

**STRENGTHENING THE UNITED NATIONS
FOR
THE 1990s**

Tarrytown, 18-19 January 1991



NORTH SOUTH ROUNDTABLE
Society for International Development
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North South Roundtable

Preface

As a result of the end of the cold war and a greater understanding between the superpowers, the United Nations is increasingly being used to settle political conflicts. However, the UN is making less headway in the social and economic Development field. The real challenge in the 1990s is how to strengthen the role of the UN system in the development field-especially in the areas of human development, global environment and increased economic opportunities for the Developing countries, particularly the least developed, as well as in addressing the issues of emergency situations, International migration, drugs and AIDS. In meeting these and other interdependent and interrelated challenges, the multilateral system needs to become more effective. Some of these issues were discussed by the North South Roundtable in a meeting in Uppsala, Sweden, on 6-8 September 1989. The Uppsala Roundtable identified four vital areas as key points of focus:

New approaches to security concerns, especially in the area of regional conflicts and in support of concerted

International actions to diminish the causes of conflicts, economic and social;

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Human resource development especially in low income countries;

Long-term ecological security, encompassing environmental protection and sustainable development;

Disaster prevention and build-up of international capacity to enable a rapid coherent response to disasters when they occur.

Lately these issues have come under greater professional scrutiny in a Nordic Project on the future of the UN system in the economic and social field. The Nordic efforts are aimed at strengthening the UN and are motivated by a concern to safeguard the international solidarity and development in an increasingly interdependent world.

The North South Roundtable organized a second meeting on strengthening the UN for the 1990s in Tarrytown on 18-19 January 1991. Like the Uppsala Roundtable, the agenda in Tarrytown

concentrated on economic and social development aspects of the UN, focusing on activities of the specialized agencies, financing of the multilateral system and the relationship between the UN and the Bretton Woods institutions. The reports of the Nordic UN Project were used as the main background documents.

Forty eminent personalities from diverse backgrounds, nationalities and expertise participated in the Tarrytown meeting. Of these, about one-third was from the government missions to the UN, one-third from the UN Secretariat and one-third from the academic world. This summary report provides an overview of the main themes and conclusions of the discussion. The first draft was prepared by Bo Jerlstrom of the Nordic UN Project. I myself took the liberty of making further changes and additions. As agreed in Tarrytown, this report is issued on my own authority as Chairman of the North South Roundtable. While no one is bound by its conclusions, I do hope that they reflect-as fairly as a brief report can-the many viewpoints and creative suggestions made during the meeting.

I would like to thank Bengt Save-Soderbergh, Under-Secretary of State (Sweden) for International Development Cooperation, for providing not only the background documents and the financial support for the meeting but also the intellectual leadership during the meeting; Ulf Rundin and Bo Jerlstrom, Director and Deputy Director of the Nordic UN Project, for assisting in the preparation of this report; and Peggy Dulany, President of the Synergos Institute, for providing the most beautiful setting for the meeting-the Rockefeller Estate in Tarrytown. We all owe them a debt of

Gratitude. Most of all, I am grateful to all participants for making this rethinking process a truly shared experience.

As was suggested in the Tarrytown meeting, we continued this process in New York by organizing a series of four panel discussions in the Trusteeship Council Chamber during February and March on how to strengthen the UN system in the 1990s. The idea was to involve a larger audience in the discussion of these issues and to assist the various groups in their preparation for the Resumed Session of the General Assembly in April 1991.

New York, March 1991

Richard Jolly

Chairman

North South Roundtable

Summary and conclusions

- The increasing levels and complexities of interdependence require new levels of effectiveness in supranational governance and action, globally and regionally. Thus the UN needs to be strengthened for the challenges ahead.
- Yet in the economic and social fields, the UN system has become increasingly fragmented and marginalized: it is under financed; its policy guidance and development functions overlap in the actual conduct of the specialized agencies; and in many key places, it lacks strong leadership and coordination.
- However, the prospects for reforming the UN system are brighter now than at any time since its establishment. The strengthened political role and visibility of the UN can be skillfully used to assert its presence in the economic and social fields as well.
- There is no substitute for strong leadership in the UN by persons of outstanding caliber. A clear and open process to select senior-level people on their merit rather than solely on political considerations will help. So will measures to encourage leadership and innovation-and to improve the system of recruitment, training and promotion at all levels.
- Instead of the formal and unfocused Administrative Committee on Co-ordination (ACC), some form of cabinet or linked structure of key committees is badly needed.
- ECOSOC should be converted into a more relevant forum by focusing on priority policy themes. Outstanding individuals, heads of UN agencies, members of the UN Committee on
- Development Planning and concerned others can be invited to address these themes, seeking forms of sustained dialogue which will lead to action.
- It might be possible to make greater progress in discussion of important but controversial issues-such as the debt problem by creating within the UN system some forum embodying the principle of weighted representation but without weighted voting.
- For a stronger role of the UN in the socio economic field, it is vital to strengthen the Office of the Director-General for Development and International Economic Co-operation (DISC), which must serve as the coordinating point of all UN social and economic activities. The

Director-General's Office needs to become a focal point for bringing together the main areas of UN involvement analysis, operations, monitoring and statistics, regionally and globally. To achieve this, a stronger link needs to be created between the UN's political agenda and its development agenda, which needs more extensive analytical support, inter alia, from the Department of International and Social Affairs (DISEA).

- At field level, there is scope for the UN agencies to work more effectively together in pursuit of common objectives, such as human development, environmental sustainability and progress for women and children. Thus approaches to field level and headquarters collaboration pioneered by the Office for Emergency Operations in Africa and the guidelines developed by the Operation Activities Committee offer much scope for wider application.
- The specialized agencies must revert to their original mandate of excellence by focusing on key policy themes and by assuming a major responsibility for leadership in information, analysis and policy proposals in their areas of specialization. Better management of interdependence requires the creativity and leadership in identifying key problems and suggesting lines of action to remove or respond to them.
- Present funding arrangements for the UN are inadequate. A better balance has to be achieved between "core" resources and various trust funds which have been set up for specific purposes and which often reflect the priorities and control of the donors. More equitable burden-sharing arrangements are also necessary.
- As regards funding, closer cooperation must be established between various UN agencies, between the UN system and the international financial institutions, and between bilateral agencies, non-governmental organizations (NGOs) and private funding channels. Replenishment mechanisms may be considered within the UN system, particularly for the United Nations Development Programme (UNDP) on the pattern of the International Development Association (IDA), the World Bank's soft-loan affiliate. Greater attention to cost effectiveness is needed throughout the international system, and there is wide scope for more management by objectives.
- The possibilities for engineering a sizeable peace dividend and diverting it to social development must be carefully explored. The scope is large in the industrial countries, where over US\$500 billion was until recently being spent each year to preserve the old order in Europe. In the Third World, some US\$200 million is being spent each year, and a significant peace dividend is also possible if new regional structures of peace and security are set up by strengthening the UN machinery.
- The 1980s have witnessed a substantial migration of technical assistance functions from the UN to the multilateral development banks. For instance, the World Bank now provides more technical assistance than UNDP, and it administers about 900 trust funds of various kinds. It is time to reverse this trend and concentrate once again on the technical assistance function within the UN system. At the same time, technical assistance as a function needs to be reviewed, to move away from the provision of expatriate skills when national execution is possible. During the 1990s, operational activities of the UN should increasingly become the country presence and support for a coherent international system, directed to the better management of critical aspects of interdependence.
- A new division of labour should be worked out between the UN system and multilateral development banks, exploiting the relative strengths and comparative advantages of various agencies. The UN system can stake out a major role in formulating human development strategies and in operationalizing them at the country level.
- In some areas, closer cooperation between the UN system and the Bretton Woods institutions is possible. The structure of the new Global Environment Facility is promising - with UNDP, the United Nations Environment Programme (UNEP) and the World Bank collaborating closely - and may well serve as a model for the future.
- All the above issues must be carried forward by developing a new consensus for change. The Resumed Session of the General Assembly in April 1991 will offer a major opportunity to define a concrete agenda and a specific timetable for progressive strengthening and structural reform of the UN system in the 1990s. The challenges of interdependence on the eve of a new century require no less.

- **Introduction**

- **The background reports: reforming the UN for the 1990s**

How can the present international institutions respond better to the challenge of increasing and ever more complex global interdependence? What is the role of the UN in this new world order

of the 1990s?

These, in brief, were the major issues addressed by the Nordic UN Project, which provided the background reports for this North South Roundtable seminar, together with the recent study by Brian Urquhart and Eskive Childers: *A World in Need of Leadership: Tomorrow's United Nations*.

As staunch supporters of the UN system, the Nordic Governments have felt a joint need to take a fresh look at the system in relation to the growing needs in the economic and social arenas.

The UN fulfils a number of roles in the economic and social fields. It is an aid donor in many sectors and countries. It provides advice and technical cooperation through the specialized agencies. It provides a forum for discussion and norm-setting. But the changing world context raises questions about the most appropriate division of these roles and how best to achieve a clear-cut and transparent organizational system, that is, a system that provides incentives for *efficiency*, accountability, a well-defined identity and good governance.

In order to study this, a report on the UN specialized agencies, *The Agencies at a Crossroads*, was commissioned by the Nordic UN Project. This study examines the implications of specialized agencies trying to be both development agencies and, at the same time, centers of excellence and global leadership. The dilemmas are reviewed, and the conclusion is drawn that the two roles should be separated. The specialized agencies should concentrate on perforating better their traditional functions to identify global issues, forewarn on emerging problems, analyze options and mobilize action in an ever more interdependent world. These recommendations, the study argues, would provide a basis for a revival in the role and structure of the major specialized agencies within the framework of a strengthened UN system in the 1990s.

How is the UN system perceived by the developing countries? The Nordic UN Project study *Perspectives on Multilateral Assistance* sheds light on this issue by summarizing the experience of the UN system in eight developing countries. This study also has a great deal to say about the roles that are, or should be, fulfilled by the various UN agencies in the field.

In an increasingly complex and interdependent world, more and more needs to be done at an international level. The management of interdependence and the growing problems of marginalization of countries and whole regions all require new levels of attention and action. In the economic and social fields, accelerating development, alleviating poverty, slowing population and protecting the environment are but some of many priority areas requiring intensified international action. Yet funding in support of such action is still haphazard, erratic and voluntary, influenced to a great extent by short-term considerations within the aid donor community.

How can international funding match international needs, with respect to quantity, predictability, stability and fair burden sharing between nations? The Nordic UN Project report *financing the Multilateral System* deals with this issue and offers analysis and recommendations.

Speedy and effective response to emergency situations in general is indeed felt to be one of the UN's most important tasks. The Nordic UN Project study *Responding to Emergencies* analyses UN involvement in emergency operations and ad hoc interventions. In the light of the experience of such involvement, including the positive experience of coordination in the mid-1980s under the Office of Emergency Operations in Africa, the study discusses the need to strengthen the UN set-up for disaster relief management.

The Security Council's response to the Gulf crisis has attracted worldwide attention to the political role of the UN, and, within this, to the personal role of the Secretary-General. Yet this experience has also pointed to the need for improvement as regards the economic, social and humanitarian aspects of the UN's response, including the quality of the economic and social information on the widespread human impact of the crisis and the coordination of the many parties involved.

These reports of the Nordic UN Project were used as background material for the North South Roundtable in Tarrytown. Together with the comments and discussions to which they give rise, the reports will form the basis of the Nordic UN Project's final report, to be published in April 1991.

UN agenda in the economic and social Fields in the 1990s

The UN under attack

The 1960s and 1970s were the golden period for development cooperation with an emphasis on growing North South divisions combined with growing attention to poverty issues. The 1980s, on the other hand, were marked by an erosion of power of the South. The perspective of the world order became increasingly Western-dominated, global cooperation underwent a period of stagnation, and multilateral institutions came under siege. The flow of funds to many international organizations leveled off or declined in both absolute and relative terms. Even more basically, the benefits and effectiveness of both bilateral and multilateral development cooperation were questioned.

The UN system was often attacked, in particular, for either proposing to do too much or, more often, for doing too little-as well as for doing it ineffectively.

But in the later 1980s, the tide began to turn. With the ending of the cold war, many parties began to recognize the need to give more attention to other major international issues and to the new possibilities for doing so. As the background reports for the Roundtable make clear, many complex problems are now recognized to be crucial to the stability, indeed to the very survival, of all nations. Based on the notion of common interests, many of these problems can only be resolved within the framework of multilateral cooperation: global warming, desertification at the expense of agricultural land, increasing transborder refugee movements, the international trade in drugs, rapid population

Growth and widening economic gaps between North and South and within the South are among the most important, but there are others.

A major challenge of the 1990s will be to strengthen the UN as a source of significant leadership in world affairs, in part as a means to tackle such global and international problems.

Increasing regional and global interdependence and its growing complexity require a supranational approach. But to be realistic and manageable, selectivity and a clearer sense of priorities will be needed. The UN Secretariat needs to give a lead on such priorities, especially on emerging issues and potential problems. In making this selection, priority should be given to issues that are vital, global and urgent. A further criterion in establishing priority issues would be the implement ability and enforceability of the UN's decisions and recommendations. New enforcement mechanisms may have to be established in the UN system for this purpose. The private sector and non-governmental organizations (NGOs) should be assigned new and more important roles in the UN system, as regards both financing and cooperation. Of course, these roles would need to cover specified obligations as well as rights.

The UN system-fragmentation and marginalization

How can the UN be strengthened to play this enhanced role? During the 40 years of its existence, the UN has become involved in an ever-growing range of activities in the economic and social fields for which an increasing number of institutions have been created. As a result, the UN has become less of a coherent system the roles and mandates of the various agencies are insufficiently defined. Fragmentation has proliferated, often encouraged by a diversity of systems of contributions toward the financing of UN activities.

Global problems are revealing themselves in new areas and on varying time-scales as slow but ever more menacing time bombs (refugee and environmental problems) and acute crises (national disasters, in Africa and the Middle East). One of the UN's greatest problems is to respond rapidly, consistently and coherently, both across sectors and over periods of time. The majority of the UN agencies are underfinanced for the tasks they must tackle. At the same time, some, paradoxically, are showing increasing difficulties in utilizing the scarce resources at their disposal with a sufficient degree of effectiveness, transparency and accountability. At the same time, financing discipline has been continuously undermined. "It pays not to pay", as the saying goes, or even worse: "Countries often get more influence if they do not obey the rules".

In part, as a result, the major donors in particular have turned increasingly to the multilateral development banks (MDBs), which have thereby been encouraged to take over activities that the MDBs lack a comparative advantage to handle. This trend has led to a weakening of the multilateral system in many ways. It is driven by the dynamics of the system itself rather than consciously engineered by the Member States.

Revitalization of the UN: proposals for change

In Tarrytown and in the subsequent informal sessions held in the Trusteeship Council Chamber, many proposals were made for changes in the UN's general role, leadership, priorities and approaches, as well as in matters of structure, representation and organization. The intention of the discussion was to present and consider the issues in a wide-ranging and open-ended manner. The

Aim was not to press the discussion to specific conclusions, let alone to decisions, and it would be inappropriate therefore to suggest a consensus on any point. At the same time, to give shape to the record of the discussion and to indicate the main points emphasized, it will be helpful to group the matters discussed in some logical frame, emphasizing particularly those issues receiving most attention by participants.

UN leadership: Clear and more forthright leadership is vitally needed in many parts of the UN system. As the North South Roundtable meeting in Uppsala emphasized, good people are more important than structure. Over the years there have been many examples within the UN to show that initiatives and actions can be successfully implemented with good leadership and entrepreneurship, without waiting for changes in structure. This, many participants argued, is no less true today.

Attention to the selection and promotion process is needed, however, to ensure that persons of outstanding capacity are appointed to and promoted within the UN system. Changes are also needed to give greater encouragement to all staff, but especially those in senior leadership positions, to use their talents and skills in creative ways. Greatly welcomed were the recommendations of the report by Urquhart and Childers, *A World in Need of Leadership*, to ensure a wider selection of outstanding persons in making senior leadership appointments. But in appointments at all levels there is more need for emphasizing merit based on proven capacity and for guarding more openly against pressure to appoint friends and relatives, whether pressures from within or from Governments outside. The Dag Hammarskjöld concept of an international civil service will be no less relevant in the interdependent world of the 1990s.

At the highest levels of the system, some form of cabinet or linked structure of key committees is vitally needed to bring together the main components of the system—the political and peace-keeping, the economic and social, the analytical and the operational, globally, regionally and at country level. The

Administrative Committee on Co-ordination (ACC) is too large and uneven in its composition, too broad in its scope and too infrequent in its holding of meetings to serve as much more than a general information exchange.

ECOSOC focus: Changes in the way ECOSOC conducts its business could help to give focus and coherence to ECOSOC and, in turn, to the Secretariat's work.

Several suggestions were made on ways to build constructively on the call for ECOSOC to focus more on priority themes—for instance, on actions to offset the economic and social consequences of the Gulf War, to revitalize development in sub-Saharan Africa, or to reduce the risk of disasters in the 1990s and respond more effectively to them when they arise.

The focus and professionalism of ECOSOC debate and its relevance for the operational work of the UN system could be greatly improved with other changes. The heads of the operational agencies might be invited to speak specifically on what their agencies are doing in relation to the problems and issues relative to the theme—their addresses could be followed by time for delegations' questions on further details and possible suggestions for new actions or closer collaboration in the UN response. Members of the UN Committee on Development Planning or other experts might be asked to address ECOSOC on these issues.

In short, many ideas are available for making ECOSOC a more serious forum for economic and social discussion if only a consensus among Governments can be created for this purpose. A modest start has already been made.

A number of proposals were made by the Roundtable participants to strengthen the links between the UN's political agenda and its development agenda. Various measures were suggested to strengthen the Office of the Director-General for Development and International Economic Co-operation (DISC), which must serve as the focal point for coordination of all UN activities in the socio-economic field.

The UN Secretariat, being best placed to set the priorities, needs to be strengthened in order to identify and give priority to issues that are vital, global and urgent. Also, special mechanisms will need to be found to ensure the enforceability of the UN's decisions and recommendations.

It might be possible to reach more constructive conclusions in the discussion of controversial issues—such as debt problems—by establishing some fora based on weighted representation but without weighted voting.

It was proposed that there be a greater proportion of experts in the sub-committees, inter alia, of ECOSOC, while leaving the main forum for political negotiations in the General Assembly. While not compromising the universality principle, representation in various UN fora should be reviewed with the aim of limiting participation to the main interested parties. Discussions and negotiations could often take place in smaller groups, whenever appropriate, by constituency representation. There also needs to be more representation from capitals in the UN with delegates who are authorized to take decisions.

The private sector and NGOs should be assigned a new and more important role in the UN system as regards both financing and cooperation. This role should be subject to both rights and obligations.

The UN system and the specialized agencies

The specialized agencies: centers of excellence and global leadership or development agencies?

The specialized agencies set up as centers of international cooperation in the early years of the UN's history, have too often in the last decade or two become "centers of international confrontation". The fundamental causes of this state of affairs have been the political confrontation between East and West and the North-South divide in the economic sphere. The result has been a substantial weakening of control of the agencies by Member States. The combination of politicization, differences of opinion as to the agencies' aims and fragmentation of resource allocation has created a situation in which the managements of the agencies have taken control. In parallel, the role of the Member States as partners in development has weakened, and more of a client relationship vis-à-vis the agencies is developing.

In the course of time, the original mandate of the agencies as centres of excellence and global leadership in their areas of concern has been undermined, and their technical and professional quality has deteriorated. The specialized agencies have expanded more and more into operational activities and become development agencies whose main focus is on operations that generate money. Today, about half of their resources in the form of voluntary extra budgetary funds lie outside the regular control mechanisms of their boards. This distorted incentive structure has created a situation characterized by a freeze on regular contributions to the excellence functions (zero budgeting) but with substantial voluntary Contributions for development projects in the field. Extensive transfers of personnel from the agencies' staffs to these expanding activities have led to a deterioration of the excellence functions.

These developments have, moreover, led to an overlapping and duplication between various UN agencies, as a result of which many agencies compete, indeed fight, for projects with an intersectoral profile. Broad cross-cutting themes such as rural development, environment or women in development are of widespread importance but should not by themselves be sufficient to justify the involvement of any particular agency without closer links to its basic mandate.

One consequence of this process is that the industrialized countries have tended to lose *interest* in many of the specialized agencies. In recent years, this has become particularly apparent in the light of events in Eastern Europe and the Soviet Union, where there is an urgent need for and *interest* in technical assistance.

The *specialized* agencies have thus come to a crossroads. Either they *revert* to their previous mandates as centres of excellence and global leadership in their areas of concern, or *they* continue to expand and take on an ever-growing volume of projects financed by voluntary contributions or by multilateral or bilateral financing.

The specialized agencies: proposed changes

Participants put forward many proposals for changing the role and activities of the specialized agencies.

The Member States must regain control of the specialized agencies. Contributions (whether regular, voluntary or ad hoc) to the various agencies are the principal steering and control instrument at the Member States' disposal. Financing, accountability, governance and reform of the UN are intimately linked and should be considered in the same context. The best method of achieving this is by exercising more control through the "pulse-strings".

Changes may be necessary in the Governing Councils of the specialized agencies. Some

agencies and Governing Councils may have to be merged.

Specialized agencies should reassume their excellence functions to a greater degree. They should have a clearer focus in their analytical and leadership activities; they should become more forthright and transparent with regard to priorities; and they should once again become centres of multilateral cooperation in fora of negotiations, service centres for sector-specific information and promotion of research. They should improve the quality of operational activities in the field. Coordination between agencies should take place primarily in the field.

There is an urgent need for better collaboration within the UN system. This cannot, however, be brought about by central directives and control. The key is the adoption throughout the UN system of a "common philosophy" and clearer objectives promoting cooperation between all the agencies for the common good.

Financing the multilateral system

Loosened linkages, competition for funds and inequitable burden-sharing

Present funding arrangements are inadequate. A proliferation of funds and funding mechanisms for the UN system and the development banks has been detrimental to the effectiveness of UN management, efficiency and operations. In particular, the shift from "core" (assessed) resources to various forms of voluntary funding provided in an ad hoc manner within the UN system has undermined systematic effectiveness, efficiency and equitable burden-sharing. All this has had negative results for the quality and quantity of development assistance and for the integrity of the multilateral system as a whole.

The present system has undergone a process of "loosened" linkages: a) between UNDP (as the core development agency in the UN system), the specialized agencies and the recipient Governments; and b) between the UN system and the multilateral development banks.

Open competition within and across the UN system for funds and mandates in areas that are currently "in vogue" has led to a diversion of scarce development dollars to cover agency administrative and "marketing" overheads as well as reports and conferences. Increasingly, more management and staff time in the multilateral system is spent on raising funds than on operational activities.

The annotated agenda and the background reports for this Roundtable draw attention to various burden-sharing issues, generally concluding that the sharing of burden between donors is under a strain in the MDBs. In the UN it is no longer upheld. A key issue confronting donors is the low US share of multilateral financing—about 25% throughout most of the 1980s. In the 1990s, there is the prospect of a further drop in this share.

The Nordic countries' voluntary contributions to UN agencies are about seven times their assessed contributions and account for almost 22% of the total voluntary funding raised by the UN system. In some agencies, such as UNDP, UNICEF (United Nations Children's Fund) and INSTRAW (United Nations International Research and Training Institute for the Advancement of Women), the Nordic share is as high as 30-40%. Between 1984 and 1988 the Nordic countries provided US\$3.4 billion in official development assistance (ODA) contributions to the UN system, or an annual average of US\$608 million.

Another issue is the fact that an increasing proportion of the European Economic Community (EEC) countries' multilateral contributions is being diverted to Euro lateral rather than multilateral channels. Whereas in 1968 the UN system and global/ regional MDBs absorbed 60% of the multilateral ODA contributed by Britain, France, Germany and Italy, by 1988 that share had fallen to 36%. As European economic and monetary union approaches completion, the prospect is for a monolithic EEC contribution to the multilateral system that will be larger than that of either Japan or the US.

A related issue is the dramatic shift in regional priorities over the last year or so. Eastern Europe is already making major demands on the UN, in particular on its technical assistance and advisory services.

Mobilizing additional resources

It was pointed out that if the 0.7 target set up by the Development Assistance Committee (DAC) countries was achieved by all donors, the funding of the multilateral system (assuming the present proportion between bilateral and multilateral aid) would increase by 150%.

However, in a European perspective, with closer cooperation among the members of the European community, the UN system will increasingly be obliged to compete for resources with the Community's development assistance programmes. The EEC will subject resource

allocation to UN programmes to ever-closer scrutiny. And Nordic resource flows cannot be taken for granted indefinitely.

At the same time, the fact that international resources and development funds can be mobilized when this is considered really necessary is proven by recent events in Germany and the Gulf. In the last analysis, it is a question of political will. It was considered probable that if the US launched a major initiative with a view to increasing ODA, with particular reference to follow-on from events in the Middle East, other countries would follow its lead. However, the donor countries will only become more willing to contribute to development assistance if they are convinced that this assistance is going to be used for well-defined and relevant purposes. UNICEF's successful mobilization of voluntary funding for child survival and development and towards the goals and objectives agreed in the World Summit for Children is a case in point.

Therefore, the UN system must become much better at identifying and publicizing success stories and must start to think more in terms of pluralistic funding. More consideration should also be given to mobilizing resources specifically for desired development goals. The World Bank's *World Development Report 1990: Poverty* was mentioned as an example.

The connection between funding, influence and reforms

There was broad agreement on the need to bring about reforms if the UN system is to attract adequate funds from donors in the future. For this to be possible, the agencies must be made more accountable to members. If not, donors will increasingly channel resources to the multilateral organizations, which (perhaps with insufficient evidence) they regard as more cost-effective and prepared to support programmes that meet the donors' assistance goals. "A system is only of interest when it produces results."

In addition, action is needed to reduce the large number of overlapping funding channels and competition for funds. As regards funding, closer cooperation must be established between various UN agencies, between the UN system and the international financial institutions (IFIs), between bilateral agencies, NGOs and private industry. One concrete proposal concerned the setting-up of replenishment mechanisms within the UN system. One could start by adopting a replenishment mechanism for UNDP as a parallel arrangement to replenishing the International Development Association (IDA) within the International Bank for Reconstruction and Development (IBRD).

In addition to new resource mobilization mechanisms in the UN system, other methods of increasing assistance funding must be tried. Some participants proposed multilateral levies of various kinds as a means of financing environmental measures as well as innovative initiatives involving private sector funding.

New regional security arrangements and development

The process of detente now provides a potential for a peace dividend for development.

In recent years, annual military expenditure has been of the order of US\$900 billion, US\$500 billion of which was spent on preserving the old order in Europe. If only a fraction of the reduction in military expenditure was diverted to ODA, annual ODA resource flows might increase by up to US\$15 billion, according to a recent study by the Overseas Development Institute (ODI). (Further proposals along these lines will be found in the North South Roundtable report, *The Economics of Peace*.)

There was great interest in the possibility of finding effective means of reducing defence expenditure in the developing countries. A potential for this could be achieved if the UN would help establish regional security arrangements that guarantee collective security for the countries in a particular region. This could open up the prospect of substantial increases in resources for development. This matter should be given the highest priority, especially in the light of current events in the Middle East.

The war in the Persian Gulf is an indication of the type of conflict that may become increasingly common in the Third World, where a combination of economic inequality between and within countries and arbitrary national borders drawn long ago by the colonial powers may well trigger new wars. The establishment of regional security arrangements should, therefore, be one of the UN's chief tasks in future.

The African countries, in particular, are already exploring the possibilities for engaging in a Helsinki process, where one of the main components should be the alleviation of *poverty*. Such a process requires the support of the UN and the rest of the multilateral system. In this connection, some lessons should be learned from the work being done in the South American Peace Commission and the South American Commitment to Peace. Both these initiatives have as their point of departure the potential conflicts over the borders drawn

up by the colonial powers in Latin America, the risk of which has been exploited by the military as an argument for upgrading the armed forces.

An urgent task for the UN is to put the question of "development and defence" on the agenda; in addition, to set up a UN register of arms sales and, in cooperation with the media, provide the public with better information on military expenditure.

Relationship between the UN and the Bretton Woods institutions

A migration of tasks-the background

The 1980s have witnessed a substantial migration of technical assistance (TA) functions from the UN to the MDBs. This is largely because many donors seem convinced, rightly or wrongly, that MDBs, particularly the World Bank, are more competent in managing programmes and projects; more responsive to donor concerns about programme direction, management accountability, budgetary control and operation transparency; and less vulnerable to political influence from developing countries.

The background reports note that MDBs now finance a much larger amount of TA than the UN through components of regular project and programme loans and credits, specific-purpose TA and project preparation credits, trust funds established by donors within MDBs and administrative budgets. The last, financed by income rather than donor contributions, support a range of direct and indirect TA services of a sort similar to those financed by the UN system, but with a greater degree of freedom and maneuverability than any UN agency seems capable of.

It is difficult to calculate specific figures covering the totality of MDB financing of TA from these four different sources. Some MDB financing of TA is channeled through the UN system and vice versa. Disregarding these crossovers, estimates suggest that in 1989 TA financing by the MDBs and the International Fund *for* Agricultural Development (IFAD) exceeded UN financing of TA by at least 50%, sharply reversing the trend that prevailed in the 1960s and 1970s. It is in the area of technical assistance delivery that the most serious issues arise in the respective roles of

The UN system vis-à-vis the MDBs. These issues need to be focused on and dealt with if the 1990s are not to see increasing marginalization of the UN system in the development assistance arena.

The World Bank-expansion easy, exit hard

One of the main tasks ahead will be to optimize the impact of the multilateral system as a whole. What is needed is better identification of the various agencies' comparative advantages, in other words, which agency does what best. Such a definition of roles would lead to a more rational division of labour, even if overlapping and perhaps some confusion are not eliminated completely. Certain competitiveness between the organizations may, in fact, lead to some creative tension, which is not necessarily a bad thing.

The World Bank in particular has recognized the need to restrict its activities to a certain extent, since the Member States have constantly burdened it with new tasks. The staff of the Bank, which consists of aggressive and expansion-oriented people, has been quick to accept the challenges, especially as resources for new fields, such as women in development and the environment, have become available. At present, the Bank administers about 900 trust funds of various kinds. Expansion has thus been easy, but restricting itself once again to its priority tasks has not. "It is now doing everything less well, but exit is laud."

A new division of labour

A discussion of the role and tasks of the multilateral system and of the comparative advantages of various organizations should be preceded by a discussion of the overall global situation in the political, economic and social fields. Taking stock of the 1980s, we can see that the issues are basically the same as before. The greatest change is to be found in the policy environment. The North is no longer a monolithic entity. There are now three blocs with somewhat diverging priorities: the US, Europe and Japan. Some rapid changes are also under way in the South, where some of the traditional South countries have now become donors.

Bearing this in mind, we are not likely to witness "grand global bargains" in the future. Instead, we will have "functional multilateralism" focusing on specific issues such as debt, trade, the environment, the arms trade, children and poverty. As identified in the Uppsala North South Roundtable meeting, four areas of concern need to be kept under focus by the UN, analytically and operationally:

- new approaches in security concerns, especially in the area of regional conflicts and in support of concerted international actions to diminish the causes of conflicts, economic and social;
- human resource development, especially in low-income countries;
- long-term ecological security, encompassing environmental protection and sustainable development;
- Disaster prevention and build-up of international capacity to enable a rapid coherent response in disaster when they occur.

Many of these issues can best be addressed at the regional level. Increasingly important multilateral players will, therefore, be the regional development banks. Indeed, the role and potential advantages of the regional banks have been neglected too often in the development debate, and some participants found it surprising that the Member States did not compel the World Bank to establish closer cooperation with these banks long ago. The needs of sub-Saharan Africa and least developed countries in other regions must receive increasing levels of support if they are not to be further marginalized and their populations left in ever more intractable poverty.

As regards cooperation between the World Bank and the UN system, it was pointed out that the cooperation formula that has been adopted for the new Global Environment Facility (GEF) is promising and may well serve as a model for the future. In this connection, UNEP should be responsible for normative policy inputs, UNDP for technical assistance and the World Bank for the financing of the elements of the environmental programmes that will need the most resources.

The focus of the UN system should be on the social dimension of development. The UN has a clear mandate and long experience in this field. In this regard, UNDP's excellent *Human Development Report* could serve as an analytical framework for many of the UN's future priorities.

One concrete proposal was that steps should be taken to record the history of the UN contributions to economic and social policy-making as soon as possible, while those who were involved from the beginning are still with us. A start on a serious record of the UN had been made by Sidney Dell just before his death at the end of 1990. It is urgent to secure the necessary financing to continue and complete such a study, particularly because it would contain many lessons for the future.

Strengthening the UN for the 1990s

UN conference on reforms in April 1991

How, when and where can these issues be taken further? The question of reforms in the UN is increasingly attracting widespread interest. The next immediate opportunity will be the Resumed Session of the General Assembly, which will be held at the end of April 1991. This will be directed at "consideration and negotiations on proposals for restructuring and revitalization of the United Nations in the economic and social fields" (Res A/45/L-45). If this session is to achieve any results, proposals for reform will have to be presented in a consistent manner and with a new political impetus.

It is clear that there is no shortage of ideas. It is not a question of rediscovering the wheel. The immediate need is a concise overview paper on the many proposals for reforms that have been presented in various fora since the 1970s. An analysis should also be made of the reason for the failure of previous attempts at reform and how to generate the will and commitments to avoid such failures in the future.

The studies made by the Nordic UN Project will make a very timely contribution in this connection. The South Commission Secretariat will also prepare talking points on reform prior to the Resumed Session.

The priority: setting the agenda for reform

It would, however, be over-optimistic to expect the April session to reach agreement, then and there; on all or even most of the substantive issues needing action. The session should therefore be seen in two parts: first, identification of an initial group of issues on which agreement can rapidly be reached and which, in turn, will help set in motion the mood and momentum for further change; and second, an opportunity for setting the agenda for further reforms that can be implemented during the next five years.

Most of the priority issues, as seen by the North South Roundtable, are summarized in the conclusions of the meeting, given at the beginning of this report.

Appendix: List of participants

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Mr. Bent Haakonsen

Permanent Under-Secretary of State, DANIDA, Copenhagen

Mr. Peter Hansen

Executive Director, UNCTC, New York

Ms. Khadija Haq

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Port. Mr. Ole Kristian Holthe

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Mr. Enrique Iglesias

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Dr. Richard Jolly

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Mr. Henock Kifle

Senior Economist, South Commission, Geneva

Mr. Eduard V. Kudryavtsev

Deputy Permanent Representative, Permanent Mission of the USSR to the UN, New York

Mr. Tim P. Lankester

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H.E. Mr. Stephen Lewis

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HE. Mr. Donald Mills

Former Ambassador of Jamaica to the UN; Former Chairman of the Group of 77, Kingston

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Senior Counsellor and Chairman of the Second Committee, Permanent Mission of Greece to the UN, New York

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President, Overseas Development Council, Washington, D.C.

Mr. Alexander Shakoos

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Ambassador of Finland to the UN, New York

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Resident Scholar, The Ford Foundation, New York

H.E. Dr. Peter Wilenski

Ambassador of Australia to the UN, New York

Mr. Maurice Williams

Secretary-General, SID, Washington, D.C.

RAPPORTEUR:

Mr. Bo Jerlström

Deputy Project Director, Nordic UN Project, Stockholm

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Subsequently four NSRT Panels were held in the Trusteeship Council Chamber of the United Nations. They were introduced by the following persons:

PANEL 1: Strengthening the United Nations for the 1990s: An Overview Report on the Tarrytown Consultation

Dr. Richard Jolly, Chairman, North South Roundtable

H.E. Mr. Juan Somavia, Ambassador of the Permanent Mission of Chile to the UN Ms.

Maureen O'Neil, President, North South Institute of Canada

H.E. Dr. Peter Wilenski, Ambassador of the Permanent Mission of Australia to the UN H.E.

Dr. Klaus Tornudd, Ambassador of the permanent Mission of Finland to the UN

Ms. Khadija Haq, Executive Director, North South Roundtable

PANEL 2: Lessons of Office for Emergency Operations for Africa and the UN Programme of Action for African Recovery and Development for Africa in the 1990s H.E.

Mr. Joseph Legwaila, Ambassador of the Permanent Mission of Botswana to the UN

Mr. Maurice Strong, Secretary-General, World Conference on Environment and Development

H.E. Mr. Stephen Lewis, Former Ambassador of Canada to the UN; Former Adviser to the UN Secretary-General on Africa

Ms. Ruth Ego, UN Steering Committee Secretariat for UNPAARD, UNDIEC

PANEL 3: Lessons from Previous Attempts at Reform of the United Nations

Mr. Antoine Blanca, Director-General, UNDIEC

H.E. Mr. Donald Mills, Former Ambassador of Jamaica to the UN; Former Chairman of the Group of 77

Mr. Peter Hansen, Executive Director, UNCTC Dr. 141* Doss, Former ASG/UN, President of SID, New York Mr. John Renninger, Senior Interagency Affairs Officer, UNDIEC

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PANEL 4: Goals and Strategies for the 1990s: The Political, Analytical, Operational, Statistical and the Regional Issues

Mr. Rafi Ahmed, Under-Secretary-General, Department of International Economic and Social

Affairs

Dr. Nafis Sadik, Executive Director, UNFPA

Mr. William Draper III, Administrator, UNDP Mr. James Grant, Executive Director, UNICEF

Dr. Mahbub ul Haq, Former Finance Minister of Pakistan

[Participants' affiliations given here are those at the time of the meeting.]

North South Roundtable

The North South Roundtable, established in 1978 under the auspices of the Society for International Development, is an independent intellectual forum in which academics, researchers and policy makers from around the world come together to discuss global development issues. The Roundtable brings together experts from every continent in many fields, all sharing a commitment to orderly progress in human affairs, for the advancement of a constructive dialogue between North and South, developed and developing, rich and poor nations, in search of a more just and stable world order. In its various sessions, the North South Roundtable seeks to identify and analyse the mutual interest of North and South. The ideas evolved in the Roundtable process are disseminated to the general public, national decision makers, and national and international organizations through Roundtable publications and through direct briefings. NSRT activities are funded by Governments, international organizations and foundations; its policies are determined by a Steering Committee.

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