

# Who Needs More Coordination? The United Nations and Development Assistance

NILIMA GULRAJANI, SARAH MULLEY AND NGAIRE WOODS\*

## Introduction

In the aftermath of the Second World War, the creation of the United Nations Specialized Agencies and the Bretton Woods institutions gave concrete life to a post-war liberal internationalist ideal concerning the benefits of multilateral cooperation for development. These benefits include enhanced efficiency by which collective goals can be achieved through central pooling of global resources and knowledge, the creation of stable, neutral and autonomous negotiating and administrative centers, and the reduction of the transaction costs of international collective action.<sup>1</sup>

The dream was not achieved. The creation of international organizations did not resolve the lack of coordination and cooperation in the field of international development. While the problem of lack of coordination has long been recognized,<sup>2</sup> the last decade has seen growing calls for greater partnership, coordination and ownership within the aid system.<sup>3</sup> Ambitious promises to improve have been made by the countries that originally founded the multilateral system. Using the Development Assistance Committee (DAC) of the OECD, donor countries have pledged to improve coordination in high-level ministerial fora in Rome (2003) and Paris (2005). These commitments fit with a broader global resolve to reinvigorate cooperation in development assistance.

The UN at sixty has reiterated its commitment to liberal internationalism by calling for greater resources, organizational coordination and policy coherence for the global development regime. It has also sought to reassert its central role as a *cooperation forum* within the growing community of actors embedded in this arena. Government members of the UN have declared that together they will seek to achieve a set of Millennium Development Goals, one of which is to develop a “global partnership for development”.

This article attempts to assess critically whether the UN can and should reinvent itself as a major coordinating body within the field of development

---

\* Ngaire Woods, Nilima Gulrajani and Sarah Mulley wrote this while working on a global aid architecture project in the Global Economic Governance Programme at University College, Oxford University. Ngaire Woods is Director of the Programme and has just published *The Globalizers: the IMF, the World Bank and their Borrowers* (Cornell University Press, 2006). Nilima Gulrajani completed a doctorate at Cambridge on development assistance and Sarah Mulley is completing graduate research on donor coordination at Oxford.

<sup>11</sup> See for example Kenneth W. Abbott & Duncan Snidal, “Why States Act through Formal International Organizations” (1998) 42 *J. Confl. Resolution* 3; and Robert O. Keohane & Lisa L. Martin, “The Promise of Institutional Theory” (1995) 20 *Int. Security* 39.

<sup>2</sup> Lester B. Pearson, *Partners in Development: Report of the Commission on International Development* (London: Pall Mall Press, 1969).

<sup>3</sup> Development Assistance Committee, *Shaping the 21st Century: The Contribution of Development Co-operation* (Paris: OECD, 1996).

assistance. It asks whether more coordination and cooperation is possible, or indeed desirable. We argue that there are deep-seated reasons why donors find coordination in development assistance difficult to achieve. A greater role for the UN may help to overcome some of these issues, but is unlikely to resolve the fundamental tensions which often prevent coordination. We also note that coordination is not unambiguously positive—the countries which receive development assistance may sometimes have an interest in maintaining the multiplicity of institutions and donors which currently characterizes development assistance. Again, a role for the UN may make coordination more positive for the recipients of development assistance, but is unlikely to align completely the interests of donors and recipients in this area.

## Charting a New Direction for the United Nations

The United Nations is vested with the formal authority to promote economic and social development as enshrined in Article 55 of the UN Charter. This development function has largely been carried out by Specialized Agencies loosely accountable to the Economic and Social Council, a central organ of the United Nations system.<sup>4</sup> It was only in 1965 when the United Nations Development Programme was created through an amalgamation of the Expanded Programme of Technical Assistance and the Special United Nations Fund for Economic Development that the United Nations could claim a broad-based development assistance organization under its umbrella.<sup>5</sup>

The actual role of the United Nations is limited. While the UN has described its comparative advantage in development as deriving from its “expert advice in economic, social and cultural fields,”<sup>6</sup> its influence as an actor in the development field has ebbed and flowed. The UN is largely seen to be a smaller and less influential international player in development assistance than either the World Bank or the DAC bilateral donors. In 2004, net disbursements by the UN system accounted for US\$3.098 billion of concessional resources to developing countries (UNDP accounted for US\$374 million of this total). In contrast, World Bank (IDA) concessional disbursements were over US\$7 billion, and bilateral ODA flows of over US\$79 billion have been proffered by DAC members.<sup>7</sup>

Secretary-General Kofi Annan has attempted to effect renewal and reform of the UN. Upon taking up office, he aspired to a more prominent role in development

---

<sup>4</sup> Each of these Specialized Agencies was established by separate inter-governmental treaties and is directly accountable to distinct governing bodies.

<sup>5</sup> While the International Bank for Reconstruction and Development (“World Bank”) is *de jure* a Specialized Agency, it has maintained considerable autonomy from ECOSOC, as has the International Monetary Fund.

<sup>6</sup> *Provision of Expert Advice by the United Nations to Member States*, GA Res. 52(1), UN GAOR, 1<sup>st</sup> Sess., UN Doc. A/64/Add.2 (1946), at 79.

<sup>7</sup> OECD, Development Assistance Committee, *Development Cooperation Report: Statistical Annex*. (Paris: OECD, 2005).

and released a strategy for rejuvenating the global organization.<sup>8</sup> An important assumption underlining this reform initiative was that increased coherence of policies and coordination of activities across the UN at the global, regional and country levels would be the starting point for greater coordination and leadership among external partners. To this end, a United Nations Development Group was established to encourage dialogue across the UN Specialized Agencies and to oversee the roll-out of two new UN instruments at the country level: the Common Country Assessment (aiming to provide a common situation analysis of a country's development challenges) and the United Nations Development Assistance Framework (aiming to divide tasks across UN agencies).

In parallel with this in-house reform programme, the UN also aspired to become the centre of the global development assistance system. This aspiration was given life by the agreement of the time-bound and measurable Millennium Development Goals (MDGs) at the UN Millennium Summit in 2000 and the 2001 Monterrey Conference, which brought public, private and non-governmental participants together for the first time under UN auspices. At Monterrey, rich countries committed themselves to increasing aid budgets and remedying the problem of policy incoherence and uncoordinated aid.

Better global governance of development assistance, and the appropriate role of the UN, emerged again as a key issue in a special High Level Panel convened by the UN Secretary-General that reported in 2004.<sup>9</sup> This report advised that the UN become a "development cooperation forum" in which states could measure development progress in an open and transparent manner,<sup>10</sup> and it endeavoured to strengthen coordination among different UN agencies as well as between the UN and its sister institutions, the IMF and World Bank.<sup>11</sup> It was also recommended that the Economic and Social Council exploit its convening powers and provide a regular venue where both developed and developing country members could openly measure and discuss their commitments to achieving the MDGs.<sup>12</sup> The Panel also emphasized the role of the UN as a global body that could establish coherence around "the critical interlinkages between trade, finance, the environment, the handling of

---

<sup>8</sup> UN Secretary-General, *Renewing the United Nations: A Programme for Reform*, UN Doc. A/51/950 (1997).

<sup>9</sup> Report of the Secretary-General's High-level Panel on Threats, Challenges and Change, *A More Secure World: Our Shared Responsibility*, UN GAOR, 59th Sess., Supp. No. 565, UN Doc. A/59 (2004) at para 22, online: United Nations <<http://www.un.org/secureworld/report.pdf>> [High-level Panel Report].

<sup>10</sup> *Ibid.* at para. 277.

<sup>11</sup> *Ibid.* at para. 278.

<sup>12</sup> ECOSOC is made up of 54 Member States, participating for three year periods on a rotational basis.

pandemic diseases and economic and social development".<sup>13</sup> Here the Panel proposes a global leaders' group building on the experience and success in rapid and flexible responsiveness of the G8 Leaders' Group and the G20 Finance Ministers' Group.<sup>14</sup>

The case for creating a new coordinating role for the United Nations in the global community of development actors has several merits. The UN has some specific comparative advantages, including global legitimacy, diversity of expertise and global reach. These might make it more effective than other institutions and more successful than past efforts in coordinating aid. Some might also see this role as a way to further enhance the legitimacy and power of the organization. Nonetheless, a measure of caution is in order. There are significant challenges and difficulties in aid coordination, and the UN would best take heed of these as it seeks to establish itself as a new center for development coordination and cooperation.

## Why Are There So Many Development Assistance Institutions?

Development assistance is not facing either with too few institutions or too little governance, but rather a surfeit thereof. Take development assistance aimed at improving global public health and in particular addressing the HIV/AIDS pandemic. The World Health Organization was created in 1948 to act as the directing and coordinating authority on international health work.<sup>15</sup> Yet in the last decade we have seen several other international agencies and initiatives created by governments in order better to coordinate efforts. In 1996 ECOSOC authorized the creation of a new joint UN program on HIV/AIDS. UNAIDS was established as a global program that unified the work of six Specialized Agencies, including the WHO. Meanwhile, at the Okinawa G8 Summit in July 2000, the idea of an international funding mechanism to fight HIV/AIDS, tuberculosis and malaria crystallized, and was unanimously supported by the UN General Assembly in 2001. The Global Fund to Fight AIDS, Tuberculosis and Malaria was created as an independent public-private partnership to increase the global resources available to combat AIDS, tuberculosis, and malaria and to direct the resources effectively to areas of greatest need.<sup>16</sup>

The result is only the tip of the iceberg of institutions engaged in delivering assistance to address the HIV/AIDS pandemic. In spite of an apparent predilection for

---

<sup>13</sup> High-Level Panel Report, *supra* note 9, at para 280.

<sup>14</sup> High Level Panel Report, *supra* note 9 at para. 280.

<sup>15</sup> *Constitution of the World Health Organization as adopted by the International Health Conference, New York, 19-22 June, 1946*; signed on 22 July 1946 by the representatives of 61 States (Official Records of the World Health Organization, no. 2, p.100) and entered into force on 7 April 1948, Article 2a.

<sup>16</sup> Sarah Ramsay "Global Fund makes historic first round of payments" (2002) 359 *The Lancet*. 1581-1582.

international cooperation and organization, states have continued to channel the lion's share of their development assistance budgets (including that for HIV/AIDS) through their own bilateral programmes and agencies, which are often poorly coordinated with those of other states as well as with multilateral efforts. Indeed about 70 per cent of countries' official development assistance is channeled bilaterally, with only about 30 per cent going to multilateral agencies.<sup>17</sup>

Within national governments, coordination can also be a problem. Aid programs tend to be run by designated aid agencies often sitting within or closely linked to foreign affairs. Even within the aid agencies, there may often be goals that are difficult to reconcile with each other, such as specific foreign policy objectives alongside wider concerns for development and poverty reduction. However, the scope for competing goals is yet larger when one takes into account the other agencies and arms of government which are involved in foreign assistance aimed at goals such as export-promotion, commercial opening, foreign policy and national or global security. All have an impact on development assistance. And this sometimes produces potentially conflicting goals pursued by the same government. For example in Sudan, USAID spends billions of dollars developing the South, while the US Congress continues to maintain longstanding sanctions against the country.<sup>18</sup>

In recent years there is much hand wringing about the lack of coherence and coordination across different agencies of national governments. Indeed, within Canada, the Netherlands, Australia, the United Kingdom and the United States, efforts are under way to draw together the various diplomatic, military and development initiatives into a more coherent and effective response to failing states.<sup>19</sup> For our purposes, it is vital to note that fragmentation within government administrations projects directly into fragmented international cooperation. This is because each government agency has its counterpart in global governance: finance ministries sit at the tables of the World Bank and IMF, health ministries sit at the table of the WHO, education ministries sit at UNESCO, and so forth. The result is a problem of coordination which has three levels—within governments, between governments, and between the international agencies that governments create and govern. To some degree any success in enhancing cooperation will require change at all three levels.

With the surfeit of institutions and governance at global and national levels, the problem of coordination is a very challenging one. A lack of coordination means

---

<sup>17</sup> Multilateral assistance provided by DAC members has hovered at around 30 per cent of all Official Development Assistance flows between 1996 and 2003, with the remainder being channelled through bilateral mechanisms. See OECD, Development Assistance Committee, *Development Cooperation Report*. (Paris: OECD, 2004).

<sup>18</sup> "It'll do what it can get away with" *The Economist* (3 December 2005) 26.

<sup>19</sup> See Adele Harmer & Joanna Macrae eds., *Beyond the Continuum: The Changing Role of Aid Policy in Protracted Crises* (London: Overseas Development Institute, 2004).

that a plethora of competing actors, goals, and aid delivery mechanisms results in duplication, fragmentation, contradictory goals and endless red tape. The result is that in any aid-receiving country, a bilateral aid agency is not only competing for domestic officials' time with other diplomatic representatives from their own country, but also with numerous other bilateral and multilateral agencies. Even within multilateral organizations, donors have targeted resources into ear-marked trust funds that often still provide them with the ability to design and control development programming. Unsurprisingly, contradictory goals often end up being pursued on the ground, and through inefficient and burdensome aid delivery processes. This can have the related consequence of eroding local governance capacity as foreign agencies poach competent local officials from the domestic administration, and remaining officials need to devote more of their time to managing donor agencies.

#### What Makes Cooperation among Governments Difficult?

There are a number of reasons why—even after having created multilateral institutions—donor states may find it difficult to coordinate aid efforts. Some are very obvious. Their domestic political landscape can be littered with the divergent and contradictory interests of government agencies, private companies, non-governmental organizations and interest groups. It is unusual, to say the least, for aid agencies to champion policies which reduce their staff numbers or budgetary resources, constrain their discretion or threaten national economic and commercial considerations.

A second reason for non-coordination is the perception (not always backed by sound evidence) of many policy-makers that aid that is not nationally identified does not command public support and is thus neither politically useful to politicians nor effective in sustaining long-term public support for aid.

A third obstacle to coordination is the place of any aid agency within its national political setting. Aid ministers are accountable to their cabinet colleagues. They must achieve results within the electoral cycle in order to demonstrate their political relevance and must spend their budget in a fiscal year to assure them access to funds the following year. They must meet national auditing requirements and preserve accountability to taxpayers by demonstrating the value for money delivered by national aid budgets.

A fourth reason for poor coordination lies in genuine philosophical differences about what the aims of aid should be. For example, in the contemporary good governance agenda, donors can remain undecided about whether a state-centric or society-centric approach is the best way to advance political accountability and reform. For example, Canada's governance programming has shifted its emphasis over time away from building public sector institutions to fostering a vibrant "civil society."<sup>20</sup> Within aid-receiving countries, donors might disagree on more

---

<sup>20</sup> Robert Muggah, "Difficult Partners and Fragile states: Reconsidering Canada's Governance Agenda in Haiti" *Global Economic Governance Programme Discussion Paper* (2005).

fundamental issues, for example in Vietnam where the relative prioritization of poverty reduction in development programming generated the ire of some who felt this emphasis neglected more traditional infrastructure project activities.

It is not only the goals of aid that are contentious, but also the methods used to achieve them. For example, donors have different views as to the fundamental question of whether donor conditions should focus on specific policy prescriptions, more general process requirements, or simply final outcomes. The current policy consensus is that donors should coordinate their policies and practices around national strategies and systems (alignment). However, this requires that donors accept a model of conditionality focused on processes and outcomes rather than policy prescriptions—something which many donors find problematic. This approach also requires that recipients have strategies and systems in place which donors can align with; in many recipient countries, this is difficult to achieve given domestic political and administrative constraints. Even donors who embrace the alignment agenda may be hard pressed to accept domestic processes in recipient countries that might threaten the integrity of their activities. One such case occurred in July 2002, when the United Kingdom's Department for International Development defended the Tanzanian President's right to replace his personal Presidential jet (worth £15 million) just before he was to receive a £270 million aid package from Britain.<sup>21</sup>

Some of the problems described above could perhaps be resolved if clear evidence and best practices were available around which consensus could be built and programmes designed. However, the evaluation of aid is plagued with both methodological and political difficulties. The protracted time frames involved in achieving development results create difficulties in evaluating programmes in the short run. This is compounded by inevitable difficulties in establishing causation between aid expenditures and outcomes.

Finally, it is worth noting that there are some perceived benefits from non-coordination which accrue to governments. States create institutions so as to entrench particular preferences and goals (both domestic and international). Creating new institutions permits governments to add new goals or mechanisms without having to reform or close down already existing institutions. Subsequently, the fact that there are numerous uncoordinated agencies at national and global levels gives governments a choice as to how to achieve their goals, reducing the extent to which they are bound by any over-arching arrangement.

From a development assistance perspective, there may also be some potential advantages to non-coordination. In development assistance multiple agencies could, in theory at least, afford aid-recipient countries more choice, creating healthy

---

<sup>21</sup> David Henke, "£15 million jet sparks new Tanzania row." *The Guardian* (22 July 2002), online: Guardian Unlimited <<http://www.guardian.co.uk/tanzania/story/0,11441,759626,00.html>>.

competition in the provision of particular kinds of services and leading to more effective demand-driven outcomes.

## For Whom Is More Coordination Desirable?

Most of the rhetoric about donor coordination focuses on the benefits of such coordination for development outcomes and aid effectiveness. However, there is ambiguity about how this will occur. In particular there is ambiguity about whether coordination should aim at enhancing the influence of donors, or enhancing the influence of aid-receiving governments.

Some believe that coordination is a way to make donors more influential and that this will enhance aid effectiveness. The argument is that if donors were to coordinate better, each would be able better to specialize on particular countries and sectors. This would permit individual donor agencies to develop greater focus and specialization based on their comparative advantages, and to build up a “core business” which they become good at, carving out a particular niche for themselves.<sup>22</sup> The assumption is that the greater focus would translate into better quality and more concentrated influence over particular aid-recipient countries which would in turn translate into more effective aid.

On the other side of the debate is the view that more effective aid will result if aid-receiving countries are given a greater voice in the aid system as a whole, as well as in the formulation of their own national strategies. More voice in the aid architecture has underpinned the debate surrounding the UN’s role in development assistance, where an increased role for the UN is seen in many quarters as a way to increase the voice of developing countries in the aid system. More voice in formulating their own national development strategies has been the goal of the World Bank in encouraging indebted poor countries to formulate Poverty Reduction Strategy Papers, and by parts of the donor community that have attempted to shift to sector-wide and general budget-support as mechanisms for delivering aid so that it can better support a national government’s priorities and framework.

The ambiguity as to who would or should be empowered by coordination makes exhortations for more coordination rather more complex to adjudicate than they may seem. This is revealed most clearly if we think about aid coordination from the perspective of an aid-receiving country.

One benefit from greater coordination is clear for aid-receiving countries. Greater coordination can reduce the administrative burden on the recipient government so that instead of having to negotiate and report on progress in a particular area in a different ways to a number of different donors, that process

---

<sup>22</sup> Such arguments are critically reviewed in Lauchlan T. Munro, “Focus-Pocus? Thinking Critically about Whether Aid Organizations Should Do Fewer Things in Fewer Countries” (2005) 36 *Devel. Change* 425.

becomes dramatically simplified, taking up less time, and enabling better quality results.<sup>23</sup>

However, coordination may also disadvantage aid-receiving governments by reducing their bargaining power vis-à-vis donors. This disadvantage was well understood in the 1980s when developing countries became alarmed at the emergence of “cross-conditionality”. Cross-conditionality meant that donor conditions became interlinked—a receiving country would have to meet the full conditions of one institution (for example the IMF) before assistance could be accessed from any other (such as the World Bank or a regional development bank). Coordination can also magnify particular domestic political conflicts. It is sometimes also the case that aid programs coordinated among donors favour particular elements in recipient governments and societies—finance ministries may favour coordination around the national budget while other ministries prefer direct relationships with donors that are outside budgetary processes.<sup>24</sup> An alternative to greater donor coordination could be conceived as a fragmented system which enabled receiving governments to make choices among different donors so as best to match national goals with what donors are offering.

One way to clarify the debate about who gains from coordination is to distinguish two distinct goals in the coordination debate. One goal is greater *harmonization among donors* of their policies and the way they deliver aid. This could be achieved by donors acting together with little reference to aid-receiving countries. As such, it could result in a system which overrides the interests or preferences of aid-receiving governments.

The alternative goal is *alignment between donors and recipients* in their policies and systems. This would require intensive discussions by donors and aid-recipients as to what was being aligned.

An equally important distinction worth drawing is that which exists between policies and processes. Where policies are harmonized or aligned, the action being taken is essentially a political one. The actual goals being sought by a government and donors are affected. Where system processes are harmonized the result is more administrative—it is the delivery of particular policies that is being affected. These distinctions are tabulated on Table 1.

---

<sup>23</sup> An example of the extent of this problem is aid for public expenditure management, as documented by the World Bank in Richard Allen, Salvatore Schiavo-Campo, & Thomas Columkill Garrity, *Assessing and Reforming Public Financial Management: A New Approach* (Washington DC: The World Bank, 2004).

<sup>24</sup> Samuel Wangwe, “The Management of Foreign Aid in Tanzania.” (Paper presented to the Workshop on Economic Management, 21 March 1997) *ESRF Discussion Paper* 15. online: Economic and Social Research Foundation <<http://www.esrf.kabissa.org/>>.

Table 1: Stages of the Policy and Implementation Process

<i>Donors</i>	<i>National process</i>
Policy alignment/harmonization	Vision and goal setting
	Strategy formulation
Systems alignment/harmonization	Budget formulation and policy setting
	Financial disbursement channels
	Contracting
	Implementation arrangements
	Monitoring and evaluation
	Reporting

Source: ODI (2004)<sup>25</sup>

Recipient governments have consistently argued for greater alignment of aid to their own policies. If donors were to align their aid with countries' own policies, this would permit recipient governments to set clear and consistent priorities appropriate to their circumstances and to direct resources accordingly. This would be in keeping with the current donor emphasis on "putting governments in the driving seat" and ensuring greater policy ownership by aid-receiving countries. However, where policy harmonization takes place without alignment to a national government's priorities, it creates a risk that conditionality turns into "the highest common multiple amongst the donors and creditors".<sup>26</sup> This leaves little space for ownership by governments.

Slightly different is the argument for aligning systems or the way in which aid is delivered. Here greater alignment could reduce the transaction costs of aid and the administrative burden faced by recipient institutions. It can also improve the availability of information and data to the recipient government. Even when alignment with their own systems is less than perfect, recipients generally have an interest in harmonized donor systems. Many of the benefits of coordinated systems can be reaped without alignment.

One specific risk for aid-receiving countries from greater donor harmonization crosses over the distinction between policies and system processes that we have just discussed. Where donors use performance assessment frameworks collectively to adjudicate the performance of aid-recipients, the risk to any aided

<sup>25</sup> Overseas Development Institute, "*Harmonisation and Alignment in Fragile States*" (2004). (Draft report submitted to the Senior-Level Forum on Development Effectiveness in Fragile States January 2005), at 15, online: Overseas Development Institute <<http://www.odi.org.uk/>>.

<sup>26</sup> Allison Johnson & Matthew Martin. "Empowering Developing Countries to Lead the Aid Partnership: A Background Paper for the UNDP Human Development Programme" (2005), online: Human Development Reports <<http://hdr.undp.org/>>.

country is that all funds could be stopped in response to the same concern about delivery. While donors may have legitimate reasons to halt funding, coordination of performance assessment frameworks can increase the range of circumstances where this happens. For this reason, aid-receiving governments have expressed a preference for donors who disburse funds on the basis of “independent decisions and discussions with the recipient”.<sup>27</sup>

In summary, coordination can dramatically shift the balance of bargaining power between donors and recipients. This shift can occur in favour of donor or recipient. Greater donor harmonization without alignment with aid-recipients could give donors more control and influence within countries to which they give aid. Equally, as seen from an aid-recipient’s perspective, that kind of coordination would reduce choices and the scope for a government to make its own national economic decisions. By contrast, greater harmonization of aid processes could streamline aid, making its administration less cumbersome for aid-receiving governments. And greater alignment by donors of both policies and processes with aid-receiving governments could magnify these benefits for aid-receiving countries.

In the end the coordination debate is plagued by an ambiguity among donors about whether or not they wish to enhance their own control over aid or whether they wish to enhance the ownership and control of aid-receiving countries. Donor governments are naturally concerned with how their aid is used by other governments. Furthermore, they have to account to their own legislatures and audit bodies for the way in which their aid budgets are used. This creates two pressures on any change in the global development assistance regime. First, there is a push towards coordination of a kind which enhances donors’ collective power. Second, there is a brake on that movement so as to keep each individual donor able to respond to immediate domestic political exigencies.

## Implications for Reform of the United Nations

Against a backdrop of an expanding number of actors involved in development assistance and the complexity of motives for coordination, a variety of forces impede coordination. As such, it makes sense to consider whether calls for the UN to become a development cooperation forum are either realistic or desirable. Does the UN system provide structures that can overcome members’ incentives which militate against coordination? Does it provide a path for enhanced coordination in development assistance?

It is intuitively appealing to imagine the United Nations at the heart of a coordinated multilateral development system. Indeed, others have written

---

<sup>27</sup> Allison Johnson & Matthew Martin, “Key Analytical Issues for Government External Financing.” (London: Debt Relief International, 2004), online: Development Finance Group <<http://www.development-finance.org>>.

persuasively about how this might be achieved.<sup>28</sup> Clearly some degree of specialization within the international system does seem sensible; for example, leaving short-term macro-level balance of payments issues to the International Monetary Fund, micro-level long-run supply side obstacles to development to the World Bank, political governance themes to the UNDP, and health policies to the World Health Organization.

One concrete proposal to move the UN back at the heart of the international system has been expounded at length in a recent book by Kemal Dervis, a former Turkish Finance Minister and currently UNDP Administrator.<sup>29</sup> He recommends the creation of a United Nations Economic and Social Security Council (UNESC) with powers in the economic and social sphere parallel to those the UN Security Council possesses in the military arena. UNESC representatives would be elected in a system of weighted votes and constituencies.<sup>30</sup> UNESC would comprise 14 council officials with distinguished careers designing and implementing social and economic policies. They would meet regularly and be assisted by a small secretariat. Its new function would be as a governance umbrella or strategic board for the entire international system in the economic and social spheres, including the UN Specialized Agencies, the Bretton Woods institutions and the WTO. While it would not interfere with the workings of any of these institutions, it would have the power to appoint the heads of all of them through transparent criteria and emphasis on professional qualifications, experience and leadership. UNESC would be an advocate for mobilizing international resources for development and act as an evaluating body of all institutions and their programs. But most importantly, it would enhance coordination and cooperation within the international development system.

Dervis' idea is intuitively appealing as well as an obvious way to enhance international coordination and strengthen the legitimacy of both the Bretton Woods and UN agencies. And yet, exhortations that the solution to the failures of development is more aid that is more coordinated under its UN auspices puts a heavy burden of expectation on its shoulders. Given that powerful interests militate against coordination, is it feasible to expect that the UN is in a position to overcome these? Recall that existing coordinating bodies like the World Bank or the OECD's Development Assistance Committee (where rich states exercise far more relative influence than they do in the UN) are already sidelined in many cases. No new plan for coordination will succeed unless it radically alters the incentives faced by donors and their agencies.

---

<sup>28</sup> Kemal Dervis, *A Better Globalization: Legitimacy, Reform and Governance* (Washington, DC: Centre for Global Development, 2005).

<sup>29</sup> *Ibid.*

<sup>30</sup> Military capability would not enter into the formula for determining the voting strength of any country. Instead, voting strength would be determined by a country's share in world population, GDP and contributions to the UN global goods budget. *Ibid.* at 96.

In this article we have emphasized a number of issues which make coordination difficult within and between governments: the incentives faced by different actors in the system to preserve existing institutions, the multiple goals of donors, the desire for nationally “flagged” development assistance and differing views on the objectives and modalities of aid. It is not clear that a new role for the UN will change the incentives faced by donors and donor agencies, but it might provide an effective forum where best practices can be examined and consensus reached on the appropriate ends and means of development assistance.

While it is important to temper expectations that the UN can succeed where others have failed, the rationale for having a more legitimate and effective global coordination of aid is powerful. A global coordinator could provide a starting point to leverage developing country pressure on donors to streamline processes and advance the harmonization and alignment agenda even further to their benefit. Furthermore, what is not achieved by the present fragmented system of aid delivery is an overall allocation of aid across different countries which is effective and equitable. At present, the aid regime consists of “donor darlings” and “donor orphans”.

Having said all this, we have noted above that coordination in development assistance may not always be desirable from the perspective of recipients. An enhanced role for the UN in coordination has the potential to increase the voice of aid-receiving countries in the process and deliver outcomes more in their interests, but will not easily resolve the fundamental tension between the desire of donors to influence and control aid recipients and the recognition that real ownership by recipients is essential for development success.

The United Nations at sixty sits within a transformed development assistance system. The organization comprises numerous specialized agencies working at the global and regional levels to enhance the development prospects of poorer countries. These have been joined by numerous other public and private sector initiatives. The result is hundreds of different initiatives overlapping in development assistance—a juggernaut of governance, oversight mechanisms, negotiations and priorities. The challenge is to find ways to lighten the impact of this top-heavy system on the hundred or so countries in the world it has ostensibly been created to assist. Current exhortations for more aid and more coordination are unlikely to achieve this result.

