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Towards a Coherent and Effective UN: What the High-Level Panel Must Do

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The hard thing is to see the wood for the trees



So – a little bit of history, and then just three questions

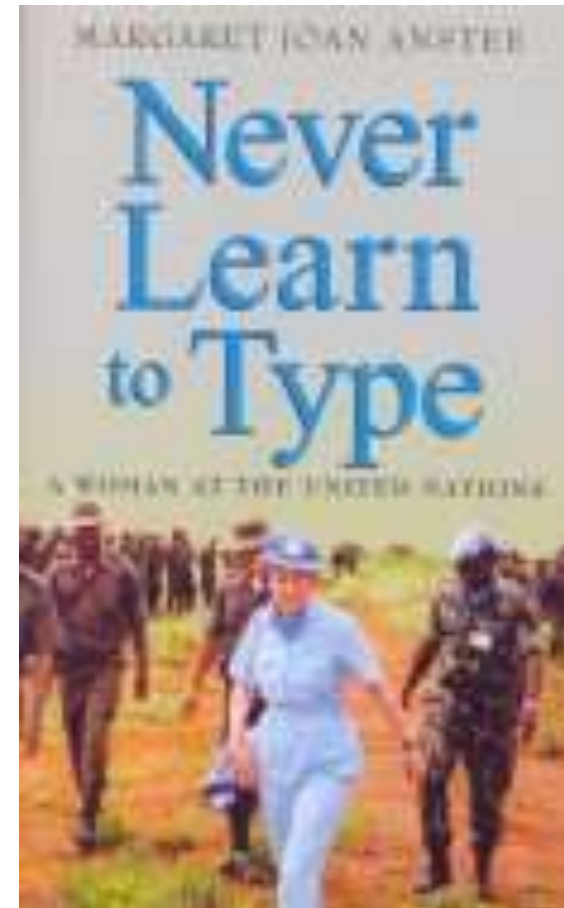
- Why?
- What?
- How?

The lesson of history is that

- ‘Why?’ is important
- ‘What?’ is important

But

- ‘How?’ is often forgotten



Define UN Roles in the new aid architecture

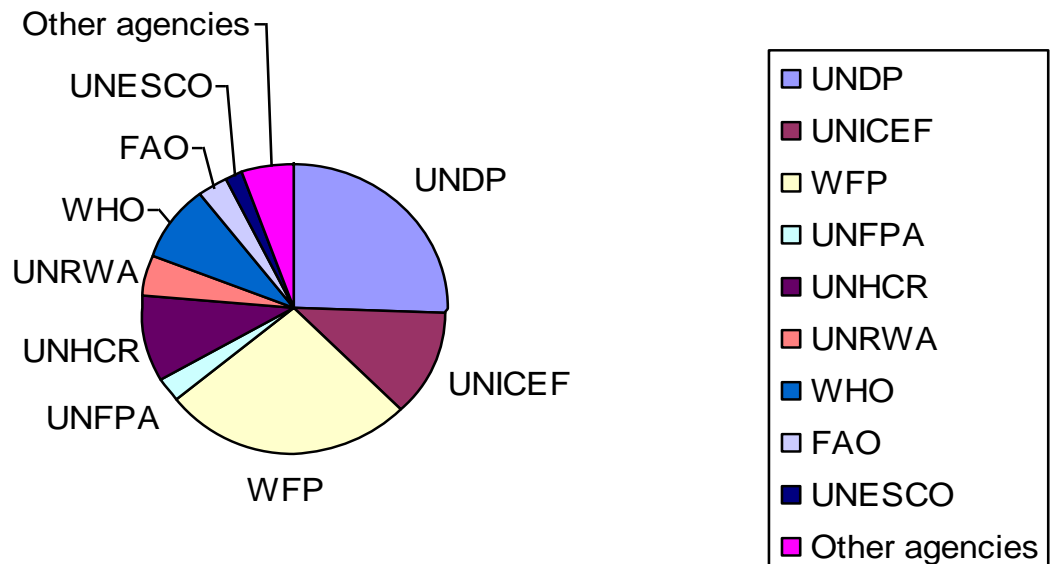
- Research on cross-cutting issues
- Consensus-building, advocacy and target-setting
- A forum for the preparation and negotiation of international treaties or conventions
- Technical coordination and standard-setting
- Information collection and dissemination
- Coordination of action amongst agencies, both national and international
- Direct action (development , humanitarian, peace-keeping, GPGs)

The vision

A coherent and self-confident UN: policy-rich, delivering a global consensus, setting standards, managing global public goods, and delivering high quality and cost-effective aid, at country level and internationally.

Current flows are substantial

UN Finance by Agency (2004)
(Total: \$US 10.4bn)



But are we there?

\$US 10 bn a year, but the system is handicapped by

- Unpredictability of funding
- Lack of coherence (too many trust-funds)
- Unclear procedures for burden-sharing
- Unpredictability and under-funding of humanitarian and transition cases
- Costs of diversity (alongside benefits)
- Erosion of needs-based funding

NB The question of a financing window
(but leave aside for now)

What would be better?

Think of this as a public expenditure problem

Best practice involves

- A comprehensive spending review, to look at the past record and set over-arching priorities for the future;
- A public expenditure settlement, which allocates firm amounts of money three years ahead, and which includes a contingency element;
- A Public Service Agreement, or contract with spending agencies, which determines objectives for the period, given the funding envelope;
- A procedure for monitoring performance;
- An annual review of funding levels, but with the expectation that changes will not be made except in the case of massive shocks; and
- All backed up by parliamentary scrutiny and accountability.



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Sound familiar?

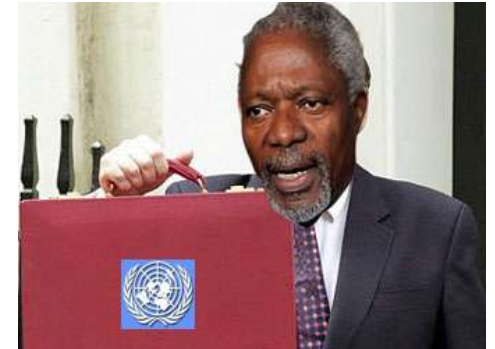
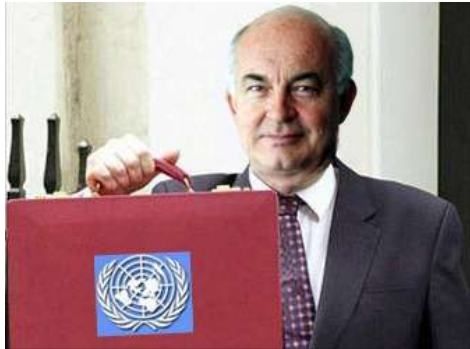


**Interesting question:
who's in charge of the UN budget?**





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Further issues

- Development only or development plus emergency?
- Country-based or country plus HQ?
- Official development assistance (oda) or oda plus other contributions?
- Annual funding or replenishment funding?
- A new Fund or use existing channels?
- Big Bang or gradual change?

Representative options

- A. Full, integrated UN funding
- B. Steps towards integrated UN funding
- C. A global development trust fund
- D. Development Pilot at country level

Implementation issues

- Who ‘owns’ the Resident Coordinators?
- Who approves Country Programmes?
- Can Agencies raise their own revenue?
- Can diversity and contestability be preserved?
- Accountability and Governance

How to encourage collective action?



Six lessons from the eight-step programme

1. In a world of global development challenges and rapidly increasing aid volume, this is an ambitious project to build the role of the UN, at country level and internationally ;
2. The principles are shared, especially the ideal of a coherent and innovative UN, building on the best, serving countries, working together and not dependent on piecemeal non-core funding;
3. Governance is balanced between developed and developing countries, and accountability is shared for delivery against outcomes;
4. Not every donor will participate, but enough donors will be in agreement for there to be significant momentum;
5. The new funding arrangement will be big enough to drive change in the UN system as a whole. This is not 'just one more trust fund'.
6. Civil society will not accept lack of progress.



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Finally, don't forget





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The only sensible view of foreign policy today is one of engagement, is one of preparedness to intervene, is one of recognising that if we have a problem, the rest of the world does, that these problems can only be tackled collectively, they cannot be tackled individually, that the best form of foreign policy is therefore a muscular and a strong multilateral intervention on the issues facing us in the world today. Africa and climate change are two such issues that cry out for such an approach. We made progress at Gleneagles, but the hard part of the task is still to be performed.

Tony Blair

26 June 2006