



The UN Development System – Taking it Local

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Making the normative, policy, and operational activities of the UN development system fit for purpose in the twenty-first century will require a dramatic shift away from inter-governmental conversations in headquarters to a closer engagement with national and local governments

The UN development system (UNDS) is part of the new global order emerging in the twenty-first century. But interdependence has brought changes.¹ Earlier international relations addressed issues in inter-governmental relations. National political, economic, social and environmental issues were largely left to national governments. Now national policies and issues – on economic management, poverty reduction, good governance, human rights, rights of the child, and of women, environmental management – are all matters of concern to the international community of states. The UN is empowered to address these issues – setting norms, monitoring progress and updating international policies (the normative and operational dimensions of UNDS), and offering technical support for capacity building (the operational dimensions). Undertaking these tasks effectively demands a symbiotic relationship between UN bodies and individual national governments. Embedding normative and operational activities in national entities of all types—governmental and non-governmental – is critical to the UNDS mission.

The ultimate objective of a successful UNDS is to improve domestic policies of governments, which can best be done through a closer engagement with governments at the national level. The emphasis should now shift from the current practice of attaching much importance to intergovernmental and international discussions on these issues in places like New York and Geneva and other headquarters to a closer engagement with national and local governmental units. There are several ways in which the UNDS could pursue such an objective, and it requires radical changes in current policies and practices. A reconceptualization of the UNDS

and its relations among its constituent parts and with governments is therefore imperative.

WHAT HAS CHANGED?

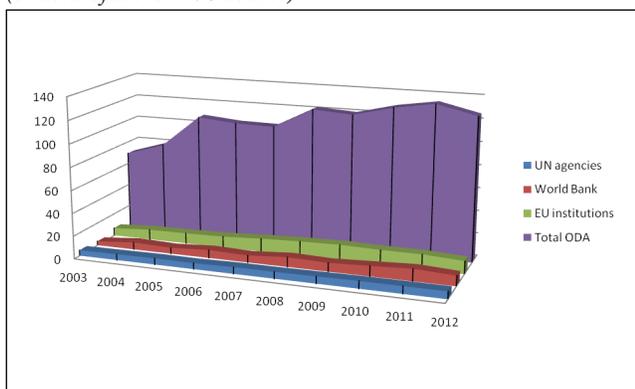
The circumstances and the factors that led to the creation of the UNDS from the 1940s onwards have changed dramatically. An important reason for the establishment of bodies such as the UN Development Programme (UNDP) was the demand by developing countries to have a greater influence on the pattern of aid flows. They were concerned about the dominant influence of bilateral donors and of bodies such as the World Bank on the nature of aid flows. Former colonial and commercial connections and Cold War partners explained the bulk of bilateral aid.

This situation no longer exists, and aid is now channeled mostly to a smaller number of countries, determined largely by their own needs. Total core funding from the UN for development and humanitarian activities is between \$6 and \$7 billion annually (see Figure 1). As a share of total official development assistance (ODA) the UN currently accounts for only 5 percent – less than either the European institutions or the World Bank – but the UNDS is still basically organized as if it were the predominant partner of developing countries.² An important on-going change is also the transformation of several UN bodies as contractors (with non-core funding) to bilateral aid agencies to channel their assistance to individual recipient countries. There has also been a blurring of the distinction between ODA and humanitarian aid, with the latter undertaking tasks that are developmental in nature in areas such as education and health, especially in the long-term crisis situations

FUNDS supports and helps accelerate change in the UN development system to increase effective responses to global development challenges—especially after 2015, the target date for the Millennium Development Goals. Recognizing the many frustrations that have accompanied UN reform efforts, FUNDS envisages a multi-year process designed to help build consensus around necessary changes. Financial support currently comes from the governments of Denmark, Norway, Sweden, and Switzerland.

in so many weak countries. Another important change has been in the definition of development itself. It is no longer confined to economic and social aspects and is now concerned with political issues such as good governance, human rights, and the role of women and children, which governments are increasingly calling upon the UNDS to address. Unlike in the 1960s, there is significant differentiation amongst developing countries as these countries have undergone dramatic changes in their economic and social circumstances. A one-size-fits-all approach is now redundant. In spite of modifications over the years, these circumstances require a dramatically altered UN development system.

Figure 1: OECD/DAC official development assistance, 2003-12 (billions of current US dollars)



GOVERNING BODIES OF UNDS

Each of the entities in the UNDS has its own governing body. Long experience has shown that many of these governing bodies are not fit for purpose. Most developing countries are represented in them by foreign ministry officials, who have little or no knowledge or expertise in the substantive issues addressed by organizations of the UNDS. They are more concerned with issues of an administrative nature or with staffing issues. Also, there is a group mentality (Group of 77 or regional groups) at work. Representatives are not briefed by relevant ministries in their home countries. As a result, both the agendas and the debates within these governing bodies reflect the interests and capacities of this kind of representative. Moreover, there is an asymmetry between developed and developing countries. Developed countries, being the main sources of finance, have an overall interest in the specific activities of these governing bodies while developing countries have a more restricted aim, namely obtaining the most benefits in terms of finance or employment. Developed countries have the capacity to bring in experts from their capitals to be present at the meetings of these governing bodies. In general, however, substantive development issues relating to these agencies are rarely if ever adequately discussed and government representatives almost invariably lack relevant field experience. One of the major obstacles to the efficient functioning of these governing bodies is the permanent representative (PR) system, namely the ambassadors in UN capitals who are from foreign ministries and whose political and diplomatic experience are suited more to the diplomatic theater of the UN General Assembly and Security Council than to any specific

discussions related to development. In short, the PR system is dysfunctional for the UNDS.

The mandates of the governing bodies of organizations of the development system have little to do with the technical skills of staff from foreign ministries and even less to do with the macro concerns of diplomatic relations. Productive discussions at governing bodies and even on a day-to-day basis should reflect working relations with relevant national and local development bodies, and the concerns of such specialists should be represented in governing bodies as is the case, for example, in the World Health Organization (WHO). Despite new information technology, which offers the possibility of closer direct contact between headquarters and government specialists in capitals, the WHA example is not usually followed elsewhere in the system

The PR system in UNDS bodies has led to the neglect of substantive issues in interactions between governments and these bodies, and to an almost exclusive concern with administrative and personnel rather than specific normative, policy, and operational questions. It has led to a third party, namely a country's senior diplomatic representative in the headquarters of each organization of the UNDS, being placed between the headquarters of UN bodies and relevant national agencies. In small agencies, there is excessive oversight of detailed operations by PRs, who usually have diplomatic not development backgrounds. The PR system has led to an excessive politicization of debate, especially in elections to these governing bodies and in senior appointments. All governments should be encouraged to be represented by their relevant national development specialists whenever governing bodies meet. The abolition of the PR system in UNDS should be considered.

THE QUEST FOR COORDINATION

There has been a continuing quest for better coordination of the UNDS from the Economic and Social Council (ECOSOC) and the UN secretary-general downwards. One aim of this quest is to pool the financial resources of each organization of the UNDS so that there will be a larger, consolidated UN budget in individual countries, comparable to other major donors such as the World Bank, regional banks, and major bilateral agencies. This pursuit of coordination within the UNDS places undue emphasis on the role of the UNDS as a source of development finance, a role that is diminishing fast except in the poorest countries often recovering as well from war. The UNDS is no longer significant as a supplier of development finance, even in the form of technical assistance to most developing countries. UNDS's operational strengths, will not be better exploited through better coordination within the UN system.

Most UN bodies at the country level have their own programs, and there is not much in common between them. For example, UNDP's programs for strengthening governance have little in common with UNICEF's on child nutrition. The latter might have more in common with the World Food Programme and WHO. Similarly, the concerns of the UN Population Fund (UNFPA) will be vastly different from those of organizations like the UN Conference on Trade and

Development (UNCTAD) and even the Food and Agricultural Organization (FAO). The UNDS should not aim at more inter-UN coordination; it should aim at more coordination with government agencies or donors within specific sectors. For example, UNICEF will gain more from coordinating with government institutions and other donors in health and education than it will gain from coordinating with other UN agencies that work in different sectors.

The growing practice of utilizing UN bodies as contractors to bilateral donors could be a stimulant for this kind of coordination, with donors and governments utilizing an appropriate UN specialized body. For example, in projects aimed at children, UNICEF would coordinate its resources with the programs of local counterparts and other external donors. In health matters specific to a country, relevant external and domestic partners should be lining up with WHO. The current approach to UNDS coordination among UN entities, which has had mixed results, should no longer be the primary goal. Instead, the UN should stimulate coordination at the sectoral level, bringing in relevant (not all) UN bodies, counterpart government institutions, and bilateral and multilateral donors. In this way, closer relationships between appropriate UN bodies and national entities will be encouraged. The current UN resident coordinator system has to be reviewed in this light.

THE UN FIELD SYSTEM

One of the understated and undervalued achievements of UNDS is the evolution of a UN field system (UNFS). There is little appreciation of the fact that this system is now operating in parallel with the international civil service recruited by headquarters. Increasingly the UNDS is largely operated not by staff members of the international civil service but by personnel recruited at the national level, with their own country-specific terms of engagement. There are more than 10,000 such employees across the globe. They undertake a wide range of development activities in UNDS country offices, and areas far removed from capital cities. Local recruits have continuing interactions with government and civil society personnel. The UNFS can be an important asset, especially in failed and fragile states, as they can augment national capacities, which are largely diminished or even absent within national governments. One of the major tasks confronting many developing countries will be to strengthen their systems of governance. The UNFS can be a vital mechanism to achieve this end by offering to fill critical gaps in technical capacities within governments.

A recent phenomenon has been the rise in non-core funding of UNDS bodies. This is mainly through the channeling of bilateral donor funds for projects and programs through UN entities. One of the reasons that bilateral donors favor execution by the UNDS is because the field system can implement projects and programs. The feasibility of establishing a better-remunerated UN Field Service with more career opportunities, in parallel with the international civil service, needs to be explored. Instead of current divergent practices, as between countries and agencies with regard to UN local field personnel, a more integrated and common system of recruitment and training could create a more efficient UNFS.

UNIVERSALITY AND SELECTIVITY

Almost all bodies within the UNDS have a global remit, an inheritance from the 1960s when developing countries were virtually all poor. The picture now is differentiated – in incomes, in technical capacities, and in the nature of the problems they face. Some of these countries do not require the operational activities of many UNDS bodies although many normative functions remain relevant. Do China and India require technical assistance from FAO?

UNDS bodies need to aim at greater selectivity and greater differentiation in their approach to developing countries. In some countries, field offices are required to undertake both normative and operational functions. In others, they might only have normative tasks. For the latter, field offices need to be equipped with greater research and advocacy capacities. There is also a group of countries, some defined as fragile or failed states, which have major internal problems. These countries require concentrated attention by the UNDS. In these countries, there is more scope for coordinated approaches from the UNDS, which should focus their scarce resources, financial and technical, on countries where they can make a difference through field operations. The one-size-fits-all type of UNRC system is not appropriate in the highly differentiated circumstances of developing countries.

A NEW ROLE FOR ECOSOC

ECOSOC, which has been subject to continual and, to date, largely unsuccessful reform efforts, could perform the vital function of engaging with individual governments, not just in reviewing economic, social and political developments in general terms, but in monitoring country compliance with development norms established by UN and other international bodies. The International Monetary Fund, for example, has a regular review of economic, fiscal, and monetary development of individual countries, known as Article IV consultations. Similarly, the World Trade Organization regularly reviews individual governments' trade policies, referred to as the Trade Policy Review Mechanism. Within the UN, the Human Rights Council undertakes universal periodic reviews of compliance with human rights standards.

Similar mechanisms should exist within ECOSOC to review development norms and policies in consultation with individual governments. The criteria for these reviews would be the norms established by international bodies relating to issues such as poverty reduction, the status of women and children, human rights, good governance and so on. The reports of these reviews can then be the subject for discussion in ECOSOC. UNDP could be the appropriate UN body to assist ECOSOC in these tasks, especially if it can shift its central role to focus on good governance issues in the future.³

Leelananda De Silva was with the government of Sri Lanka from 1960 to 1977. From 1970 to 1977, he was in charge of international economic relations, particularly with UN agencies. He was the secretary of the economic committee of the Non-Aligned Summit, held in Colombo in August 1976. From 1978 to 1982, he was executive secretary of the Third World Forum, in Nyon, Switzerland. Since then, he has been an international consultant to the UN, working with twelve UN bodies, including UNDP, UNCTAD, UN, FAO and IFAD, and in over 30 countries for short or extended periods. He has also worked as a consultant to the Inter-Parliamentary Union and the International Council for Voluntary Agencies. He is the author of *Development Aid, A Guide to Facts and Issues* (1984) and contributed to the history of Economic and Social Commission for Asia and the Pacific for the UN Intellectual History Project.

NOTES

1. Thomas G. Weiss and Sam Daws, eds., *The Oxford Handbook on the United Nations* (Oxford, 2007). This is a comprehensive guide to the United Nations, including the UNDS. See also the *Fact Book on the UN Development System – Future United Nations Development System*, (New York, 2010). There are more than 30 separate entities of UNDS funds and programs.
2. The core funds provided to UN agencies by the OECD/DAC countries amount to between \$6 and \$7 billion annually, equivalent to about 5 percent of total official development assistance (ODA) flows from developed countries. This amount includes both development and humanitarian ODA, but excludes "multi-bilateral" non-core (earmarked) funding to the UNDS, which is several times larger. The OECD/DAC counts these non-core funds as bilateral. See the annual *Development Cooperation Reports* of the Development Assistance Committee of Organisation for Economic Cooperation and Development.
3. For the evolution of UNDP since the 1960s, see Stephen Browne, *The United Nations Development Programme and System* (London: Routledge, 2011), and Craig N. Murphy, *The UN Development Programme: A Better Way?* (Cambridge University Press, 2006).

