

UN Reform: An eight step programme for more effective collective action

Simon Maxwell

The United Nations development system is the source of many norms and standards at global level, ranging from the Millennium Development Goals to technical standards in areas like health and food safety. It also delivers humanitarian aid, technical assistance and support to social sectors like health and education. Making the system work better is a constant preoccupation – in 2003, Kofi Annan observed that ‘... The system is not working as it should ... We need to take a hard look at our institutions themselves ... They may need radical reform.’ At present, the outlook for serious reform on the development side is not especially propitious – but it could be.

Unfortunately, the UN reform agenda has been dominated by security issues. These were the primary focus of the High Level Panel on Threats, Challenges and Change, which reported at the end of 2004; and of the proposals discussed up to and during the special UN summit of September 2005. The much-needed overhaul of the UN development system has seemed like a step too far.

The UN is a small player in the aid system: a corner shop, a fine and highly-regarded boutique perhaps, but still relatively small. It accounts for less than 10% of aid worldwide; and transfers only about \$3bn a year to developing countries. Partly, this is because the UN's roles are limited. It is not a major provider of capital to the developing world. But why should this be so? The UN could be a source of large-scale development finance.

Despite its relatively small place, the UN is an extraordinarily complex structure. Its key distinguishing feature is the number of autonomous or quasi-autonomous specialised agencies, each with its own governance structure: there are fourteen funds and programmes, nominally under the authority of the Secretary General, and as many as thirteen other specialised agencies, excluding the World Bank

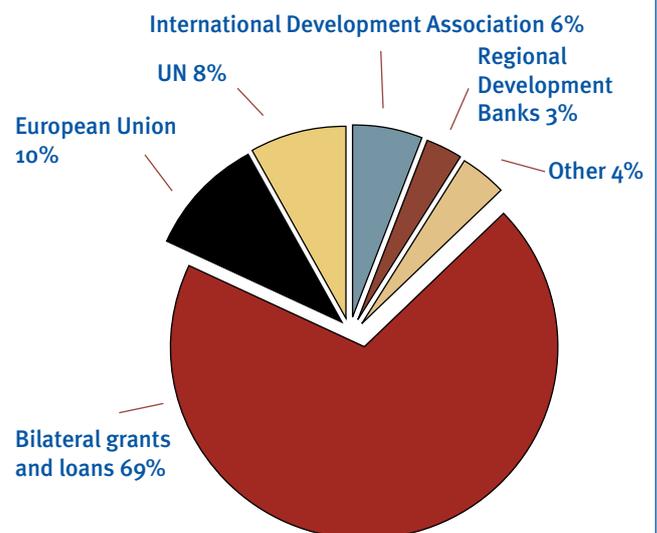
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Group and the IMF. It is not surprising that the system is difficult to manage.

In the past ten years, the emphasis has been on coordination at field level, through strengthening the role of UNDP Resident Coordinators, persuading UN agencies to collaborate in the preparation of a single UN Development Assistance Framework, and moving UN agencies into a single UN House. There has also been much better coordination of the funds and programmes (though not the specialised agencies) through the strengthening of the UN Development Group. Current reform proposals include:

- More focus and structure in the work of the General Assembly;
- Reform of the Security Council;
- The creation of a ‘Peace-Building Commission’, supported by a Peacebuilding Support Office, mainly to deal with failing states and post-conflict reconstruction;

Channelling aid to developing countries (2002)
(Total Official Development Assistance \$US58.3 bn)



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- Strengthening the Economic and Social Council, by establishing a Committee on the Social and Economic Aspects of Security Threats, and by focusing its deliberations on development cooperation;
- Broadening the membership of the Commission on Human Rights;

‘Thinking about collective action provides a framework within which to understand why countries might or might not collaborate in particular reforms, and also actions and processes that might incentivise greater collaboration’

- Creating a new post of Deputy Secretary General for peace and security;
- And strengthening the secretariat.

What could be added to this package? Radical reform proposals have included changes to the voting structures of the Bretton Woods Institutions, and better recruitment procedures for Directors General and similar posts.

In December 2004, the UK Secretary of State for International Development, Hilary Benn, made an important speech on reform of the humanitarian sector. He argued that the UN Secretary General should provide UN humanitarian coordinators with emergency powers to direct other UN agencies and that a substantial new humanitarian fund should be established, under the control of the UN Secretary General, into which donors would pay and from which humanitarian coordinators could draw funds early on, when a crisis threatened or occurred. This idea of a new, simplified funding framework could be extended to cover all the funds, programmes and specialised agencies, through a single budget process in New York. A case can surely be made to provide a financial funding window through the UN.

Such specific proposals raise questions about political feasibility. Thinking about collective action provides a framework within which to understand why countries might or might not collaborate in particular reforms, and also actions and processes that might incentivise greater collaboration.

Theory suggests that successful cooperation requires a combination of an enabling social environment and a rational exercise of ruthless self-interest: a mutually reinforcing mix of culture and calculus. The great problem with international cooperation is that the mix is often missing.

An easy answer to failures of collective action is to use the language of selective incentives and jump straight to

sanctions. One country won't play? Punish them. That is a tempting answer, but an incomplete one, the last resort offered as the first. A better approach is to start with the easy things and build cooperation brick by brick, drawing on the lessons of collective action theory. This can be done in eight steps.

- Keep the core group small.
- Develop trust-building measures from the beginning.
- Use the same core group for as many issues as possible, in order to keep transactions costs down and benefit from what economists call economies of scope.
- Make it awkward or embarrassing not to cooperate. Leaders themselves can do this, but civil society plays an important role.
- Choose the right issues. These are the ones where all the players have something to gain and something to lose. Genuine global public goods look like a particularly good bet.
- Now start to think about positive incentives.
- Perhaps as a last resort, the lesson that collective action is often most successful when the costs of defection are high. More aid may be a carrot, less aid a less palatable but equally effective stick.
- Set up the institutions to manage these interactions and relationships.

As a first step to further reform, why not carry out a review of the capacity of the UN Development System? This was last done nearly forty years ago, by a team led by Sir Robert Jackson. A new Jackson Report has been proposed and should be commissioned.

For further information see:

Messner, M., Maxwell, S., Nuscheler, F., Siegle, J. (2005) 'Governance Reform of the Bretton Woods Institutions and the UN Development System', *Dialogue on Globalization Occasional Papers*, No. 18, May, Washington: Friedrich Ebert Stiftung.

Maxwell, S. (2005) 'How to help reform multilateral institutions: an eight step programme for more effective collective action,' in *Global Governance*, Volume 11, No. 4, November

See also: www.odi.org.uk/speeches/un2004/

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