The Coherence Panel’s Mixed Bag of Proposals: Will it make a difference in development?

After a record period of less than nine months, the High-Level Panel on system-wide coherence commissioned by UN Secretary-General Kofi Annan has just delivered an attention-grabbing report. Its intent is a step-by-step overhaul of UN activities in development, humanitarian assistance and environment. To what extent the panel’s efforts will lead to genuine change, entirely depends on the political will of member states, argues Thomas Fues. Western states need to back up their reform rhetoric by coherence at home and secure funding for the UN. The developing world must move beyond empty calls for UN leadership while clinging to the undesirable status quo.

Coming from a highly critical assessment of present performance, the panel does not advocate a broad merger of existing institutions. Rather, it pragmatically puts its weight behind the ongoing reform process of “One UN”, from country to headquarters levels. New ground is covered by proposals for an innovative intergovernmental oversight body (Sustainable Development Board) and an independent women’s organisation. Touching on global governance, the report becomes more ambitious by promoting a novel assembly of heads of state and government within ECOSOC.

* Fragmentation and mission creep

Criticism of the UN’s deficiencies in international development is universal and well-grounded. The main charges are fragmentation, mission creep, excessive transaction costs, lack of focus, inadequate and unpredictable funding. To name just one striking example: More than 20 UN agencies deal with water, a crucial ingredient of human rights and economic development. While it is easy to blame the UN for such shortcomings, the pivotal responsibility of member states is often overlooked.

Western governments have undermined the multilateral process by steadily shifting resources to earmarked activities of UN agencies which serve donor priorities. They have also fanned inter-agency rivalry for funding by introducing decentralised decision-making at country level. And they have failed on internal coherence since responsibilities for the UN’s normative and operational work are often dispersed over diverse ministries without a unifying national outlook. In their turn, G77 and China have condemned the UN development system to irrelevance by the proliferation of agencies and mandates. Emerging donors like China, India and South Korea likewise demonstrate a lack of faith in the UN by relying on bilateral channels for their growing aid programmes.

* The panel’s reform agenda

Recognising the structural weakness of UN agencies, member states at the Millennium+5 summit of 2005 requested the Secretary-General to come up with ideas on system-wide
coherence across the various development-related agencies, funds and programmes. Contrary to usual practice, the expert panel formed by Kofi Annan to advise him on the issue is co-chaired by three active prime ministers from Mozambique, Pakistan and Norway. Their report highlights the following steps as prerequisites to UN leadership in international development:

* “Delivering as one” (title of the report) at country level, with one leader, one programme, one budget and one office as well as at headquarters level.
* Establish a UN Sustainable Development Board as joint intergovernmental oversight body of core agencies to ensure system-wide coherence.
* Refocus UNDP’s operational work on policy coherence of UN country teams by withdrawing from sector-focused work being done by other UN organisations.
* Appoint the UNDP Administrator as Development Coordinator reporting to the Sustainable Development Board.
* Set up a multi-year funding mechanism for “One UN Country Programmes”, governed by the Sustainable Development Board.
* Upgrade UNEP (Environment Programme) as environment policy pillar without turning it into a UN “Organisation”.
* Form an independent gender entity by merging UNIFEM, the Office of the Special Advisor on Gender Issues and the secretariat’s Division for the Advancement of Women.
* Establish a Global Leaders Forum (L27) within ECOSOC to upgrade its policy coordination and leadership role on economic, development and global public goods issues.

* What to make of the proposals?

The panel has come up with a mixed bag of recommendations, some of which are pragmatically grounded in reality while others represent wishful thinking. The report rightly throws a favourable light on the ongoing process of streamlining UN performance at country level (“One UN”). Promising first steps along these lines have already been undertaken, e.g. in Cape Verde, Vietnam and Southern Africa. Since 1997, the UN Development Group provides a system-wide framework for coordination and policy development at headquarters level. The panel’s recommendation to implement five “One UN” country pilots by 2007 is a realistic proposition which, upon satisfactory review, could spark off multiplier effects on a much larger scale.

The proposed reconfiguration of UNDP also points in the right direction. The agency is well advised to focus its role on the overall positioning of the UN development system, particularly at country level, and not to duplicate sector-oriented activities of other entities. This approach is consistent with the proposal to appoint the UNDP Administrator as UN Development Coordinator. Supported by a high-level coordination group of heads of principal development agencies and by an expert secretariat, the Coordinator would be the key authority to monitor and enforce the implementation of the “One UN” principle at all levels.

Fully aware of the stiff resistance by most member states to any major institutional overhaul, the panel presents an appealing hybrid of innovation and status quo. While the formal independence of agencies will be maintained, a significant gain in coherence could be achieved by joint intergovernmental oversight. The panel wants to merge the existing joint board of UNDP and UNFPA with the boards of UNICEF and WFP into one strategic body, the UN Sustainable Development Board. The boards already have meetings together, but are barred from joint decision-making. Oversight integration of the UN's core funds and programmes in combination with control over the Development Coordinator could indeed prove decisive towards “One UN”.

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Little hope should be placed in the proposed voluntary funding mechanism under the supervision of the Board. It is hard to imagine why donors should become interested in shifting limited resources to the new entity. Would they, for example, take money away from the World Bank and see influence diminish there while additional funding would not strengthen their hand at the UN. Critically important, however, is the panel’s admonition to introduce multi-year funding and to substantially reduce earmarking for UN agencies.

* “L27” no solution

The proposals on gender and environment deserve all the support they can get since expectations on the UN system are particularly high in these areas. Less convincing is the case for a global steering committee, L27, under the umbrella of ECOSOC. At this point, public trust in ECOSOC, this goes for North and South alike, stands at an all-time low. Any attempt to assign coordinating responsibilities on global economic affairs to some ECOSOC-related entity will fall on deaf ears. It would be more realistic to build on the existing summit architecture, especially the G20 of finance ministers established in 1999. If linked properly to the UN by including the ECOSOC chair and the General-Secretary, the so-called L20+ may become a promising avenue for a more inclusive dialogue on global governance challenges.

* What can Germany and Europe do?

The panel’s report provides some forward-looking reform ideas which should be taken up by member states after outgoing Secretary-General Annan passes it on with his own recommendations. Germany has long been a supporter of the UN development system. In recent years, however, her commitment has been weakened by a drastic cut in funding for UNDP and other agencies. While the use of earmarked contributions is less pronounced than in other donor countries, Germany shies away from multi-year commitments. Berlin should use its influence as a member of the reform-minded Utstein group and as presidency of the European Union during the first half of 2007 to play up the momentum of the report. This, however, would not mean pushing a particular reform model or set of proposals head-on. Rather, Germany and Europe should pro-actively sound out the G77 and China to identify common ground on particular steps. North-South consensus on some aspects of the report will be more meaningful than promoting grand designs which must fail due to inadequate international support.

One thing, however, must be clear for all stakeholders. If the UN development system cannot shape up quickly and arrive at a much higher level of coherence and effectiveness it will become marginalized in a rapidly changing global environment. In a worst case scenario, bilateral aid programmes, non-state actors such as foundations and other multilateral agencies like the World Bank will displace the little that is left of UN development work. It is obvious that this cannot be in the objective interest of developing countries, even if they hardly receive any funding from UN agencies. In the long term, a good case can be made for turning the UN into a key multilateral development actor next to the World Bank with regard to reach and financial resources. For this to happen, member states must become serious on a step-by-step process of implementing the more deserving parts of the panel’s recommendations. Progress will only be achieved if all countries, North and South, abandon old battle lines and recognise their common interest in strengthening the UN system.

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