

ECOSOC DIALOGUE : PAPER ON ORGANIZATIONAL ARRANGEMENTS

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## INTRODUCTION

This paper is organized into four sections. The first part provides a historical account of the origins and evolution of the organizational arrangements which characterize the UN development system. It will categorize this evolution into distinctive phases and identify the key developments that have led the UN development system to be organized the way it is today. This section is supplemented with an annex that provides the latest data on UN offices and staffing as well as the current official organigram to ensure that future discussion has an empirical reference point.

The second part will develop key lessons from seventy years of historical evolution in the organizational arrangements. This will include an analysis of the different layers that are the foundation of the system and will explore the historical alignment between function, finance and organizational structure. It will draw lessons from the many experiences of trying to drive reform through organizational arrangements.

The third part will explore issues that follow from the adoption of a new post 2015 development framework. In particular it analyses some of the key implications that follow from the strengthening of a number of functions as articulated in the post 2015 development framework. Are there functions that require system wide capacity?

Finally the paper will try to contribute to framing the discussion going forward by painting five possible scenarios. The purpose of presenting scenarios is to see if it is possible to generate a broad consensus on some of the key principles which should drive organizational reform.

## PART I HISTORY

### The Original Design

The UN system was designed around the concept of communities of practice that would create the building blocks to peace through their pursuit of common goals and interests. The International Labour Organization (ILO) had already been established in 1919 as a forum for issues related to labor and social justice. The Food and Agricultural Organization (FAO), the UN Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO) and a succession of other agencies were all created to allow communities of practice to build networks. Each of these agencies has its own governance structure that is accountable for their activities. They have their own constitutional arrangements, their own structures and their own rules and regulations.

The Economic and Social Council (ECOSOC), one of the UN's six principal organs, was given loosely defined coordination functions; but in practice autonomous organizations work within the overall framework of a common system. The UN Secretary-General has no formal authority over these agencies.

At the heart of this design is the idea each organization is supported by its own constituency. These constituencies may align more with the international communities of practice embedded in each organization than with the foreign ministries of their own countries. This was precisely the intention of the functionalist founders of the system. The system was conceived intentionally as a highly decentralized system without a central vision or political center. This was by design. It constitutes the foundation on which the UN development system is built.

### **Regionalism**

The Charter did not envisage the creation of Regional Commissions and at the beginning some governments questioned whether the commissions would work against efforts to build a more unified world. But the early history of the Commissions demonstrated the critical role of regional dynamics in development thinking. Different regional commissions adopted very different approaches and played different roles relating to their specific circumstances. Perhaps the best known was the work of ECLAC, under the influence of Raul Prebisch, which took on a prominent role as a think tank and Latin American institution. It is important to note that the intellectual vitality of the commissions over time has been linked by many to their sense of institutional autonomy and their commitment to becoming legitimate regional voices in the system. In that sense, the development of the regional commissions needs to be understood as yet another dimension of the prevailing orthodoxy of functional pluralism.

### **Service to Member States**

The convergence of the Cold War with the emerging needs of developing countries arising from decolonization led to a new sense of purpose and a new financial instrument. The Cold War's division of the world into two camps also redefined the rationale for technical assistance. With the acceleration of decolonization, the international development agenda became focused on the fundamental process of national development. International organizations were to play the role of facilitating the transfer of resource from one state to another. There was a deep sense that the newly independent countries were entitled to such transfers. Throughout the UN system, a shift took place from supporting communities of practice to one of service to member states.

Hence, Inis Claude contended that the UN's function had actually become to support the 'capacity of states to stay in business'. The core vision for the mission of the UN development system had been turned upside down: from drawing on communities of practice to bring states closely together to building the capacity of individual states to develop and exercise their prerogatives as states.

This transformation marked a radical departure for the evolution of the UN system. At its inception, the coherence of the system was derived from the strength of its constituency roots. Now, the coherence of development efforts lay within the realm of national government policy.. It was the member states that would establish priorities and the agencies of the system would respond to the needs identified by member states. Already with the creation of the EPTA in 1949 it was clear that responsibility was vested with governments. In 1952, resident representative offices were established with a view to facilitating country programming. By 1955, an early version of country programming had been adopted.

In 1966, the establishment of the United Nations Development Programme (UNDP), and in particular the 1970 approval in General Assembly resolution 2688 (XXV) of the indicative planning framework (IPF) system for the allocation of UNDP's resources, marked the highpoint for the transformation of the system from functionalist to country-based principles.

This transformation was matched with a fundamental shift in thinking about the nature and purposes of international cooperation. Originally assistance had been seen as a means of transferring knowledge and skills. This knowledge had universal applicability and it simply had to be applied by developing countries. The new approach saw international cooperation as a mechanism for transferring resources to newly emerging states. The establishment of a global network of offices represented the organizational response to this rapidly emerging function.

### **The Search for Identity**

The need for more integrated and coherent approaches to development became one of the recurring themes of development thinking in the 1970's. Such language would not have been conceivable in the context of the development thinking dominant in the early 60's. The evolution in prevailing conceptions was reflected in the numerous and varied qualitative objectives in the UN's Second Development Decade.

It was against this background that the first great series of UN global conferences took place: environment (Stockholm), food (Rome), population (Bucharest), women (Mexico), employment (Geneva) and human settlements (Vancouver). Clearly the new commitment reflected in the agendas adopted by these conferences to the articulation of a broader set of development objectives had major implications for prevailing concepts of the mission and role of the UN as well as the capacity of the system to adopt integrated and unified approaches.

Calls for a greater sense of cohesion and direction in the system multiplied during the course of the 60's and 70's. The Report of the Ad Hoc Committee of Experts to examine the finances of the UN and the specialized agencies (1966) focused on the need for integrated planning, rational resource allocation, further streamlining etc. The Report of the Enlarged Committee on Program Coordination (1969) argued for greater clarity of objectives. The Pearson Commission, while avoiding institutional questions, focused attention on the need for clear development objectives. The Bertrand Report on Programming and Budgeting in the UN system argued that the system suffered from a total lack of method in its programming techniques. It argued for a much more integrated and long-term approach to development planning. Later in 1974, Bertrand produced a second report on medium-term planning in the system which argued for a global policy framework. Perhaps the best known of this series of reports was the Jackson Report which advocated the need for an overall direction and deplored the absence of a brain in the system.

By the mid 70's the search for coherence and direction in the UN system had reached sufficient critical mass that it found expression in a specific high profile intergovernmental initiative. The General Assembly convened a Group of Experts on Restructuring with the aim of making the system " fully capable of dealing with problems of international cooperation in a comprehensive manner."

The Group of Experts had this to say about the challenge they faced in 1975:

“In its thirtieth year, the UN has reached a turning point. In one direction lies the prospect of new capacity to cope with the central issues facing mankind. In the other lies the danger of decline in the effectiveness of the UN. Which direction the organization takes will be significantly influenced by the decisions on policy and structural questions which its member states take in the months and years ahead.”

A number of proposals from the Group of Experts stand out: the role of ECOSOC was strongly affirmed, the post of Director-General for Development and International Cooperation was proposed, a joint unit established under the DG was to serve as a center for global analysis and as a system wide planning bureau and all UN funds and programs for technical assistance were to be integrated into a United Nations Development Authority.

The proposals of the Group of Experts were referred to an Ad Hoc Committee that was established to examine the restructuring of the UN system's economic and social sectors. In the end the work of this Committee got heavily entangled in the debates at that time around the concept of a new international economic order. Resolution 32/197 embodied the final outcome of this reform process. Only the proposal for a Director-General for International Cooperation and Development saw the light of day. It was not to be the last time in the process of UN Reform that the creation of an additional structure was a substitute for reform.

### **UN Operational Activities**

In the 1970's and indeed through most of the 80's UNDP remained essentially a funding agency whose principal rationale was to transfer resources and skills to developing countries. The dominant paradigm was defined by the IPF system which pre-allocated resources to countries on the basis of objective criteria. This 'country entitlement system' had replaced the earlier 'agency entitlement system'. UNDP did not establish its own priorities. These were established exclusively by national governments. This was the legacy of the Consensus Resolution. The legacy was founded on three core assumptions: UNDP responded to government requests on demand, specialized agencies executed the program and provided technical backstopping, and UNDP provided central funding for the system as a whole through the IPF system. During the 70's and 80's, UNDP provided around 75% of the total technical assistance funds through the UN system and 90% of UNDP's funding came in the form of core contributions.

By the late 80's each of these core assumptions were in play and by 2000 there had been a complete transformation. It was in 1990 that UNDP's Governing Council for the first time established a number of priorities for the program. In decision 1990/34 it established six priority areas for the first time for UNDP support. At the same time, the funding base of UNDP was undergoing a parallel transformation. Core contributions to UNDP peaked in 1992. The rest of the decade saw a dramatic decline in core funding together with substantial increases in non-core thematic funding. The UN Development system was entering a new phase - the era of funding by Goal.

Finally, the shifts in program focus and funding patterns found further reflection in a radical change in the method chosen for the implementation of the operational activities of the system. In the 70's and

80's the great bulk of project implementation was undertaken by the specialized agencies. In 1990 a major review was undertaken of the arrangements that supported the implementation of operational activities. The study noted that whereas in the 60's and 70's, agencies often had services to provide that were not accessible in the market this was often no longer the case. The study recommended that agencies revert to being centers of excellence and that the system as a whole move towards the use of national execution. It was recognized that national capacities, both public and private, had increased substantially and were now often in a position to take responsibility for actual implementation.

The results were radical and transformed the political economy of the system. In the mid 80's the six big agencies (WHO,ILO,FAO,UNESCO,UNIDO and UNDDSMS) had accounted for 58% of total program delivery financed from UNDP while national execution accounted for 6%. By 1995, the figures were 15% and 58% respectively. The system ceased to have a central funding component. Each agency developed its own funding strategies. Each entity in the system was pushed into branding itself, establishing itself in the market and mobilizing funds earmarked for specific purposes.

### **Development by Goals**

The end of the cold war and the acceleration of globalization changed the entire rationale for the allocation of aid. In the early 1990's the international development community anticipated enormous growth in aid budgets as a result of the "peace dividend" that would accompany the end of the Cold War. In reality, the end of the primary foreign policy rationale for foreign aid led to its rapid decline – by 2000, global aid in nominal terms was almost exactly the same as it had been around 1990 ( namely \$54 billion ). This meant a substantial decrease in real terms and compared in nominal terms with the doubling that had occurred during the decades of the Cold War.

Against this background, the mission and rationale for development cooperation had to be radically redefined. It was the series of global conferences held during the 1990's, culminating in the 2000 Millennium Summit, which crystalized the emergence of a new common development agenda.

The most important element that binds these conferences together was that they all represented significant attempts to define clear goals and objectives towards which the international community committed itself. While each of these goals needed to be translated into national action, the goals themselves are defined and established in global terms. This marks a significant departure from the previous paradigms of agency-based entitlements and country-based entitlements, which had dominated thinking about development cooperation.

The alignment of the system behind a set of clear goals had radical implications for the way it was financed, the form the UN Development System was to take and the way it was to be governed. In less than a decade the funding base of the UN Development system was transformed from reliance on regular contributions to a strong bias to extra-budgetary financing. This fit very well with the emerging "goals" and "results" culture which put huge pressure on each agency to identify its specific comparative advantage and value proposition. Insisting on value for money from each institution was the natural corollary of this evolution.. The focus on individual agencies and the goals they represented put a premium on agency branding. It proved from a number of perspectives very successful but it was also to

some extent inevitably at the expense of system wide coherence. It was only a matter of time before increasing system wide coherence became the next reform mantra.

### **The Search for Coherence**

In the international development community broadly speaking, the proliferation and fragmentation that accompanied the emergence of development by goals led to a strong counter movement which stressed government ownership, simplification and harmonization. These underpinned the new development effectiveness agenda. There was a commitment to the principle that a large part of the solution to supporting coherent development cooperation policies lay within the practices of the aid community itself. The key to reform lay in operational effectiveness.

Within the UN Development system, the reform process of the mid 90's followed a similar logic and trajectory. The process started formally with Secretary General Annan's 1997 reform initiative which was very much based on the assumption that the UN's external positioning in the overall development architecture required a strong focus on internal realignment. With regard to its development activities, the realignment created two management groups devoted to development matters. The Economic and Social Affairs Group (EC-ESA) was chaired by the USG/DESA while the UNDP Administrator chaired the United Nations Development Group (UNDG). These groups were mechanisms to ensure proper coordination within their respective spheres. They were above all managerial instruments to strengthen internal alignment.

EC-ESA for its part focused on the coordination of overall policy and brought together DESA, the Regional Commissions, UNCTAD, UNDP, UNEP, the UN research centers and other entities. Its aim was to bring coherence and common approaches among UN entities engaged in analytical work in the economic and social field, particularly through a number of thematic task forces. The UNDG was built around a group that had been formed earlier consisting of the major programs and funds under the authority of the Secretary General, namely, UNDP, UNICEF, UNFPA and WFP. The UNDG expanded this group to include virtually all the agencies, programs and funds working in the sphere of development in the system. A feature of UNDG was that a secretariat was established ( then called the Development Group Office ) which strengthened UNDG's capacity to frame issues and ensure follow up.

While these reforms represented important steps forward on the operational effectiveness agenda, they left unresolved a core tension: the split between UNDG and ESA tended to widen the gap between the operational and normative dimensions of the UN's work at the very time that many believed they needed to be working more closely together.

The inadequacies of the earlier efforts led to a renewed effort at reform through the convening of the High Level Panel on System wide Coherence. The major contribution of the Panel to be implemented was the "Delivering as One" initiative. The approach was premised on the assumption that reform at headquarters level was politically impossible and that practical steps should be taken to strengthen cohesion at the country level. In this spirit the four ONES were launched: One UN leader at the country level, One UN program, One UN fund and One UN office.

The DAO initiative recognizes the pluralist foundation of the system and tries to construct on that foundation a framework for the system at the country level to work as one team. It does not attempt to change the vertical accountability lines governing the different entities. Significant progress has been made on developing common business practices and on the adoption of standard operating procedures. The operationalization of common business practices has the potential to make a real contribution to the capacity of the system to engage and partner strategically as a system.

A critical remaining issue to be addressed relates to the management of the resident coordinator system. A range of views remain as to the optimal arrangements, but at the time it was decided to maintain the role of UNDP as manager on the understanding that a firewall would be built between the role of the Resident Coordinator and the role of the same person as UNDP Resident Representative. The firewall was intended to protect against possible conflicts of interest in the exercise of these responsibilities concurrently by the same person. Some argue that the conflict of interest issue has not been satisfactorily resolved while others believe that the firewall is an artificial construct that impedes UNDP from effectively pursuing its work. Underlying this debate is the fundamental issue of the willingness of the system to vest in Resident Coordinators' real authority. This would require going beyond the current pluralist foundations and establishing a genuine measure of horizontal accountability. Whether there is a plausible scenario in which this could be agreed is an open question.

At the headquarters level, organizational reform impacting directly on the development activities has been limited to the creation of UN Women and the Peacebuilding Support Office (PBSO). The first represented a rare initiative to merge and rationalize a number of entities, in this case four entities working on issues related to women. PBSO represents an initiative to fill a perceived gap in the institutional architecture relating to peacebuilding activities.

A further attempt was also made to revitalize the system wide machinery with the creation of a newly designed CEB structure. In the new structure, three management committees were adopted, each reporting to the CEB itself. These were the HLCP, the HLCM and the UNDG. The HLCP and the UNDG both cover development matters. The HLCP was designed to serve two main functions: firstly to ensure system wide follow up of intergovernmental decisions and major UN conferences and summits and secondly to scan and identify emerging programme issues requiring a system-wide response in order to elaborate common strategies and policies. In a note by DESA, it was explained that HLCP is not a policy – making body but rather serves to maximize efficiencies among UN system organizations. UNDG's common objective is described as to deliver more coherent, effective and efficient support to countries. In particular the UNDG supports the RC system and UN country teams by providing a range of guidance on business operations and programming. The UNDG meets regularly and has established an Advisory Group of 13 UNDG members at the ASG level.

In short, over the last decade, reform of organizational arrangements has been with just a few exceptions limited to increasing coherence at the country level. Major inroads have been made in the sphere of harmonizing business practices. At the headquarters level, despite the work undertaken by HLCP, attempts to strengthen the system wide machinery relating to programme strategy have been



limited in scope. The fundamental pluralism of the system and the autonomous character of its membership remain its defining characteristic.

## **PART II      LESSONS LEARNT**

The 70-year history of the UN development system is a complex story of an evolution through a number of distinctive phases. For the purposes of this paper, we have identified six phases and each of them represents a layer which is integral to an understanding of the system as it is today. The layers build on each other; they do not replace each other. As depicted in Figure I below, they represented the layers of a multilayered cake. Let us briefly consider each phase in turn and identify the nature of its relevance to the functioning of the system today.

*Phase 1(40s)* was driven by a functionalist logic based on the idea that a collection of autonomous entities deeply rooted in specific constituencies would provide the building blocks to peace. This lies at the foundation of the system. Far from being anachronistic it remains a powerful and relevant vision, driven by modern technology, in the form of communities of interest that are self-organizing across a wide range of domains. This form of organization as an effective way to deliver solutions is regaining attention.

*Phase 2 (50s-80's)*, responding to decolonization and the Cold War, turned the focus of the UN to service to member states. This was a universal concept in that rich countries transferred resources through the UN to the vast majority of much poorer countries, and overall this constituted a global partnership.

*Phase 3 (50s - )* represents a phase, which overlaps with other periods in which the UN developed strong regional institutions. In some organizations, for example like WHO, regional entities preceded the formation of the newly constituted UN specialized agency. The idea that regional forums could make an important contribution to development is another core concept which has gained even greater currency over the last decade.

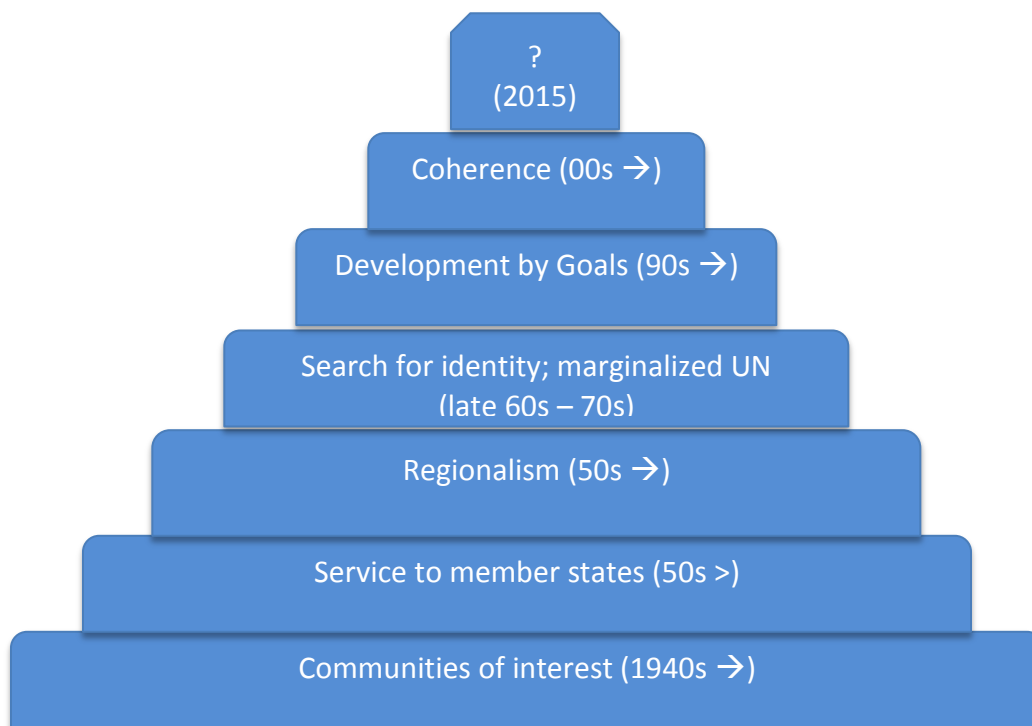
*Phase 4 (late 60s-70s)* represented a decade in which the UN system was in search of an identity. There was a plethora of reports which bemoaned the marginalization of the UN's role and which argued for a greater sense of coherence and direction. Much of the analysis and many of the proposals, with a few tweaks, could be mistaken for being current. A significant tweak would be to replace the prevailing interest at that time in strategic planning with the ability to leverage the UN's assets today. Of course the overall political realities and environment were entirely different and the calls for more strategic direction were not at all aligned with what was politically possible. The arguments resonate strongly today, but the lesson of this period is that restructuring in the absence of political will serve as a substitute for, not an instrument of, reform. This was the fate of the creation of the office of the Director General for Development.

*Phase 5 (90s-)* saw the emergence of the era of development by goals. The focus on individual goals put a premium on agency branding. Agency relevance became a function of the strength of its association with a particular goal. Even agencies with very broad mandates became consumed with the need to demonstrate their commitment to focus. In a sense, the mantra of development by goals brought the

UN system back to where it had started – a system organized around communities of interest, now defined in terms of measurable results.

*Phase 6 (2000s)* represented the reaction to the fragmentation that was the corollary of development by goals – a push for harmonization and national ownership which highlighted the importance of country level coherence. The driving force behind the coherence agenda lay in a groundswell of support for the idea that a large part of the solution to supporting coherent development cooperation policies lay within the practices of the aid community itself. This logic led to the reform agenda becoming the effectiveness agenda.

Figure 1 70 Years in the Evolution of the UNDS : The Making of a Multilayered cake



Each of these phases is hardwired into the structure of the UN development system today. The structure of the system today is highly complex, reflecting a painstaking navigation between a series of political tensions and practical obstacles. We have tried to capture these tensions in the form of a number of lessons that characterize the compromises embedded in the current design of the system.

The first point of interest is the very high degree of alignment in a number of the phases between the functions to be performed, the way the system was financed and the way it was organized. For example in the first phase, the concept of constructing pathways to peace through building communities of interest was reflected in a financing system that transferred resources to those communities and that established them as highly autonomous entities. In the second phase, the function of building newly independent states was reflected in country based financing and a major expansion of the structure at

the country level. The question that arises is whether the transformative agenda embedded in the Post 2015 development agenda being proposed requires again another major realignment between, among others, function, finance and organization?

If the first point relates to the importance of internal alignment, the second observation relates to the significance of establishing external alignment. The anchor of the way the organizational arrangements were originally designed lay in the wreckage left behind by the Second World War. Functional communities of interest were a response to that experience. The UN system that was reshaped to serve member states in the 50s and 60s was a response to the twin external forces of decolonization and the Cold War. The focus on UN coherence in the current phase is a response to the external reality of the multiplication of financing sources and the fragmentation of actors that has come to dominate the development landscape. The question that arises with the emerging development landscape is the following: do the myriad of new actors, the need to reach out to new partners, and the reality of a much more crowded space in which to operate, do these all point to the need for a UN development system that is structured in a way which makes it much more agile and much more focused on the specific value of its contribution? Does the crowded playing field of today and tomorrow require a greater capacity for strategic partnering, and if so, what are the logical consequences for organization and structure?

This leads logically to consideration of the tension that can be observed through all the phases between the concept of a very loosely put together collection of individual agencies and the idea of a UN development system that does in some tangible ways represent more than the simple addition of its parts. In its first phase, the design of the system was essentially a rejection of a system level vision. In the last decade, the only serious advance that has been made in system wide strategy and policy making has been made in relation to the need for system wide coherence at the country level. It is only at the country level that members of the system have been requested to seriously get behind the idea of a UN system wide presence through DAO. What are the implications of this analysis for the UN's role in the post 2015 development agenda? Does the emergence of new global challenges require the UNDS to have a strengthened capacity to execute system level responses?

A fourth observation relates to the tension between service delivery on the one hand, and strategic positioning on the other. The fourth phase was specifically a search for identity, or strategic positioning, but it was clearly stillborn and did not attract serious political support. The question that poses itself is whether the post 2015 agenda, which has been frequently characterized as having a transformational vision, requires the UN to have a greater capacity to engage externally at a strategic level, as well as to operate, internally, in a much more integrated fashion. This latter point in turn would require the ability to be able to take initiatives at the level of the system as a whole.

A fifth and final lesson to be drawn from this historical analysis is to exercise a great deal of humility in absorbing the reality of the history of UN attempts at organizational reform; the reality is that this is a history largely of unintended consequences. In particular initiatives to restructure have often led to restructuring becoming a substitute for reform. Worse still, restructuring has become an alternative to a realignment process that is truly driven by changing functions. The history of the attempt at major organizational reforms in the 70s discussed above is a clear case in point. At the end of a process that

had taken over five years, the position of DG for Development was the only organizational proposal that remained intact. The DG was left hanging in splendid isolation, divorced from real authority, without access to resources, a wonderful structural abstraction. The DG had been conceived as the icing on a carefully layered cake. All that was left was the icing. When Boutros Boutros Ghali decided to abolish the post, it disappeared without a whimper.

## **PART IV      IMPLICATIONS OF THE POST 2015 DEVELOPMENT AGENDA**

In addressing the implications of the post 2015 development agenda for structure and organization, we have adopted a three-step approach. First, we have identified a number of the key functions that are emerging for the UN out of the 2015 development agenda. The functions we have identified should be understood as illustrative rather than comprehensive or exclusive. They draw on the discussions that have taken place in ECOSOC on functions. The purpose here is to propose a methodological approach to understanding the linkages between function and organizational arrangements.

Second we have identified some of the transformative elements in the post 2015 vision.

Thirdly, using examples, we have sought to answer three core questions relating to the organizational implications of the emerging functions and the transformative elements we have identified. Do the emerging functions require a) new organizational arrangements, b) integration, c) system level capacity?

For the purposes of this paper, we have identified five emerging functions:

### **i.            Strengthening of normative / standard setting work**

With respect to the future positioning and role of the UN development system, there seems to be a very clear consensus that one of the UN's most vital tasks relates to its normative agenda. In a rapidly changing world, the web of normative frameworks that lie at the foundation of so many of the processes of an inclusive globalization need to be nurtured, perhaps adapted and certainly strengthened. Repeatedly, in many different fora, the international community has stressed the unique role the UN has to play in this sphere. The SDG framework itself is a foremost example today of this function.

The UN Evaluation Group's definition of normative work includes activities related to the operationalization of norms. It defines normative work as 'support to the development of norms and standards in conventions, declarations, regulatory frameworks, agreements, guidelines, codes of practice and other standard setting instruments, at global, regional and national level. Normative work also includes the support to the implementation of these instruments at the policy level, i.e. their integration into legislation, policies and development plans, and to their implementation at the programme level.'

Clearly the definition of normative work has significant implications for the scope of the work envisaged for the UNDS.

## **ii. Responding to Global Challenges**

A key element in the post 2015 development agenda relates to the ability of the UN to respond to emerging global challenges, issues such as climate change and global health risks. One of the features of these challenges is that in many respects for the first time they require a collective response in order for there to be a possibility of successfully meeting the challenge and finding solutions. The need for collective response brings with it a whole range of new organizational requirements.

## **iii. Monitoring and Accountability**

Strengthening monitoring and accountability mechanisms follows from the implementation of a normative agenda. This is all the more evident in the case of actions that require a collective response by the international community. This is because burden sharing is integral to delivering solutions, and burden sharing requires monitoring to certify compliance with the responsibilities agreed.

Another dimension of monitoring relates to the role of monitoring in the implementation of norms. The recent Ebola case provides an excellent example. The approval by the World Health Assembly of International Health Regulations has to be accompanied with surveillance mechanisms to allow those regulations to materialize on the ground. The surveillance function is what gives practical meaning to the adoption of the norm. Moreover the application of the norm takes place in country; global health security requires surveillance within countries, not just quarantine facilities at the borders.

## **iv. Full Delivery Service**

There is a very broad consensus that the UN development system has a critical role to play in virtually every aspect of service delivery in 30 or so countries characterized by crisis and humanitarian disaster. We are witnessing situations where humanitarian crises and conflict situations are becoming a new normal. The question arises as to whether they do not require a qualitatively different type of response, with a much more integrated and agile UN capacity.

## **v. Data and Science**

A critical function that is intimately linked with the elements identified above is for UNDS to champion evidence based policy. UNDS needs to provide leadership in the collection and use of data. This requires an analysis of the optimal configuration and financing of the multiple databases that UNDS generates. As recommended by the Secretary-General, there is need to establish a comprehensive programme of action on data under the auspices of the UN Statistical Commission. An important dimension to explore is the implications for the way the system is organized of the transformation that is occurring in the availability and use of data. The post 2015 Development Agenda also provides real opportunities for the Secretary General to harness the voice of science to inform the policy choices that need to be made.

This is for illustrative purposes and does not constitute a comprehensive list. South–South cooperation, technology transfer, the development of partnerships as well as other functions need also to be given priority.

Let us identify a number of the key elements that have led many to refer to the post 2015 development agenda as transformative in nature. One element is the universality of the agenda. The post 2015 framework is a universal framework; it applies to all countries. Does this have implications for organization and structure? A second feature is that the post 2015 framework requires the integration of policy spheres that are used to operating in silos. It also embraces a vision of the UN leveraging its assets to be able to achieve far-reaching impacts. Is the UN development system organized in a way to be able to exercise the kind of leverage that is envisaged? And finally the post 2015 vision is one that reaches out to multiple partners, recognizing that in the crowded field today, it is only in working with others that solutions will be effectively delivered. Are partnership principles embedded today in the UN's business practices?

Against this background we now revert to our three questions relating to the implications of the emerging functions.

### *1. Are there emerging functions that require new organizational arrangements?*

It would appear plausible to imagine that there are some areas where serious thought needs to be given to quite different organizational arrangements. In some cases this may involve strengthening capacity, in other cases the arrangements may need to be radically changed, and in still other cases there may be a need for new capacity. For example, the functions of monitoring and providing accountability need to be greatly strengthened. These functions will require a new level of rigor and discipline if the monitoring is to have sufficient credibility to be used to hold parties accountable for delivering on agreed responsibilities. The effort needed might require an element of consolidation of the various assets which lie scattered throughout the system.

In the case of the analysis and publication of data, this may require a real change in the organizational arrangements. This is obviously closely related to the monitoring function. The methodologies used to collect data, the interpretation of the data, the reliability of the data and the translation of national level data into global statistics all raise major issues. These are well known. Today the UN is quite incoherently organized to be able to produce data with a single UN brand. If data is to be a key driver in tomorrow's agenda setting, data provided by the UN must have credibility and consistency.

Another case can be made for organizing the voice of science around UN goals and objectives. The International Social Science Council, the International Council for Science and Future Earth on April 23, 2015 published a statement calling for a stronger role for science and technology in implementing the SDG's. The extraordinary impact of the reports issued by the IPCC demonstrates the influence of the voice of science when it is harnessed to the UN's work. There are a number of other good examples of scientific communities informing and driving UN agendas. This voice will need to be heard louder than ever if the post 2015 agenda is to be accomplished. This requires imaginative new networked arrangements.

Another important question relates to how the UN development system is organized from a regional perspective. For many observers, regionalism is a rising force and its influence can certainly be seen in the emergence of a plethora of regional institutions. The growth of regional organizational

arrangements is a definite feature of the way the UN is organizing itself today. This paper cannot do justice to this subject, but an analysis that covers the full range of UN regional arrangements and the role of the UN Regional Commissions would be a useful contribution. Let us now move to our second question.

## *2. Are there emerging functions that require specifically greater organizational integration?*

At the level of specific functions, there would appear to be a number of real opportunities for greater integration. Sustainability requires a new level of integration both across various policy spheres as well as between the normative and the operational spheres. Is the current division between the HLCP and the UNDG aligned with the new vision?

We have also suggested above that at the country level, in crisis affected countries with a large UN presence and limited national capacity, a more integrated UN presence might increase effectiveness. The protracted crisis and humanitarian situations that the world is witnessing require of the UN a beefed up and more integrated presence and delivery capacity. Efforts at greater cohesion have been initiated, for example by setting up Global Focal Points, but ultimately these have been exercises in collaboration. The 10 major crisis / humanitarian countries absorb xx% of total UNDS expenditures. They require institutionalized strategic leadership. There is a huge literature on the challenges posed, and currently two major Panels convened by the Secretary General are examining different aspects of peacekeeping and peacebuilding. A new organizational design is needed which is country focused and solution driven.

Almost the opposite logic can be used in considering greater integration in middle income countries which have very limited operational activities and for which a more unified UN presence might enable greater leverage of the UN's assets.

Finally, there may be a case to be made for highly selective rationalization at the level of the UN entities themselves. However, as argued throughout this paper, such cases should not be seen as undermining the functionalist foundations of the system, rather they should be seen as cases where the critical mass does not exist and for which therefore the functionalist logic does not apply.

## *3. Are there emerging functions that require specifically system wide capacities?*

One candidate for consideration would be the need for system wide leadership selectively on emerging global challenges where the international community wants and expects the UN to make a significant contribution, sometimes as a leader, sometimes as a participant. Without critical mass, a capacity for integrated policy making and leadership, it will be increasingly difficult for the UN to pull its weight and serve as an effective fulcrum. Leveraging the full weight of its pluralist assets, the UN could make a substantial contribution.

For this reason, leveraging needs to become a crucial driver in the definition of functions and needs to be mainstreamed throughout the system. Identifying a limited number of transformational partnerships is critical to focusing reform on tangible results. These could be convened by the Secretary-General and

managed by individual entities. The convening power of the Secretary General is a unique asset and in a rapidly changing multi-polar world, that asset must be used highly strategically and selectively. An important feature is for these transformational partnerships to become centers of change within the system. The way they are structured, financed, and governed will provide invaluable practical experience for addressing today's challenges.

## **PART V FIVE SCENARIOS**

We conclude by presenting five scenarios. These are not predictions. There are multiple variations within each scenario. In many instances elements from the different scenarios may be quite compatible. But each scenario derives its rationale from a theory of change that is specific to that particular scenario. The chances of a successful outcome to this current reform initiative will be enhanced if there is a robust debate between member states on the assumptions underlying these various theories of change and the scenario which best reflects their vision of a 'fit for purpose' UN.

<b>SCENARIO</b>	<b>THEORY OF CHANGE</b>
<b>COORDINATED PLURALISM</b>	Business as usual with incremental reform the only way to navigate political blockages
<b>DELIVERING AS ONE PLUS</b>	Reform only possible at the country level and further steps should be taken to strengthen reform through country level initiatives
<b>THE INTEGRATIONISTS</b>	Rationalization and Consolidation are required to drive reform in the system
<b>THE POWER OF THE PURSE</b>	Drive rationalization through the power of the purse
<b>STRATEGIC PLURALISM</b>	Sees pluralism as an asset that needs to be leveraged strategically

### **COORDINATED PLURALISM**

This is the business as usual scenario. It sees the current organizational arrangements as practical; it rejects transformational change as a political non-starter. It believes that incremental change is the only realistic way to achieve tangible gains. The level of ambition is limited to coordinating more effectively the activities of the UN entities. At the country level, it embraces the DAO initiative, but it does not seek to push the coherence agenda beyond the current parameters that have been agreed in the system. It attaches priority to effectiveness, and the measurement of results within the strategic plans of each agency.

### **DELIVERING AS ONE PLUS**

The driving force behind this scenario is that reform is only possible at the country level. It therefore seeks to push as far as possible the logic of DAO. This manifests itself currently in particular in two ways: one is to focus on the rationalization and simplification of business practices; another, closely related to



this, is take steps to consolidate back office functions. Deepening DAO also points to the need to make progress on developing horizontal lines of accountability within the country framework. The value of improving business practices and the contribution that this makes to efficiency and effectiveness is not contested. Whether the effectiveness agenda embraces the transformation required to respond to the challenges posed by the post 2015 is another matter. In this regard, whether it is possible to meet expectations by only pursuing a reform agenda at the country level is contested.

## THE INTEGRATIONISTS

The name of the game for integrationists is rationalization and consolidation. It is important to distinguish between what we might call structural integrationists and strategic integrationists. Structural integrationists believe that the entire system needs to be restructured. They believe only a radical realignment within the system will make it fit for purpose post 2015. In calling for a complete overhaul of the functionalist and pluralist foundations of the system, this scenario will most probably not go beyond being of academic interest. The ambition of the strategic integrationists is not to restructure the system as a whole but to consolidate specific organizational arrangements to respond to specific emerging functional challenges. These highly selective consolidations may or may not have system wide implications, but this is not the driving force. The driving force is to selectively strengthen the alignment between function and organization in a number of key areas for the UN's role in the post 2015 agenda.

A whole menu from which to pick of candidates for selective consolidation could be prepared. We have already identified a number of areas that could serve as examples. There is the challenge of achieving a much greater level of consolidation and integration in the 30+ fragile and conflict affected countries where the UN has a large and multi-purpose mission. The horrendous situations faced in a number of countries today are calling out for a strong, consolidated and agile UN presence. An analysis of the profile and cost of the UN system's presence in middle income countries may also lend itself to exploring the merits of selective consolidation. The table provided in the annex raises some important questions in this regard. The idea of integrating back office functions at the country level continues to be reviewed and continues to meet obstacles.

At the headquarters level, integration has been close to political taboo. Nonetheless, within the framework of a deeply pluralist system, it is not credible to observers outside the system that it is so very difficult to engage in a normal process of attrition and mergers (the case of UN Women excepted). A highly selective process of identifying emerging functions which would benefit from organizational consolidation may only be politically possible if an independent process were to be put into place. This is not a reform that can be delivered from within the system.

Intuitively, deep integration resonates as the proper response to deep fragmentation. There is no doubt that the current system is characterized by deep fragmentation, overlapping functions, duplicative mandates, and, in key areas, a real lack of critical mass. At the same time, the community of interests that form the nucleus of many of the different organizations in the UN Development System represents a powerful vision that has characterized the design of the system since the very beginning. A response to the current fragmentation, which led to bureaucratic centralization, does not provide a promising path forward. The brand recognition, commitment and energy that come from entities supported by

deep constituencies needs to be cherished and protected. A policy of selective and strategic integration—rather than of deep integration—is a more appropriate pathway to choose.

### **THE POWER OF THE PURSE**

This scenario sees the current funding system as the primary source of competition and fragmentation. The theory of change that underlies it is that the only way to get coherence and rationalization is by exercising control through central funding. Most recently the High Level Panel on System-wide Coherence showed interest in resurrecting the concept of central funding to impose discipline on the system. However the idea of reverting to central funding seems highly problematic. The diversity of funding sources that characterizes the flow of resources today and the strength of vertical funding make this option impractical. Indeed centralized funding would be highly likely to result in a huge reduction in the overall volume.

The high level panel turned instead to the idea of One UN funds at the country level to complement agency funding arrangements. The idea was that providing resources centrally at the country level to be managed by the resident coordinators would drive greater coherence at the country level. It became an integral part of the Delivering as One package. But just several years later, this financing instrument is seriously under-subscribed. Currently it seems unlikely that the One UN Funds can reach a volume to exercise a significant impact on coherence.

By contrast, between 2004-2008, two new financial instruments were developed which have shown some promise and have distinct institutional implications. One instrument is the Multi-Partner Trust Fund (MPTF) facility. This established a UN system-wide window, so that donors could contribute to a UN system-wide program without having to decide which specific organization within the UN to partner with. By establishing a facility at the system level, donors are provided with an option which is materially and politically different from having to choose a partner from among 25 different UN agencies. It is noteworthy that in the case of country-level programs, the challenge of allocating resources within the UN system has been delegated to country-level steering committees. This represents a significant institutional development. The experience with the MPTF suggests the potential of the UN system when it gets its act together remains substantial. By the same token, it demonstrates that the fragmentation of the system is leading it to punch below its weight.

A second instrument is the Spain-UNDP MDG Achievement Fund. This instrument was established in 2006 as a result of a \$720 million contribution from the Spanish Government. Spain was seeking a major partnership with the UN with the aim of making a significant impact on the achievement of the MDGs. They wanted to establish an MDG UN system-wide trust fund that would make a difference. In order to do this they were insistent on the need for a credible and single management partner ( in this case UNDP ). UNDP was confronted with the need to develop a new instrument that would meet the Spanish requirement of a single credible management partner as well as the Spanish expectation of a UN system-wide initiative. The dual structure created consisted of a political-level strategic steering committee limited to Spain and UNDP and thematic, agency-led steering committees to actually allocate resources. This structure represented a significant innovation in that it tried to produce a model which

enabled a strategic outreach to live side by side with a programming process that respected the pluralist base of the system.

## **STRATEGIC PLURALISM**

Strategic pluralists see pluralism as the bedrock of the system, an asset in the form of webs of networks that need to be strategically leveraged. Leveraging and working through partnerships is driven by the external reality. The unique asset which the UN has in a multi-polar and multi-stakeholder world is the ability to provide a platform which can leverage solutions to global challenges. If the UN is highly strategic and uses the convening power of the Secretary General highly selectively, it can be a truly formidable instrument in today's changing development landscape.

The steps in the 2010's that have been taken by the Secretary General to promote selective new partnership platforms around a global public goods-type agenda have the potential to be transformative. The Secretary General has launched a number of major partnerships, including in particular the High-Level Task Force on Food Security, Sustainable Energy for All, Every Woman, Every Child and a significant coalition around climate change.

These partnerships all share a number of key characteristics. They share some core strengths and constraints and a number of key questions hang over their fate. Each of these has been a strategic response to an external reality, which has created an opportunity that the UN has seized. The Secretary General's leadership in convening actors within and outside the UN Development System has been a critical element. The leadership of the Secretary General has imparted unique strategic leverage, an externally coherent message and an ability to motivate stakeholders at the highest levels.

The UN has demonstrated a capacity to convene and provide a platform for a broad range of stakeholders. The major challenge facing these partnerships from a UN perspective is the extent to which they can go beyond taking the form of short-term ad hoc task forces and really drive a strategic allocation of resources within the system. How deep is the internal coherence?

In short, there are two possible sub-scenarios within the broad framework offered by strategic pluralism. Current practice is essentially to respond to emerging issues which need a solution. A task force is established, a partnership formed, and then somewhat unpredictably institutional arrangements are put into place. The UN's own role in the longer term organizational arrangements is often put into question.

Another pathway would be to establish a more secure framework for the development of these kinds of responses and for providing an appropriate institutional base. We might refer to this scenario as Strategic Pluralists with a Backbone. This would require that the entire UN development system embrace the value to the whole system of an empowered capacity to leverage at the apex of the system. This would require a willingness to invest in the capacities of the system to project itself as a system. Is this financially feasible? Arguably a voluntary membership fee to be part of the UN family representing around .001 of total income would be more than sufficient.

## SUMMARY REFLECTION

The scenarios presented above are not mutually exclusive. Theories of change can be complementary. What is important is to recognize that the organizational changes that might be identified to fix today's problems may be very different from the reforms required to position the UN development system for the challenges of 2025 and beyond. Reflecting on scenarios provides an instrument for imagining the future member states want the UN to embrace. Ultimately the scenarios presented represent an a la carte menu. There is no prix fixe. There is no avoiding making difficult choices and identifying positive trade offs.

Summary of proposed key questions for consideration:

1. Does the transformative agenda embedded in the proposed Post 2015 development agenda again require a major realignment between, among others, function, finance and organization?
2. What conclusions can be drawn from the various scenarios analysed in this paper?
3. Do the myriad of new actors, the need to reach out to new partners, and the much more crowded operational space, require a UN development system that is structured in a way which makes it much more agile and much more focused on the specific value of its contribution?
4. Are there specific functions that require the UNDS to have a more integrated response capacity?
5. Do member states agree that UNDS wide coherence should remain focused at the country level or, for example, do the emergence of new global challenges require the UNDS to have a strengthened capacity to execute system level responses?
6. Will the post 2015 agenda, characterized as having a transformational vision, require the UN to have a greater capacity to engage externally at a strategic level, as well as to operate, internally, in a much more integrated fashion?

## **Annex: The UN Development System at a Glance**

## UN Principal Organs



**UN Staff and agencies present Summary**  
as at 31 December 2013

	Average number of professional staff per country <sup>a</sup>	Average number of professional staff per office	Average number of offices per country
<b>Fragile States<sup>b</sup></b>	153.9	14.9	10.3
<b>Fragile States (excluding Sudan)</b>	139.5	13.7	10.1
<b>Fragile States Top 10 (excluding Sudan)</b>	327.7	24.5	13.4
<b>Fragile States Bottom 50%</b>	42.4	5.7	7.5
<b>Low Income States<sup>c</sup></b>	181.7	14.0	13.0
<b>Low Income States (excluding Kenya and Ethiopia)</b>	91.7	7.5	12.3
<b>Low Income States Top 10 (excluding Kenya and Ethiopia)</b>	121.1	9.0	13.5
<b>Low Income States Bottom 50%</b>	54.7	4.9	11.2
<b>Lower middle income States<sup>c</sup></b>	57.3	5.5	10.5
<b>Lower middle income States Top 10</b>	142.4	10	14.3
<b>Lower middle income States Bottom 50%</b>	16.7	2.1	8.0
<b>Upper middle income States<sup>c</sup></b>	69.9	7.3	9.6
<b>Upper middle income States (excluding Lebanon and Thailand)</b>	49.4	5.3	9.3
<b>Upper middle income States Top 10 (excluding Lebanon and Thailand)</b>	133.6	10.6	12.5
<b>Upper middle income State Bottom 50%</b>	11.4	1.7	6.7

<sup>a</sup> Professional staff includes all staff in the professional category proper, as well as in the Principal Officer and Director category and in higher level posts (ASG, USG or similar title and executive head) and, in some organizations, Project Personnel.

<sup>b</sup> According to the definition by the World Bank. Top 35 fragile states by Total UN Staff are presented

<sup>c</sup> According to the definition by the World Bank. Fragile states are excluded