a public good is at stake.

UN agencies are hardly able to deter donors from earmarking funding.²⁷ The financing of the UN-DS is one of the most controversial issues in New York because the G-77 believes that the main problem is the poor quality and insufficient quantity of financing. The repeated calls for larger core budgets have not brought about change. There is a lack of ideas that could form the basis for countries to discuss how a sustainable financial basis for the UN-DS could be created. The concept of “critical mass,” which became part of the SWC negotiations in 2010, is an exception. In July 2010, member states resolved to have the various governing bodies of UN agencies deal with the concept for their particular agency.

- The German government should work constructively with other states to find a model that would ensure the sustainable financing of the UN-DS.
- In formulating its own position vis-à-vis the critical-mass concept or similar proposals, the focus should not be on maintaining Germany's financial practice at the United Nations.
- There should be an internal discussion about substance linked to a debate about multilateral development cooperation in general and global governance because the financing of the UN-DS also touches upon questions of how Germany plans to ensure the protection and provision of global public goods (climate stability, the environment, peace, health, justice, and security).
- The concept of “critical mass” will be discussed in different governance bodies for which various ministries are responsible. Here, the ministries urgently need to coordinate their actions. One important location for this process could be the coordination meetings for ministries dealing with issues of UN reform, which should be continued on a regular basis.
- The group of Utstein states should also be included in the discussion. Because the financing of the UN-DS will probably remain voluntary for

27 While the UN does, of course, have the right to refuse any earmarked funding offered, its agencies are unlikely to do so in light of the competition for turf and money between multilateral organizations.

the foreseeable future, the goal must be to find ways to make it more attractive for donors to contribute to core budgets.

- Based on these discussions, a Group of Friends could then be set up in New York, and interested emerging powers and other UN members could also take part. Countries then could come together voluntarily, without pressure from the SWC negotiations, and informally work up constructive ideas about how the UN-DS could be sustainably funded.

5. Strengthening evaluation and results-orientation of the UN-DS

The current governing coalition in Germany has decided to focus on making multilateral organizations more efficient and effective. Reliable assessment tools for multilateral organizations are important in this respect, though they are not yet available in sufficient quality. In 2009, the General Assembly resolved to create a central repository that would collect and assess financial data for the UN's operational activities and set up a systemwide evaluation mechanism. In July 2010, it reiterated its demand that the new mechanism should include existing institutions and asked the Secretary-General to make a proposal.

These are additional positive steps on the way to strengthening the results-orientation and evaluation capacities of the UN-DS.

- The German government should work to make the upcoming systemwide UN evaluation mechanism powerful enough to do its job. To this end, the mechanism needs to be properly embedded institutionally and also needs sufficient funding.
- Germany is a member of the Multilateral Performance Assessment Network (MOPAN), which conducts annual evaluations of a select group of multilateral organizations. The BMZ should further expand its own expertise in the field of multilateral evaluations and take part in the further development of the MOPAN toolkit.

6. Entering into new reform coalitions to step up the reform of the UN-DS

The closing of ranks between industrialized states and a number of pilot countries has created a new dynamic in the governing boards. Developing countries speak positively of the DaO initiative, which belies the charge that the reforms only serve to further marginalize the UN and cut the funding made available to it. Germany should also take part in creating coalitions

tions with pilot countries and other small developing countries that will benefit from system reform at the country level. At the same time, it must be kept in mind that emerging powers such as India and ‘hardliners’ like Cuba and Egypt will interpret such thematic coalitions as an attempt to break up the group of developing countries so that they lose their one voice against industrialized countries. Small countries will therefore be under pressure not to “sell out” to the West. Indeed, the goal of the coalition should not be to break up the G-77, but rather to support smaller developing countries in formulating their concerns in New York.

Such support for reforms that leads to coalitions with governmental actors from developing countries could help change the dynamics in New York. Development issues could be discussed with greater expertise and with more input about national development situations if the foreign-policy experts in New York, who currently dominate the discussion, receive clear instructions from home and no longer treat development policy simply as an extension of power politics. The same effect could occur if smaller developing countries were increasingly able to make pertinent arguments rooted in their own experiences to combat power plays. As a result, the polarization of the debate and the North-South conflict that paralyzes discussions in New York could come to an end in certain issues.

- The New York stage is not the only venue for the formation of coalitions. At the country level, such as in bilateral consultations with governments of developing countries, and in donor rounds, more attention should be paid to the reform of the UN-DS. The issue could also be discussed in the OECD’s Working Party on Aid Effectiveness. In this committee, national representatives from some developing countries and emerging powers constructively take part in effectiveness discussions that their colleagues in New York reject (Abdel-Malek 2010).
- The non-Western G-20 states, which are largely still looking for their role in the UN-DS, represent additional coalition candidates. Industrialized countries should not view them exclusively as up-and-coming economic powers that should now play their part in financing the UN-DS. Some of them could serve to bridge the differences that constitute the perpetual basic conflict in the General Assembly and the ECOSOC. Here, the German government would have to make UN reform a high priority and discuss the issue in forums like the G-20 and in bilateral talks.

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