

# **MEETING THE CHALLENGES OF UN REFORM: A SOUTH PERSPECTIVE**

## **SYNOPSIS**

This South Centre Analytical Note provides a brief background of UN reform since the start of UN Secretary-General Kofi Annan's tenure in 1997. It outlines tensions that underscore the UN reform process, highlights current UN Reforms and offers developing country perspectives on each. It concludes with some recommendations regarding UN reform.

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## EXECUTIVE SUMMARY

The United Nations has had institutional reform initiatives ever since its inception in 1945. The challenges to countries, especially those that are developing, and the changes wrought by globalization in terms of global economic, political, social and environmental relations mean that a stable system of global governance needs to be maintained. As the only intergovernmental body with universal State membership that lies at the core of the entire global governance architecture, the UN is essential and needs to be strengthened.

In this background paper, key reforms that have been and are taking place in the UN system are summarized beginning from current UN Secretary-General Kofi Annan's assumption of office in 1997 and his first reform proposal. The discussion of these reforms are placed in the context of fundamental underlying global issues such as the maintenance of national sovereignty, divisions between the North and South, and growing inequality both within and between countries.

The paper then reflects and offers developing country perspectives on each of eleven current reform topics that are currently underway in the UN. These include:

1. Human Rights Council
2. Peacebuilding Commission
3. Secretariat/Management reform
4. Development/ECOSOC reform
5. Security Council Reform
6. System-Wide Coherence
7. General Assembly Revitalization
8. HIV/AIDS
9. UN Democracy Fund
10. Central Emergency Response Fund
11. UNCTAD

The paper concludes by offering four recommendations that developing countries should consider when addressing issues of UN reform. These include:

1. Stronger cohesion and unity among the developing country group.
2. Strengthening the UN's core global governance role.
3. Strengthening international economic and social cooperation through the UN.
4. Preventing abuse of the power of the purse.
5. Placing the UN at the core of global governance coherence.

## Meeting The Challenges of UN Reform: A South Perspective

### I. BACKGROUND AND SUMMARY OF UN REFORMS

1. Reform<sup>1</sup> of the UN started soon after the organization was established in 1945.<sup>2</sup> In the past, various UN Secretary-Generals have carried out these reforms, roughly every eight years, under the scrutiny of management studies and policy reviews.<sup>3</sup> Reforms have been more frequent in recent years, reflecting both the dynamism of the organization and the diverse interests represented by it. These diverse interests define the UN and likewise contribute to difficulties among UN Member States in agreeing upon and carrying out organizational reforms.
2. Reform does not come easily to the organization for various reasons. The UN is a highly complex, decentralized and multi-faceted organization that must work within the context of agreement among members. Member States are rarely united behind specific reform goals, often possessing different ideas that make them difficult to attain.<sup>4</sup>
3. The difficulty with reform also reflects deep-seated political disagreements that continue among actors in the global stage. “In a world divided by chasms between rich and poor, powerful and powerless, differences of interest are certain to shape all reform efforts and keep the UN a contradictory and divided institution.”<sup>5</sup> Changes in the UN, whether with respect to its substantive work and mandate or in its administrative structures and procedures, are subject to the political nature of UN decision-making, and “much of the reform debate, at its basest level, is a struggle over political turf, over who is perceived to gain or lose influence within the Organization if the proposed changes are enacted or implemented.”<sup>6</sup>
4. Reforms are a constant process at the UN, and old reform goals are often considered incomplete and unsuccessful.<sup>7</sup> “Reform” itself in the UN context is often a vague term that seems to encompass any and all changes made to the UN. Reform is also not something that can be measured or wholly “achieved”, and therefore it often becomes reform for reform’s sake. Lastly, reforms are difficult to achieve because they take time, patience, political capital, and resources that are often not available.
5. Reform of the UN should focus on strengthening the UN’s structures and mechanisms so that it can better support and promote the achievement of an equitable and fair global world order in which developing countries’ development objectives are achieved. Inevitably, as organizational agendas and structures are ultimately shaped by the power relations of the players that make up the organization, such reforms will also have to address and effect changes in the decision-making structures of the UN that currently give

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<sup>1</sup> For the purposes of this paper, reforms are regarded as the initiatives of the UN Secretary General, and take the shape and form of proposals that are then reviewed by the General Assembly. In some instances, High-Level Panels are created to assess situations of reform and then recommendations and actions are subsequently taken.

<sup>2</sup> Luck, Edward C., *Reforming the United Nations: Lessons from a History in Progress*, International Relations Studies and the United Nations (2003) 1. See <http://www.globalpolicy.org/reform/intro/2003history.pdf>.

<sup>3</sup> Paul, James A., *UN Reform: An Analysis*, 1996. See [www.globalpolicy.org/reform/analysis.htm](http://www.globalpolicy.org/reform/analysis.htm).

<sup>4</sup> Luck, 2003.

<sup>5</sup> Paul, 1996.

<sup>6</sup> Luck, 2003.

<sup>7</sup> Luck, 2003.

developed countries a much greater decision-making voice as compared to developing countries. The UN, as the premier global governance institution, should reflect the changing world structure and the increasing share of developing countries in the global economy.

**A. *Renewing the United Nations: A programme for reform*  
1997**

6. The most recent wave of reforms started during the term of then-UN Secretary General Boutros Boutros Ghali in 1992. During his tenure, the UN increased its “technical assistance” portfolio, a dozen operating units were abolished, and the UN Centre for Transnational Corporations was dissolved.<sup>8</sup> He trimmed both the staff of the UN and the budget, and presented two key documents on peace and development. Through the first, *An Agenda on Peace (A/47/277-S/24111, 17 June 1992)*, “diplomatic prevention” and increased peacekeeping initiatives were highlighted, while the second, *An Agenda for Development (A/48/935, 6 May 1994)*, laid the groundwork for future reform initiatives pertaining to development. However, US perceptions that Boutros-Ghali was trying to increase the power of the UN at the cost of US national sovereignty made it more difficult for Boutros-Ghali to pursue additional changes. Eventually, US objections prevented his re-election to a second term as UN Secretary General.<sup>9</sup>
7. Among current UN Secretary General Kofi Annan’s first major actions after his assumption of office as such in 1997 was his proposal to reform the UN, *Renewing the United Nations: A programme for reform (A/51/950, 14 July 1997)* in response to calls from the US and other (mostly developed) member states for a new blueprint on UN reform. In recognizing the need for reform, it focused on the development agenda of the UN and on doing *more* to achieve such agenda, rather than pushing for additional budget cuts aimed at doing *less*. It also sought to “disarm [US] Congressional attempts at unilateral leverage over U.N. policy.”<sup>10</sup>
8. The 1997 reform proposal sought to address changes to the UN’s leadership and management structures, as well as offered specific actions and recommendations for the changing course of the UN. Both structural and programmatic changes were envisioned, as follows:

Structural	Programmatic
<ul style="list-style-type: none"> <li>• establishment of a new leadership and management structure,</li> <li>• assuring financial solvency,</li> <li>• integration of twelve secretariat entities and units into five,</li> <li>• changed management culture to include more efficient measures,</li> <li>• overhaul of human resources,</li> <li>• promoting sustained and sustainable development as a central priority of the UN, and</li> <li>• strengthening normative, policy and</li> </ul>	<ul style="list-style-type: none"> <li>• improving the organization’s ability to deploy peacekeeping and other field operations more rapidly,</li> <li>• strengthening the UN capacity for post-conflict peace-building,</li> <li>• bolstering international efforts to combat crime, drugs and terrorism,</li> <li>• extending human rights activities,</li> <li>• advancing the disarmament agenda,</li> <li>• enhancing response to humanitarian needs,</li> <li>• effecting a major shift in public</li> </ul>

<sup>8</sup> Paul, 2003.

<sup>9</sup> Rouleau, Eric, *Why Washington Wants Rid of Mr. Boutros-Ghali*, La Monde Diplomatique, (November 1996). See <http://mondediplo.com/1996/11/un>.

<sup>10</sup> Williams, Ian, *Default is in Ourselves*, The Nation Magazine (11-18 August 1997). See <http://www.globalpolicy.org/reform/william2.htm>.

knowledge-related functions of the secretariat and its capacity to serve the UN intergovernmental bodies.	information, and • addressing the need for more fundamental change.
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Process reform through integration and collaboration

9. The 1997 reform paper called upon the UN to undertake structural changes while capitalizing on its existing institutional strengths such as its “universality of membership and comprehensive scope of mandate.”<sup>11</sup> Pertaining to development activities and others, the paper recognized that the UN needed to adopt a more *integrated and collaborative* approach.<sup>12</sup> By doing so, the UN could help create a “normative realm” upon which the community of nations could assess and guide its actions.<sup>13</sup>

Priority reform stresses economic and social development

10. The paper recognized the promotion of economic and social progress as a quintessential charge of the UN, as “enshrined in the organization’s charter.”<sup>14</sup> The importance of this charge was especially highlighted in this reform package due to the increasing imbalances in the world economy, which “pose[d] serious challenges to future international stability.”<sup>15</sup> These imbalances not only existed in the distribution of wealth, but in the forces “driving economic integration and political fragmentation, between humanity’s impact on, and the capacities of, planetary life-support systems.”<sup>16</sup>

11. The report specifically mentioned the plight of the least developed countries, and the challenges posed by their continued underdevelopment and poverty. “[M]any of the least developed countries, particularly those of sub-Saharan Africa, risk being bypassed by this process of economic expansion and transformation and require increased levels and diverse forms of external assistance.”<sup>17</sup>

12. Sectoral organizations have addressed development goals through a holistic approach that often leads to overlap between their activities.<sup>18</sup> “Overlap of this type has increased the need for cooperation and coordination among the organizations concerned and compounded the problems created by the fragmentation of existing structures.”<sup>19</sup> The report also noted the changing nature of development, including an increase in private sector capital flows, a diminishing pool of official development assistance (ODA), while dealing with poverty, low levels of social development, environmental degradation and political instability. Therefore it recommended that the UN *reassess and refocus resources for development*, specifically through the World Bank, IMF and regional development banks. The implications for this type of change were important to consider in that these financial institutions are in large part dominated by developed countries and tend to reflect their economic agendas.

13. One proposal to do this was through the creation of the United Nations Development Group (UNDG), comprised of major UN development programmes and funds, departments and other “relevant entities.” Now with 27 members and 5 observers, the

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<sup>11</sup> Id., para. 8.  
<sup>12</sup> Id., para. 72.  
<sup>13</sup> Id., para. 8.  
<sup>14</sup> Id., para. 68.  
<sup>15</sup> Id., para.4.  
<sup>16</sup> Id., para.4.  
<sup>17</sup> Id., para.16.  
<sup>18</sup> Id., para.149.  
<sup>19</sup> Id., para.149.

UNDG helps to facilitate joint policy formation and decision making, encourage programmatic cooperation and realize management efficiencies.<sup>20</sup> The group thus created a collaborative entity that helped eradicate activity overlaps, and capitalized on individual organizational strengths. The group's executive committee consists of heads of UNDP, UNICEF and UNFPA and is chaired by the current convener of Executive Committee on Development Operations, the Administrator of UNDP.

14. The reforms also mandated the creation of a "dividend for development" to shift resources from administration to development activities.<sup>21</sup> This fund would accumulate about \$200 million resulting from administrative and overhead cost savings through reducing non-essential meetings and documents.<sup>22</sup> Up to 2005, though the proposed fund was well supported, members still remained skeptical of the funding level allocated to it and the actual fund is still pending.<sup>23</sup>

### ***B. Millennium Development Goals 2000***

15. At turn of the millennium, UN Member States agreed on the Millennium Development Goals (MDGs) at the Millennium Summit. These goals were based on an understanding that globalization and the interconnectedness of individuals and countries have synergistic effects with the world's economy and social development. The global economy continued to be marked by unequal distribution among nations and a lack of shared social objectives. Therefore the MDGs targeted issues including poverty eradication, universal education, rights for women and children, and environmental responsibility.

16. The MDGs differed from goals set out in the past because they were framed as a "compact that recognize[d] the contribution that developed countries can make through fair trade, development assistance, debt relief, access to essential medicines and technology transfer."<sup>24</sup> The goals were set under a time frame in which the goals should be realized. They addressed four central issues of the Millennium Summit including *development, security, environmental responsibility, and the future of the UN.*

17. Within these four facets of change, eight goals and 18 targets were laid out, with 48 indicators with which to measure the changes. The goals were to be completed by 2015 and included the following:

- Eradicate extreme poverty and hunger.
- Achieve universal primary education.
- Promote gender equality and empower women.
- Reduce child mortality.
- Improve maternal health.
- Combat HIV/AIDS, malaria and other diseases.
- Ensure environmental sustainability.
- Develop a global partnership for development.

<sup>20</sup> Id., para.73.

<sup>21</sup> Id., page 7, highlights.

<sup>22</sup> Id., para.281.

<sup>23</sup> UN, *Budget Committee Briefed on latest developments in plan to refurbish UN Headquarters*, UN Doc. GA/AB/3663, 17 March 2005. See <http://www.un.org/News/Press/docs/2005/gaab3663.doc.htm>

<sup>24</sup> Cassels, Andrew and Andy Haines, *Can the millennium development goals be attained?* See <http://bmj.bmjournals.com/cgi/content/full/329/7462/394>.

“Freedom from Want”: The Development Agenda

18. The Development Agenda of the MDGs worked towards the eradication of poverty through the areas of education, health and employment. Developing countries were given the responsibility to make the achievement of the goals a priority through greater accountability to citizens and a more efficient use of resources. Developed countries were also especially urged to take responsibility in areas of trade, debt relief, development assistance, HIV/AIDS, and focus efforts on development in Africa.

Renewing the UN

19. The Millennium Summit also included additional suggestions to better the UN’s organizational structure. In his Millennium Report, Annan invoked a renewal of the UN, in which it should identify core strengths upon which to build, expand the UN’s relationship with civil society organizations, the private sector, and foundations, make digital connections and accomplish more structural reform.

***C. Strengthening of the United Nations: an agenda for further change 2002***

20. In 2002, a reassessment of the previous reforms and propositions of new reforms were introduced by Annan in *Strengthening of the United Nations: an agenda for further change (A/57/387, 9 September 2002)*. Once again recognizing the age of “interdependence and integration”, the report asserted that globalization creates a tenuous dichotomy between opportunity and danger for the future. Thus the UN must strengthen cooperation to “forge a common destiny in a time of accelerating global change.”<sup>25</sup>

21. The report was divided into the following six topic sections:

- Strengthening of the United Nations: This section recognized the achievements of the UN, including the creation of the Millennium Development Goals, reformation of peace operations, enhancing coherence through country teams, and building partnerships with civil society. The section also addressed what more can be done, including strengthening the General Assembly, enhancing ECOSOC, furthering Security Council reform, and reducing the number of meetings.
- Doing what matters: This section laid out specific priority areas for the UN including the MDGs, water issues, migration, peace and security, and the manner in which a revised budget will reflect these priorities. Another priority highlighted in this section was Human Rights, which would be addressed through UNHCHR and the UN Development Group through a series of plans and recommendations. The last area of priority was the improvement of information dissemination to the public.
- Serving Member States better: This section addressed the need for fewer and better managed meetings, as well as better reporting methods.

<sup>25</sup> UN, *Strengthening of the United Nations: An agenda for further change*, UN doc. A/57/387, 9 September 2002, para. 2.

- Working better together: This section addressed steps to improve coordination within the organization and how to clarify the roles and responsibilities of various actors and agencies, including the Department of Economic and Social Affairs (DESA), peace operations and technical cooperation. This section also laid out the priority of addressing collaboration between the UN and civil society, and called for the creation of a High-Level Panel to further research the topic.
  - Allocating resources to priorities: This section addressed the need for streamlining and simplifying the budget process, specifically peacekeeping budgets.
  - The Organization and its people: This section addressed the UN's continuing efforts to improve management and human resources.
22. The report began with the recognition that more changes are needed through continued restructuring, increased efficiency and pertinent initiatives. The Millennium Development Goals created two years earlier were lauded as operational and effective due to their time-bound and targeted nature. The report also called for further reform in allocation of resources that correspond to global priorities and better management techniques to ensure a capable and well-managed workforce.
23. The package emphasized the importance of better coordination among member states, agencies and programmes, technical cooperation, civil society, and the private sector. It focused one aspect of the package specifically on the integration of the UN and civil society actors because of the rapid growth in the number of international and non-governmental organizations that were essential players in the work of the UN. However, the rapid growth of organizational actors in the work championed by the UN led to strains on UN systems, including conferences and meetings in which the organizations wanted to participate. There also existed an imbalance of representation in developed and developing countries, and overlapping participation of groups among varying units in the Secretariat. Therefore the reform package recommended the creation of an independent panel of eminent persons charged with “reviewing past and current practices and recommend[ing] improvements for the future in order to make the interaction between civil society and the United Nations more meaningful.”<sup>26</sup>

### UN-Civil Society Relations

24. As indicated by the section called “Working Better Together” in the 2002 package, a panel of eminent persons was commissioned by Annan in 2003. This panel was chaired by the former President of Brazil, Fernando Henrique Cardoso, and its findings were presented in a report the following year entitled *We the peoples: civil society, the UN and global governance (A/58/817 11 June 2004)* submitted to Annan. The report, dubbed the “Cardoso Report”, called for the UN to become a more “outward-looking organization” and thematically described the need for the UN to “connect the global with the local.”<sup>27</sup> The report also called for the UN to embrace a plurality of constituencies to enforce the importance of various actors in the face of global challenges. Lastly, the report called the UN to actively strengthen democratic structures through global governance and accountability.

<sup>26</sup> Id., para. 141.

<sup>27</sup> UN, *We the peoples: civil society, the UN and global governance, A/58/817, 11 June 2004. Page 9.*

25. Not long after, the Secretary General issued a report (A/58) in September 2004 based on the findings and report of the panel. The Secretary General's report contained a total of 30 specific recommendations, under seven broader suggestions including:
- Increase the participation of NGOs in intergovernmental bodies.
  - Establish a trust fund to increase the participation of representatives of NGOs from developing countries.
  - Improve accreditation through a streamlined process.
  - Improve the UN Secretariat's dialogue with NGOs.
  - Enhance country level engagement with NGOs.
  - Explore the enlargement of the Partnership Office.
  - Manage the change process through improved dialogue with the NGO community, human resource readiness, and budgetary allocations.
26. Subsequently, NGOs responded to the panel's findings and recommendations with their respective statements, which were largely critical of the report and conclusions.<sup>28</sup> They also issued a joint response to the concerns and possible misunderstandings due to the report.<sup>29</sup> In their statement, they offered reassurance that increased NGO and involvement in the UN will not detract from the effectiveness and efficiency of the UN. Nor would their involvement erode state sovereignty. In the same statement, the NGOs brought up their own trepidations with the proposed changes, including erosion of rights, decreased involvement due to new accreditation procedures, and a possible imbalance in North-South dynamics due to Northern NGOs outnumbering Southern ones. In separate statements, Third World Network and Global Policy Forum both expounded on the dangers involved with including private entities in the definition of "civil society".<sup>30</sup> Through this inclusion, they argued, the UN is in danger of being overpowered by the influences of private businesses.<sup>31</sup>
27. Country members likewise issued statements and responses to the proposals by the panel and Secretariat. While many members and groups, including the European Union (EU), and Canada and New Zealand (CANZ) supported engagement of NGO and civil society groups more formally in the UN, other members including India, Zimbabwe, Uganda and Indonesia questioned the ability to operationalise such a proposal, as well as the fear that NGOs hold little accountability compared to member governments.<sup>32</sup> Another major concern was the possible disruption of the intergovernmental nature of the UN through too much interference of the NGOs.<sup>33</sup>
28. Regarding the trust fund to increase participation of NGOs from developing countries, most countries agreed with its establishment, thus acceding to the existing imbalance of NGOs in developing and developed countries and emphasizing the need to correct this imbalance. The US, India and Singapore brought up issues of funding sources and what trade-offs would be necessary to establish the fund.<sup>34</sup>

<sup>28</sup> *Panel of Eminent Persons on United Nations, Civil Society Relations*, Global Policy Forum, 2002. See <http://www.globalpolicy.org/reform/initiatives/panels/cardoso/index.htm>.

<sup>29</sup> Martens, Jens and James Paul, *Comments on the Report of the Cardoso Panel*, Global Policy Forum, November 2003. See <http://www.globalpolicy.org/reform/initiatives/panels/cardoso/08gpf.pdf>.

<sup>30</sup> For complete statements see <http://www.globalpolicy.org/reform/initiatives/panels/cardoso/08twn.pdf> for the Third World Network report and <http://www.globalpolicy.org/reform/initiatives/panels/cardoso/08gpf.pdf> for the Global Policy Forum report.

<sup>31</sup> The Cardoso Report on UN-Civil Society Relations: A Third World Network Analysis, August 2004.

<sup>32</sup> UN, *General Assembly Statements: General debate on UN-Civil Society Relations*, 4-5 October 2004. See <http://www.un-ngls.org/General%20Assembly%20Statements%20on%20UN%20and%20civil%20society.doc>.

<sup>33</sup> Id.

<sup>34</sup> Id.

Security in a Changing World

29. In December 2004, Annan issued a report entitled *A More Secure World: our shared responsibility (A/59/565, 2 December 2004)* based on findings of the UN High-level Panel on Threats, Challenges, and Change. The panel had been tasked with generating “new ideas about the kinds of policies and institutions required for the UN to be effective in the 21st century.”<sup>35</sup> It addressed the increasing need for international cooperation to face evolving threats, such as terrorism, State collapse and nuclear arms.

30. The report recognized six “clusters” of threats that the world faces in the future:

- war between states,
- violence within states, including civil wars, large-scale human rights abuses and genocide,
- poverty, infectious disease and environmental degradation,
- nuclear, radiological, chemical and biological weapons,
- terrorism,
- and transnational organized crime.

31. The report stated that addressing these threats must take the form of *prevention policy* and *response* to the threats. Preventative measures suggested by the report include poverty reduction through continued development and biological security through strengthening public health structures, especially pertaining to HIV/AIDS. Also essential was the prevention of wars within and between States, and preventing the spread of nuclear, biological and chemical weapons. The report suggested that the UN should create a strategy of counterterrorism in the face of a growing global terrorist network, as well as to prevent the spread of transnational organized crime. It also outlined the UN’s leverage in *response* to threats, including the use of force, to fulfill its responsibility to protect civilians from large-scale violence, maintain peace-building operations and enforce post-conflict peace-building.

32. The report recognized that in the face of the new century, with all of the threats that the international community faced, the UN itself had to reflect and change as well. Therefore, the report suggested the revitalization of the General Assembly and the Economic and Social Council, and the restoration of credibility to the Commission on Human Rights. The report recommended the creation of a Peacebuilding Commission to fill the gap of helping post-conflict countries rebuild, and improved collaboration with regional organizations.<sup>36</sup>

33. Its recommendations to improve ECOSOC are threefold:

- Provide normative and analytical leadership to the Security Council on issues through the creation of a Committee on the Social and Economic Aspects of Security Threats.<sup>37</sup>
- Provide an arena in which nations can measure achievement of their key development objectives in an open and transparent manner.<sup>38</sup>

<sup>35</sup> UN, *A More Secure World: a shared responsibility*, A/59/565, 2 December 2004, Executive Summary. See <http://www.un.org/secureworld/report.pdf>.

<sup>36</sup> Id., para. 263.

<sup>37</sup> Id., para. 276.

<sup>38</sup> Id., para. 277.

- Provide a venue in which to engage the development community at high levels. Such an objective would lead to a decreased administrative role of ECOSOC and increase the support and coordination role the body has in promoting development goals.<sup>39</sup>

34. It also recognized the need to increase the credibility and effectiveness of the Security Council with suggestions for reform. It reinforced the need to keep the Security Council democratic and accountable, to reflect the world order, and keep the Council effective. Two models are presented as suggestions to reform the body of the Security Council:

- Model A: would create six new permanent seats, with no veto being created. Three new two-year term non-permanent seats are also created. The new seats would be divided among the regional areas as follows:<sup>40</sup>

<i>Regional area</i>	<i>No. of States</i>	<i>Permanent seats (continuing)</i>	<i>Proposed new permanent seats</i>	<i>Proposed two-year seats (non-renewable)</i>	<i>Total</i>
Africa	53	0	2	4	6
Asia and Pacific	56	1	2	3	6
Europe	47	3	1	2	6
Americas	35	1	1	4	6
<b>Totals model A</b>	<b>191</b>	<b>5</b>	<b>6</b>	<b>13</b>	<b>24</b>

Source: UN A/59/565

- Model B: would create no new permanent seats, but a new category of eight four-year renewable-term seats and one new two-year non-permanent (and non-renewable) seat. The new seats would be divided among the regional areas as follows:<sup>41</sup>

<i>Regional area</i>	<i>No. of States</i>	<i>Permanent seats (continuing)</i>	<i>Proposed four-year renewable seats</i>	<i>Proposed two-year seats (non-renewable)</i>	<i>Total</i>
Africa	53	0	2	4	6
Asia and Pacific	56	1	2	3	6
Europe	47	3	2	1	6
Americas	35	1	2	3	6
<b>Totals model B</b>	<b>191</b>	<b>5</b>	<b>8</b>	<b>11</b>	<b>24</b>

Source: UN A/59/565

#### ***D. In Larger Freedom: towards development, security and human rights for all 2005***

<sup>39</sup> Id., para. 278.

<sup>40</sup> Id., para. 252.

<sup>41</sup> Id., para. 253.

35. The Secretary General’s 2005 report, *In Larger Freedom: towards development, security and human rights for all (A/59/2005)*, readied the UN for the 2005 world summit to update progress since the Millennium Summit and the creation of the Millennium Development Goals. It began positively with the hope of continued reform and improvement while recognizing that the “imbalance of power in the world is a source of instability.”<sup>42</sup> Despite declining public confidence of the UN, there was also a growing belief in the importance of effective multilateralism. Therefore, Annan listed the three updated goals of *development, freedom and peace* to provide the centerpiece for UN reform.
36. Annan suggests political will as the critical ingredient of achieving the MDGs, saying:
- “Each developing country has primary responsibility for its own development—strengthening governance, combating corruption and putting in place the policies and investments to drive private-sector-led growth and maximize domestic resources available to fund national development strategies. Developed countries, on their side, undertake that developing countries which adopt transparent, credible and properly costed development strategies will receive the full support they need, in the form of increased development assistance, a more development-oriented trade system and wider and deeper debt relief.”<sup>43</sup>
37. With this statement, Annan called upon individual governments of those countries with extreme poverty to adopt and implement a national strategy “bold enough to meet the Millennium Development Goals targets for 2015.”<sup>44</sup>
38. The 2005 report was intended to serve as a blueprint for the UN to undertake further reforms in light of recent global events and circumstances. It reaffirmed and updated the three pillars upon which the previous reforms were founded, however expanded the goals to encompass the burgeoning threats of the world. His three categories now included *Freedom from want*, a continued development strategy, *Freedom from fear*, a vision for collective security, and *Freedom to live in dignity*, which invoked the growing need for rule of law, human rights enforcement and democratization.

### ***E. World Summit Outcome 2005***

39. The World Summit Meeting was held in September 2005 as an arena in which to discuss the status of the Millennium Development Goals. Also addressed were the issues brought up in the report *In Larger Freedom*, including development, security, human rights and UN reform, issued months earlier by the Secretary General. However, a number of major concerns surrounded the period leading up to the Summit, encompassing the new wave of reform and changes that had been a part of the UN ever since Annan’s appointment.
40. These concerns included:<sup>45</sup>

<sup>42</sup> UN, *In Larger Freedom: towards development, security and human rights for all*, A/59/2005, 21 March 2005, para. 8.

<sup>43</sup> *Id.*, para.32.

<sup>44</sup> *Id.*, para.34.

<sup>45</sup> Shah, Anup, *United Nations World Summit 2005*, Globalissues.org. See <http://www.globalissues.org/TradeRelated/Poverty/unworldsummit2005.asp#PurposeofSummitReviewProgressionMillenniumDeclaration>.

- **A development agenda being overshadowed by issues of Security.** In the midst of the Iraq war and the oil-for-food scandal, changes in the Security Council overshadowed the need for other reforms in the UN. Developing countries feared that their priorities would be overruled by the agenda of the developed nations.
- **Weak text in the outcome document.** With precedent coming from the US trying to revise the outcome document, other countries used it as an opportunity to do the same. Developing countries did not support text suggested by developed countries regarding the proposed Human Rights Council.<sup>46</sup> Developing countries also refused to support Security Council reforms that would continue to strengthen those already in power, giving them the right to intervene militarily in global conflicts.<sup>47</sup> They were unsatisfied with the text because it failed to “seek strong commitments from rich nations on issues relating to official development assistance, debt, trade and quota-free market access to third world exports”.<sup>48</sup> Thus they saw the text as leaving out many of their concerns for development, and instead “adher[ing] to an approach favoring richer countries.”<sup>49</sup>
- **The US stance.** Since 1997, the US has taken many controversial positions on the role of the UN and its work, and this was exemplified by the 750 amendments made to the outcome text of the 2005 summit. In many cases, US positions vis-à-vis the issues discussed in the UN often indicated an increasing dissatisfaction with the UN and an increasing willingness to wield its power over the UN’s purse to push forward its perspectives.

41. The final document of the World Summit Outcome included most topics embodied in the UN through 2005. With extensive amendments by the US and other member states the document was criticized as being vague and “full of platitudes and generalities,”<sup>50</sup> since it mostly reaffirmed past commitments. It did not emphasize that the Millennium Development Goals were still far from being met, however did address the issue of development in more than half of the document. It also did not mention the International Criminal Court, or speak much of nuclear non-proliferation—both clear signs of the United States’ influence on the document. It heavily favored the developed countries’ stance on issues such as aid, which were continually tied to conditions that are deemed unfair, and trade, which favors liberalization that is largely helpful to rich countries. Reform of the Security Council was not mentioned in the document.

42. The document did address some new issues such as human rights—creating a new Human Rights Council and Peace Building Commission, and genocide—affirming that the sovereignty of states can no longer be an excuse for such atrocities. It mentioned elimination of user fees for primary education and supports the Education for All Fast Track Initiative. The statement reaffirmed the G8 commitments made at Gleneagles on debt relief and stands behind both universal access to HIV treatment and women’s rights. In regards to UN reform, it cited the recent oil-for-food scandal and suggested increased accountability and oversight for the organization. It also briefly mentioned the role of civil society brought up in the past reform movements.

<sup>46</sup> Deen, Thalif, *UN Summit May Produce Weak Action Plan*, Inter Press Service News Agency, 22 August 2005. See <http://www.ipsnews.net/news.asp?idnews=29981>.

<sup>47</sup> Id.

<sup>48</sup> Id.

<sup>49</sup> Shah, Anup, *United Nations World Summit 2005*, Globalissues.org. See <http://www.globalissues.org/TradeRelated/Poverty/unworldsummit2005.asp#PurposeofSummitReviewProgressiononMillenniumDeclaration>.

<sup>50</sup> Deen, Thalif, *UN Summit World Leaders Under Heavy Fire*, Inter Press Service News Agency, 14 September 2005. See <http://www.ipsnews.net/news.asp?idnews=30270>.

## II. ISSUES AND TENSIONS SURROUNDING UN REFORMS

43. The recent history of UN reforms has been characterized by growing tensions between North and South, developed and developing, as well as ideological differences among member states and a rapidly changing world structure. Below, a few of these tensions are broadly described and summarized. These tensions are closely inter-related, and North-South divisions have tended to be clear. Each of these topics are far more complex than can be discussed in a few paragraphs—however they offer a broad understanding of the issues that will be further touched upon in the next section regarding specific UN reform topics.

### A. *Sovereignty of States*

44. The larger policy question underlying the UN as a world body is that of sovereignty. With globalization, the question of sovereignty is a major source of tension that touches and shapes many areas of reform.

45. Economic: Despite the increasing importance of non-state actors (e.g. civil society, corporations) as transnational players, “nation-states will remain a key element in the future global community, [while] their relative importance has diminished as new challenges have emerged.”<sup>51</sup> Due to rapid globalization of market economies, the flow of goods, information, services, capital, people and ideas has greatly expanded. With such changes, the UN as a governing body must adjust accordingly.<sup>52</sup>

46. One controversial response to the question of national economic sovereignty is that of increasing countries’ “policy space”, in which states maintain their own space to create policies that best fit their needs for development. This concept pertains to the right of developing countries to freely adopt different approaches to development that would be best suited to their specific political and economic conditions. Essentially, it points to “the scope for domestic policies, especially in the areas for trade, investment and industrial development.”<sup>53</sup> It reflects three principles of international policy and law including:<sup>54</sup>

- The principal of sovereignty of equality of states,<sup>55</sup> which ensures that international laws and rules are dependent on equal exercise of national sovereignty by states.
- A nation’s right to development<sup>56</sup>
- The principal of special treatment for developing countries, which allows special accommodations to developing countries suitable to their own development needs and circumstances.<sup>57</sup>

<sup>51</sup> *Beyond Reform: The United Nations in a New Era*, The Stanley Foundation, 1997. See <http://www.stanleyfoundation.org/reports/UNND97.pdf>

<sup>52</sup> *Beyond Reform*, 1997.

<sup>53</sup> UNCTAD, *Sao Paulo Consensus*, TD/410, 25 June 2004, para. 8. See SC/GGDP/AN/GEG/1 for more information on Policy Space.

<sup>54</sup> South Centre, *Operationalizing the Concept of Policy Space in the UNCTAD XI Mid-Term Review Context*, SC/GGDP/AN/GEG/1, May 2006, page 3. See

<http://www.southcentre.org/info/Analysis/PolicySpaceUNCTADXI.pdf>

<sup>55</sup> UN, *Charter of the United Nations*, art. 2(1).

<sup>56</sup> UN, *General Assembly: Declaration on the Right to Development*, UNGA Res. 41/128, 4 December 1986.

<sup>57</sup> South Centre, *Operationalizing the Concept of Policy Space in the UNCTAD XI Mid-Term Review Context*, page 3.

47. The concept of policy space affirms that countries, especially developing ones, have different economic structures, levels of development, size, resources and capabilities. Thus, a “one-size-fits-all approach [is] irrelevant.”<sup>58</sup> This concept finds itself reflected in the discussions and negotiations that are now taking place in UNCTAD and the WTO, including but not limited to assertions of developing countries for special and differential treatment.
48. Human Rights: Beyond economic sovereignty also lies the relationship between the sovereignty of states and the personal security and rights of their citizens and other persons under their jurisdiction. This issue has risen to the forefront of the UN’s agenda, pertaining to the recently dissolved Human Rights Commission and the subsequent creation of its new Human Rights Council. It is highlighted by the events affecting human rights in, for example, Darfur, Guantanamo Bay, Gaza, and Lebanon.
49. State sovereignty does not necessarily have to be dichotomous with a functioning international community. Instead, states can have jurisdiction over their people while remaining responsible to the “wider international community, to neighbors affected by its actions and, not least, the responsibility to protect its own people.”<sup>59</sup> This idea of an international community has already taken hold of the structures of the UN in such institutions as the International Criminal Court.
50. Human rights, however, is not simply a discussion about rights. It is also a discussion about how to bring about the fundamental economic and political conditions needed for the full enjoyment of such rights. Hence, human rights must be approached from a clear development perspective. Through this approach, “[p]overty reduction and the promotion of development...becomes a human right obligation that all States have to fulfill on behalf and in favor of their peoples”.<sup>60</sup> Thus, developing countries should stress that development as a human right cannot be tackled by the individual country alone, but requires substantial coordination and assistance from the international community.<sup>61</sup> Through international assistance, developing countries will be able to promote “growth of income and productive economic output” which will enhance opportunities for development of individuals and societies.<sup>62</sup> While neither developed nor developing countries hold perfect human rights records, developing countries should emphasize the need for the “socio-economic assistance...countries require in their pursuit of improved human rights,”<sup>63</sup> which assistance developed countries should provide.

## ***B. North-South Divide***

51. Another major tension that underscores reform is that of the gap in perspectives between South and North arising from differing expectations and developmental realities. This tension causes, and likewise contributes to, the funding crisis, as well as other reforms

<sup>58</sup> UNCTAD, *Preparations for UNCTAD XI: Submission by the Secretary-General of UNCTAD- Part Two: Pre-Conference Text*, TD(XI)/PC/1, 6 August 2003.

<sup>59</sup> Evans, Gareth, *UN Reform: Why it matters for Africa*, Address to Africa Policy Forum, International Crisis Group, 26 August 2005. See <http://www.crisisgroup.org/home/index.cfm?id=3634&l=1>.

<sup>60</sup> South Center, *Development and Human Rights: Promoting the Human Rights Council’s Developmental Mandate*, SC/GGDP/AN/HR/1, June 2006, page 3. See <http://www.southcentre.org/info/Analysis/DevelopmentAndHuman%20Rights.pdf>.

<sup>61</sup> South Center, *Development and Human Rights: Promoting the Human Rights Council’s Developmental Mandate*, page 9.

<sup>62</sup> Id., page 10.

<sup>63</sup> Lei, Xiong, *Turn attention to true human rights abusers*, *China Daily*, 6 June 2006, page 4. See [http://www.chinadaily.com.cn/opinion/2006-06/20/content\\_621040.htm](http://www.chinadaily.com.cn/opinion/2006-06/20/content_621040.htm).

including the future of the Security Council.<sup>64</sup> As member states struggle to find a balance between funding and power, they espouse similar ideals, but ultimately push for different manners of achieving them.

52. North-South divides are aligned through groups of member nations, such as the G-77 and China. Eighty-two percent of the UN's operational budget is currently contributed by countries of the North, including the US, Japan, 25 European Union countries and Canada.<sup>65</sup> This "power of the purse" on the part of developed countries has resulted in cases where the UN's ability to effectively operate has become circumscribed due to the withholding of membership dues or voluntary contributions upon which the UN depends for its operations.
53. The North's "power of the purse" over the UN notwithstanding, developing countries should and has emphasized that "many of the issues that divide north and south are yet issues that affect both north and south"<sup>66</sup>. All countries face the common challenges of AIDS, terrorism, and global environmental degradation (such as climate change). These common challenges will require shared but also differentiated approaches with a common responsibility to cooperate on an international level. A commonly shared sense of being together in the same ship (our planet Earth) without any viable lifeboat on hand should trigger a common desire to work together to make sure that the global ship does not founder and sink. These shared challenges and the common and shared responses to these challenges need to be emphasized in order to bridge the growing gap between North and South. Environmental degradation in any area of the world will affect every nation. Likewise, nations that successfully meet the MDGs are more likely to contribute to world-wide economic growth. "In social, political, economic and environmental terms, all countries are in some way interrelated, and people from the wealthy countries can – and sometimes do – become victims of natural disasters and economic crises or violence occurring far away"<sup>67</sup>.
54. At the same time, however, developing countries are increasingly realizing the power inherent in both their numbers and share of global resources to shape their own futures, to delink their development strategies from discredited neo-liberal economic theories and embark on strategies that are more attuned to their specific country circumstances. More South-South cooperation and collaboration, including increased and better South-South regional integration initiatives designed to sustainably improve the collective lives of the poor and marginalized in the participating countries, would be important in ensuring that the North-South divide is bridged on the basis of equality rather than of post-colonial and neo-colonial dependency.

### C. Growing Inequality

55. Heavily linked to the widening gap between the North and South is the growing inequality between and among the two regions. Some argue that globalization only works to heighten inequality and other trends that the phenomenon perpetuates, such as favoring

<sup>64</sup> "Pope Kofi's unruly flock". 6 August 1999. *The Economist*.

<sup>65</sup> Deen, Thalif, *New War of Words in the New North-South Battle*, Inter Press Service, 8 June 2006. See <http://www.asiantribune.com/index.php?q=node/496>.

<sup>66</sup> Id.

<sup>67</sup> CIDSE and Caritas Internationalis, *Financing Development through Redistribution*, September 2001. See <http://www.globalpolicy.org/socecon/ffd/2001/09redistribution.pdf>.

the highly educated, entrepreneurial, technologically savvy and research proficient<sup>68</sup>. The global market “reflect[s] the greater market power of the rich” and perpetuates and increases inequalities among people.

56. As confirmed by financial and human development indicators, the income gap between the rich and poor also continues to increase<sup>69</sup>. The UNDP Human Development Report of 2005 says that the income disparity of a factor of 30 in 1960 between the richest 20% of the population and the poorest 20% has grown to 42 times in 1980 and continues to this day.<sup>70</sup>
57. Inequality among countries’ economic classes also grows. In the Human Development Report, of 73 countries for which figures are available, 53 (comprising over 80% of the world’s population) have recorded an increase in inequality of distribution, and only 9 have shown a decrease<sup>71</sup>. The implications for growing inequality in developing countries are multifaceted and include injustice, insider privilege, and unequal opportunity<sup>72</sup>. Inequality hinders economic growth and thwarts opportunities for the poor in education and investment. Therefore UNDP has suggested that “strategies for human development should put distribution at their centre in future, and that measures to overcome extreme inequality should be included in plans for realizing the MDGs”<sup>73</sup>.
58. Likewise, increasing inequality between the North and South indicates that without assistance from the developed countries, developing countries will find it near impossible to reach development goals that have been set by the international community<sup>74</sup>. However, inadequate economic and human development in developing countries will prove harmful to both developing countries and the global economy. Indisputable evidence shows that development is beneficial for both developing and developed countries. National and global security is increasingly strengthened as development and participation of civilians in political decision-making is increased. As seen in the attacks of 9/11, no country can be free from the effects of growing inequality, including as acts of terror and violence.
59. Addressing inequality within countries and between the North and South is therefore of utmost importance. As mandated in the Human Development Report, “better international negotiation is urgently necessary in order to overcome international inequality”<sup>75</sup>.

### III. CURRENT AREAS OF UN REFORM<sup>76</sup>

60. Eleven areas of reform are currently underway in the UN. These include:

#### A. Human Rights Council

<sup>68</sup> South Centre, *Globalization Will Increase Inequality in Developing Countries*, 28 February 2006. See <http://www.globalpolicy.org/socecon/inequal/2006/0228incrinequ.htm>.

<sup>69</sup> Daniel, R.R., *The North-South Divide and the Compulsions for the 21<sup>st</sup> Century*, 12 July 1999. See <http://www.ias.ac.in/currsci/sep25/articles18.htm>.

<sup>70</sup> Martens, Jens, *A Compendium of Inequality: Human Development Report 2005*, 2005, page 3. See <http://www.globalpolicy.org/socecon/inequal/2005/10compendium.pdf>

<sup>71</sup> Id., page 3.

<sup>72</sup> South Centre, *Globalization Will Increase Inequality in Developing Countries*.

<sup>73</sup> Martens, 2005.

<sup>74</sup> Daniel, 1999.

<sup>75</sup> Martens, 2005.

<sup>76</sup> *Progress report on UN Reform, June 2006*, Reform the UN website. See <http://www.reformtheun.org/index.php/eupdate/2270>.

- B. Peacebuilding Commission
- C. Secretariat/Management reform
- D. Development/ECOSOC reform
- E. Security Council Reform
- F. System-Wide Coherence
- G. General Assembly Revitalization
- H. HIV/AIDS
- I. UN Democracy Fund
- J. Central Emergency Response Fund (CERF)
- K. UNCTAD

The following section offers a summary and update of the above reform topics, followed by developing country perspectives.

### ***A. Human Rights Council***

61. The Human Rights Council was created to replace the Commission on Human Rights. The Council convened its first session on June 19<sup>th</sup> and is comprised of 47 voted members. It is directly responsible to the General Assembly and its purpose is to “strengthen the United Nations human rights machinery, with the aim of ensuring the effective enjoyment by all of all human rights -- civil, political, economic, social and cultural rights, including the right to development.”<sup>77</sup> The new Council will perform periodic reviews to assess states’ fulfillment of human rights obligations and commitments. It will also maintain the key strengths of the previous Commission including its system of procedures and mechanisms for NGO participation.<sup>78</sup>
62. The now defunct Human Rights Commission had been criticized for its bureaucratic and excessively political nature. Its effectiveness and credibility as the UN’s human rights monitoring and deliberative body was largely constrained because its own procedures proved to be highly politicized and slow and essentially allowed members to escape serious scrutiny and censure for their human rights violations. It is specifically criticized in its failure to act on a report warning of the potential violence and genocide in Rwanda in 1993, as well as the 1998 violence against the Kurds in Iraq.<sup>79</sup> Its dependence on the Security Council for action to be taken also played a large role in its ineffectiveness due to the political nature of the permanent members with veto power.
63. The new Council was thus welcomed by human rights organizations; however, concerns have been raised among them with respect to the conditions of their future participation in the work of the Council. Also of concern is the changing status of the Council under the General Assembly rather than its former status under ECOSOC—a change which might result in negative consequences to social and economic rights.<sup>80</sup>
64. The current agenda of the Council includes the discussion of the Right to Development and the extent to which social, economic and cultural rights will be included in the Charter. These issues are important to developing country members to increase access to development and to place development initiatives at the forefront of the human rights

<sup>77</sup> UN, *General Assembly Establishes New Human Rights Council by Vote of 170 in Favor to 4 Against, with 3 Abstentions*, GA/10449, 15 March 2006. See <http://www.un.org/News/Press/docs/2006/ga10449.doc.htm>.

<sup>78</sup> *Progress report on UN Reform*, 2006.

<sup>79</sup> *Id.*

<sup>80</sup> *Creation of the Human Rights Council*, Global Policy Forum website. See <http://www.globalpolicy.org/reform/topics/hrcindex.htm>.

discussion. The Chairman of the Group of 77 and China in Geneva affirmed this position at his address to the 39<sup>th</sup> Meeting of the Chairman/Coordinators of the Group of 77 in Paris, saying “discussions on the Right to Development need to be further invigorated.”<sup>81</sup>

65. Developed countries, however, continue to focus their energies on primarily civil and political rights. Developing countries should thus continue to push for the inclusion of social, economic and cultural rights through the Right to Development, and form a cohesive position regarding the importance of those aspects in the human rights forum. They should also emphasize the importance of economic and political cooperation from the international community for development initiatives, as well as advocate for ways of implementing human rights education and advisory services through technical assistance and capacity building.<sup>82,83</sup>

### ***B. Peacebuilding Commission***

66. A new Peacebuilding Commission was established in December 2005 with support from the Secretary General and a high-level panel to be responsible for addressing a “critical institutional gap within the UN and global systems.”<sup>84</sup> It will provide post-conflict peacebuilding and be comprised of an intergovernmental Organizational Committee, a support office in the Secretariat, and a multi-year standing Peacebuilding Fund to support their initiatives for post-conflict stabilization and capacity building. The Organizational Committee will be comprised of the five permanent members of the Security Council who will “have the greatest leverage over what the commission does and where”, as well as members from ECOSOC, top contributors of funding and troops, and other elected members.<sup>85,86</sup> This make up of the committee worries developing countries regarding the power afforded to the permanent members of the Security Council.<sup>87</sup>
67. Peacebuilding is a multidisciplinary venture and the Commission aims to find an integrated approach to incorporate conflict resolution, governance-economics, development, legal and electoral reform, and security issues into its efforts. However, some question the effectiveness of the Commission, considering its functions are limited to an advisory role. Peter Wallenstein, a member of the High-Level Panel, asserts that the commission has the potential to be effective, “but it rests on a consensus between north and south”<sup>88</sup>. Johan Galtung, a pioneering figure in peacebuilding, fears “the commission will act in the interest of the great powers - particularly the US and the UK” who he considers as lagging behind in their thinking of “maintaining the status quo”<sup>89</sup>.

<sup>81</sup> Statement by Ambassador Masood Khan, Permanent Representative of Pakistan, Chairman of the Group of 77 and China, Geneva Chapter at the 39th Meeting of the Chairmen/Coordinators of the Group of 77 Chapter, 27 February 2006. See

[http://missions.itu.int/~pakistan/2005\\_Statements/Trade\\_Dev/stateparis39meetG77\\_27feb06.htm](http://missions.itu.int/~pakistan/2005_Statements/Trade_Dev/stateparis39meetG77_27feb06.htm).

<sup>82</sup> South Center, *Development and Human Rights: Promoting the Human Rights Council’s Developmental Mandate*, page 9.

<sup>83</sup> More practical implications of such an initiative can be found at South Centre’s analytical note on Development and Human Rights.

<sup>84</sup> UN, *A More Secure World: a shared responsibility*, Executive Summary.

<sup>85</sup> Roughnead, Simon, *Challenges Ahead for UN Peace Commission*, International Relations and Security Network, 24 January 2006. See <http://www.globalpolicy.org/reform/topics/psc/2006/0124ahead.htm>.

<sup>86</sup> *UN Ok’s New Peacebuilding Commission*, Associated Press, 20 December 2005. See <http://www.globalpolicy.org/reform/topics/psc/2005/1220oks.htm>.

<sup>87</sup> Id.

<sup>88</sup> Roughnead, 2006.

<sup>89</sup> Id.

68. Another concern is the mandate for *post-conflict resolution* of the peacebuilding commission, with little attention given to the actual *prevention* of conflict. Many of the current situations are those in which countries have fallen back into conflict after periods of peace, such as Sri Lanka and Cote d'Ivoire. Therefore, some argue for an additional mandate to address the prevention of countries that might fall back into the cycle of conflict<sup>90</sup>. However, according to an explanatory note of Kofi Annan referring to his reform proposal, he explains that prevention should be left to the existing institutions of the UN that already handle this issue. Instead, he proposes that the Commission address the issue of risk reduction. "Members of the United Nations should be able at any stage to appeal for advice to the Peacebuilding Commission or for assistance from a Standing Fund for Peacebuilding [that]...can add an important dimension to the UN's preventive efforts by providing better tools for helping states and societies reduce the risk of conflict including by aiding their efforts to build state capacity, especially in the area of the rule of law"<sup>91</sup>.

### C. Secretariat/Management Reform

69. Annan issued a report in March of 2006 "*Investing in the United Nations: for a stronger Organization Worldwide*" in which he laid out 23 recommendations under six areas including people, leadership, information and communications technology, delivering services, budget and finance and governance. Recent meetings of the Security Council to discuss a report by the Office of Internal Oversight Services highlighted alleged mismanagement of peacekeeping procurements and sexual exploitation and abuse of peacekeepers. These have led to suggestions that there is a need to address problems of rate of deployment, mismanagement and fraud, and the need to update financial rules, regulations and procedures. In response to this, the G-77 fears that the Security Council is intruding on what should be under the jurisdiction of the General Assembly.

70. Major areas of reform that have been conclusive include the approval of resources to establish an Ethics Office; agreement to establish an independent audit advisory committee; preparations for a whistleblower policy and policy on the prevention of fraud and corruption; terms of reference for an independent external evaluation of the UN's oversight system; establishment of working group to development proposals on budgetary, financial and human resources policy; and establishment of a Management Performance Board.

71. Management reform has been pushed by the US (and other developed countries) who has used its financial clout in the UN budget as the leverage for decision making power in the world body. Developing countries expressed their concern at such use or abuse of the power of the purse and that developed countries that pay over 80% of the budget continue to disproportionately hold power over UN programmes and jobs.<sup>92</sup> The holding of leadership positions in public institutions such as the UN should be based on merit and should also reflect, at the same time, the diversity of the UN's membership. Developing countries, in stressing their support of UN reforms, assert that the changes should not "change the intergovernmental nature of [Member States'] decision making, oversight

<sup>90</sup> Id.

<sup>91</sup> UN, *Peacebuilding Commission: Explanatory Note by the Secretary General of the UN*, A/59/2005, 19 April 2005. See <http://www.un.org/largerfreedom/add2.htm>.

<sup>92</sup> Leopold, Evelyn, *UN spending cap removed amid rancor over reforms*, Reuters Foundation Alertnet, 1 July 2006. See <http://www.alertnet.org/thenews/newsdesk/N30339567.htm>.

and monitoring processes. Neither is it meant to redefine the roles and responsibilities assigned to the various Organs of the United Nations.”<sup>93</sup>

72. Developing countries have concerns that management reforms designed to effectively weaken their ability to participate effectively in setting the policy directions of the UN and in shaping its development initiatives will be pushed through by developed countries. Most strikingly, the reforms are headed in the direction of creating three pillars under the topics of development, environment and security, which could ultimately reduce the role of the UN as the world’s premier global governance institution and ultimately cut it out of any primary role in setting global political and economic policies and norms.

#### ***D. Development/ECOSOC Reform***

73. Member states are currently negotiating two draft resolutions on development and ECOSOC reform. The resolutions would improve upon existing development efforts and establish a more coherent framework of ECOSOC’s coordinating role in global economic affairs. This would include a High-Level Segment with Bretton Woods Institutions, the WTO, and UNCTAD.
74. ECOSOC is a unique body because it holds “a measure of legitimacy that any institution outside the world body would find difficult to match.”<sup>94</sup> As an organ of the UN General Assembly, ECOSOC is well-positioned to provide policy coherence and coordinate the overlapping functions of the UN’s subsidiary bodies, and it is in these roles that it is most active. Developing countries should thus capitalize on the legitimacy this group holds and support its continued initiatives and work. Countries should also push MDGs as a major focus of ECOSOC and “encourage debate on new and innovative ideas on the enabling environment for development, including financing.”<sup>95</sup> The ECOSOC could be used as the platform through which new discussions regarding the developmental impact of global economic policies and institutions and the global financial architecture could take place.
75. Developing countries perceive the reform initiatives backed by developed countries to be a process that could “erode the influence of the developing countries, and that drastically reduce the already marginalized role of the UN in development, particularly in economic and social policy.”<sup>96</sup> Developing countries should thus emphasize the need for ECOSOC to establish and maintain an “ongoing and coherent framework” for relevant issues that fall within its broad mandate.<sup>97</sup> Any reform of ECOSOC should result in strengthening, rather than weakening, it in terms of increasing its ability and capacity to serve as the focal point within the UN system, as the core global governance institution, that would oversee the coordinated action of the key institutional intergovernmental players in the global economic system such as the Bretton Woods institutions and the WTO.

<sup>93</sup> Martinetti, Irene, *U.N. Reform Watch No. 16: An Overview on U.N. Management Reform*, Center for UN Reform Website, 28 June 2006. See <http://www.centerforunreform.org/textpages/unreformwatches/unreformwatch16.htm>.

<sup>94</sup> *L20 and ECOSOC Reform: Complementary Building Blocks for Inclusive Global Governance and a more Effective UN*, German Development Institute, June 2005. See <http://www.cigionline.org/publications/docs/L20%20and%20ECOSOC%20Reform.pdf>.

<sup>95</sup> *Proposals for the Revitalization of the Work of the General Assembly*, Group of Friends for the UN Reform. See <http://www.globalpolicy.org/reform/topics/ga/2005/0302friends.pdf>.

<sup>96</sup> Khor, Martin, *UN Reform Process Hotting Up*, South North Development Monitor, 27 March, 2006. See <http://www.globalpolicy.org/reform/topics/general/2006/0327hotting.htm>.

<sup>97</sup> Disney, Julian, *A Reformed ECOSOC for a Stronger UN*, *The Social Development Review*, September 2004, Vol. 4 No. 3. See [http://www.icsw.org/publications/sdr/2000\\_sept/commentary.htm](http://www.icsw.org/publications/sdr/2000_sept/commentary.htm).

### *E. Security Council*

76. A highly contested subject in UN reform is membership of the Security Council. The group that makes major decisions with its five permanent member states, including France, US, China, England and Russia, has become what some term “anachronistic”, a relic of post World War II. Most critics of the current make-up of the Security Council suggest that it needs to catch up with the new world dynamic to properly account for the changes in power and geographic representation. Various proposals have been made to change the distribution of power in the Security Council, mainly pushes by four countries, Germany, India, Japan, and Brazil, to join the Council. However, the five permanent members with powerful veto ability do not wish to share their power and expansion of the Council cannot be agreed upon.
77. Currently, five main proposals to reform membership of the Security Council include the following:
- G4/3 (Germany, Brazil, India) proposes that 10 new members (6 permanent without veto and 4 non-permanent).
  - African Union proposes 11 new members (6 permanent with veto, 5 non-permanent)
  - Uniting for Consensus Group proposes 10 new non-permanent members eligible for re-election
  - Japan proposes 6 new members (permanent members if receive 2/3 vote, non-permanent if receive majority vote)
  - Liechtenstein, Switzerland, Jordan, Costa Rica and Singapore propose reform package for Security Council’s working methods.
78. Countries have also proposed reform regarding procedures and working methods in attempts to make the Council more transparent and accountable.<sup>98</sup> These changes do not require amendments to the Charter, which make them more feasible. However, even to these changes, members are hesitant, and prefer to hold on to as much power as they can.
79. Security Council reform is a major topic for developing countries because the current permanent body holds inordinate power among the multilateral organization. However, without a foreseeable change in the make-up to the permanent members of the Security Council, developing countries should emphasize the responsibilities of the Council and hold them accountable to their obligations.

### *F. System-Wide Coherence*

80. In February 2006, Annan established a high-level panel on UN system-wide coherence, which is supposed to lay the groundwork for “fundamental restructuring of the UN’s operational work” in the fields of development, humanitarian assistance, and the environment.<sup>99</sup> They are supposed to present their recommendations in September 2007, which could generate controversy because of the possibility that the panel will suggest radically restructuring UN departments and agencies dealing with issues that are important to developing countries.

<sup>98</sup> *Security Council Reform*, Global Policy Forum website. See <http://www.globalpolicy.org/security/reform/index.htm>.

<sup>99</sup> *Annan sets up panel to mesh UN system’s humanitarian and development work*, UN News Center, 16 February 2006. See <http://www.un.org/apps/news/storyAr.asp?NewsID=17525&Cr=millennium&Cr1=development&Kw1=high-level+panel&Kw2=&Kw3=>.

81. Some developed countries (such as the Netherlands and Belgium) have been spoken out about the need to reorganize the UN's specialized agencies, with the Dutch Minister for Development Cooperation being on record as saying that the 38 specialized agencies of the UN have "little efficiency and too much overlap."<sup>100</sup> It is rather striking, therefore, that the terms of reference for the System-Wide Coherence panel with respect to the restructuring of the UN's operational work into three main areas: development, humanitarian assistance, and environment, ties in very closely to developed countries' recommendations that the UN be reorganized such that only those specialized agencies that have "proven their worth" would be subsumed into three operational agencies dealing with development, humanitarian affairs and the environment.
82. Developing countries, and a wide range of those involved with development, in general tend to regard the current process of evaluating system-wide coherence as "motivated and largely driven by the developed countries, with the UN secretariat leadership seen as playing a complementary and facilitating role."<sup>101</sup> There is great concern that developed countries' proposals will substantially shift the mandate of the UN to issues concerning security, post-conflict, humanitarian and environmental issues, while they "drastically reduce the already marginalized role of the UN in development, particularly in economic and social policy."<sup>102</sup> Likewise, they recognize that reforms may unfairly reflect the power and persuasion of developed countries through donors' "power of the purse."<sup>103</sup>
83. The G-77 and China has stressed that reform proposals should be driven and underpinned by the UN's commitment to development, including the "coordination of global and economic and social issues and policies; research and analysis on global and national economic, social and development issues and policies; assisting member states in advice on development policy formulation; and operational delivery of services on social, economic, humanitarian and environmental matters at national and regional levels."<sup>104</sup> They recognize the danger of limiting the UN to those "niche issues" in which developed countries claim the UN has a comparative advantage such as post-conflict, humanitarian and environmental issues. They also emphasize the legitimacy the UN holds as a truly multilateral organization and reaffirm the importance of the UN in promoting the development goals of individual countries.<sup>105</sup>
84. An ideal outcome of system-wide coherence involves strengthening ECOSOC as a managing body, able to aptly represent and advocate for the development agenda. Increased efficiency, transparency and effectiveness are all shared goals of both developed and developing nations, and improved processes will only make the UN stronger. Coherence, however, should not result in the elimination of development initiatives which are essential measures to reach the Millennium Development Goals by 2015.

<sup>100</sup> van Ardenne-van der Hoeven, Agnes, *UN: Radical Reform Needed Now*, The Washington Times, 5 March 2006. See [http://www.wiccmibuzanl.econom-i.com/default.asp?CMS\\_ITEM=B55FC920BB8242DFA0FE3E4319349924X1X41796X84&CMS\\_NOCOOKIES=YES](http://www.wiccmibuzanl.econom-i.com/default.asp?CMS_ITEM=B55FC920BB8242DFA0FE3E4319349924X1X41796X84&CMS_NOCOOKIES=YES).

<sup>101</sup> Khor, *UN Reform Process Hotting Up*, 2006.

<sup>102</sup> Khor, *UN Reform Process Hotting Up*, 2006.

<sup>103</sup> Khor, *UN Reform Process Hotting Up*, 2006.

<sup>104</sup> Khor, Martin. "United Nations: G-77 stresses UN's leading role to coherence panel". South-North Development Monitor SUNS. 4 April 2006.

<sup>105</sup> *Statement on behalf of the Group of 77 and China by Mr. Sivu Maqungo, Minister-Counsellor of the South African Missions, to the informal meeting of the plenary with members of the High-Level Panel on United Nations System-Wide Coherence*, 6 April 2006. See <http://www.g77.org/Speeches/040606.htm>.

85. Developing countries are deeply concerned with the weakening, or worse, of the UN's regional economic commissions and of UNCTAD. These institutions benefit the developing countries greatly and help balance the powers of other economic and financial institutions that are largely run by developed nations.

### ***G. General Assembly Revitalization***

86. A working group for General Assembly Revitalization has been created and headed by Ambassador Silkalna of Latvia and Ambassador Alsaidi of Yemen. This group has been assembled to “consider methods and procedures which would enable the General Assembly to discharge its functions more effectively and expeditiously.”<sup>106</sup> Topics being addressed in this working group include streamlining the UN agenda and rationalization of the Assembly's working methods on one end, and reinforcement of the role and authority of the General Assembly on the other. Participation of non-governmental organizations, civil society and national parliaments on the work of the Assembly is also being discussed.<sup>107</sup>

### ***H. HIV/AIDS***

87. The General Assembly convened a High-Level Meeting for Comprehensive Review of progress on the targets in the Declaration of Commitment on HIV/AIDS. In June, 2006 the Political Declaration of Commitment on HIV/AIDS was updated from the first draft created in 2001, which “committed the world's nations to take concrete action to halt and reverse the spread and impact of the HIV/AIDS epidemic.”<sup>108</sup> The document, the first commitment from the UN regarding HIV/AIDS established the Global Fund for HIV/AIDS, Tuberculosis and Malaria and brought to the forefront issues such as access to treatment and care for all.<sup>109</sup>

88. Civil society organizations are also being encouraged to become more involved in the national delegations. However, in 2006, despite the increased interest of participation by civil society, the Declaration became less substantial, with member countries' removal of references to human rights, vulnerable groups, generic drugs and other seemingly controversial issues. Among the issues that became “watered down” was also that of allocation of resources.<sup>110</sup>

89. Developing countries predominantly face the scourge of the HIV/AIDS pandemic and are home to 90% of those affected<sup>111</sup>. Developing countries must tackle this crisis among other economic and structural problems, including low rates of education, high financial debt and an increasing number of natural disasters<sup>112</sup>. Thus, Anwarul K. Chowdhury, the

<sup>106</sup> UN, *Statement by the President of the United Nations General Assembly, Mr. Jan Eliasson at the Ad Hoc Working Group on Revitalization of the General Assembly Thematic Meeting on the Role and Authority of the General Assembly*, 29 March 2006, See <http://www.un.org/ga/president/60/speeches/060329.pdf>.

<sup>107</sup> UN, *Statement by the President of the United Nations General Assembly, on Revitalization of the General Assembly Thematic Meeting on the Role and Authority of the General Assembly*, 2006.

<sup>108</sup> Smart, Theo, *Final declaration of commitment on HIV/AIDS adopted — disagreement over strengths and weaknesses persist*, Aidsmap News, 5 June 2006. See <http://www.aidsmap.com/en/news/23430F64-73AC-4AF1-9D13-C3EDC8A72251.asp>.

<sup>109</sup> Smart, 2006.

<sup>110</sup> Smart, 2006.

<sup>111</sup> *Aids in Developing Countries*, enotes.com. See <http://soc.enotes.com/aids-developing-article>.

<sup>112</sup> UN, *Situation of HIV/AIDS in Least Developed Countries Worsened by “Unsustainable Debt Burden”*, UNIS/INF/62, 25 February 2006. See <http://www.unis.unvienna.org/unis/pressrels/2005/unisinf62.html>.

former UN Under-Secretary-General, called HIV/AIDS the “most complex development challenge of our time”<sup>113</sup>. With limited resources, developing countries must appropriately allocate resources, often having to choose between such development initiatives as education, health, reducing poverty and paying debts<sup>114</sup>.

90. For this reason, developing countries should continue to push HIV/AIDS as a major initiative to be tackled by the UN. Rather than allow for mandates to become less substantial and effective, developing countries should strengthen the “human rights” lens through which HIV/AIDS treatment and education should be executed. Developing countries should also continue to push for increased funding to the Global AIDS fund to ensure that measures can be adequately taken to turn back the tide of the current pandemic. Without doing so, economic repercussions will burden both developing and developed countries.

### ***I. UN Democracy Fund***

91. The fund was set up in 2005 by Annan after its proposal by George Bush in 2004. It is comprised of a 17 member advisory board which manages the fund set up to strengthen democratic institutions, enhance democratic governments and institute rule of law, independent courts, a free press, political parties, and trade unions, etc.
92. The creation of the Democracy Fund is mainly questioned for its intent, under the possible tutelage of the US. Concerns have been expressed that the US will use this Fund to further its own national goals and interests. Historically, the US has created similar initiatives. Under Reagan, the National Endowment for Democracy was created to finance initiatives in support of thwarting political power of the US’ enemies. Years later, the Community of Democracies, a ministerial conference, was created by Clinton to form the Democracy Caucus under the United Nations. The Democracy Caucus was thus used by the US to circumvent the Human Rights Commission that it did not have a place on. The Democracy Fund should likewise be monitored for its role in the future.

### ***J. Central Emergency Response Fund***

93. The UN launched a \$500 million fund to provide more rapid, effective and predicted response to disaster. The fund currently has pledges of \$256 million from countries such as the UK, Canada, US, Netherlands, Kazakhstan and Thailand. Those developed countries, including Japan and Germany, who have called for “increased effectiveness in responding to emergencies” have been criticized for not contributing more to the fund<sup>115</sup>. Developing countries including Pakistan, Grenada and Sri Lanka, have each pledged small amounts, while India and Korea have pledged \$2 million and \$5 million, respectively<sup>116</sup>. It is expected that those living in the least developed countries will be the beneficiaries of the fund<sup>117</sup>.

<sup>113</sup> Id.

<sup>114</sup> Id.

<sup>115</sup> *Global emergency fund launched today: poor countries pledge money but richer Japan and Germany missing*, Oxfam Press Release, 9 March 2006. See <http://www.oxfam.org.uk/press/releases/cerf090306.htm>.

<sup>116</sup> Id.

<sup>117</sup> *United Nations establishes Disaster Response Fund*, European Foundation Centre, 6 April 2006. See <http://www.efc.be/agenda/event.asp?EventID=3737>.

## K. UNCTAD

94. The UN Conference on Trade and Development is an essential body of the developing countries whose mandate is to “maximize the trade, investment and development opportunities of developing countries and assist them in their efforts to integrate into the world economy on an equitable basis<sup>118</sup>”. Through the process of UN reform, UNCTAD has faced a steady erosion of its prominence and importance in its role and developed countries continue to limit the mandate and power of the organization.

95. Developing countries have continuously argued for the strengthening of UNCTAD. They have stressed the importance of the body for developing countries. A paper by the South Centre stresses that:

“A major task for the South in the context of the ongoing review of the role and functions of UNCTAD, should be to ensure that there is no dilution or abridgement of the existing mandates of UNCTAD. It would be futile to get involved in yet another exercise of the restructuring of the UNCTAD intergovernmental machinery or the Secretariat. What is really important is to bring about a paradigm shift in the nature and orientation of the deliberation in the intergovernmental bodies of UNCTAD and in the research and policy analysis work of the Secretariat, and in the TA programmes. For this, it will be absolutely necessary to seek the provision of adequate financial resources, mainly from the regular budget.”<sup>119</sup>

96. Strengthening UNCTAD could be achieved by:<sup>120</sup>

1. Ensuring the full participation of developing countries.
2. Improving the response capabilities of the system in case of emergencies.
3. Permitting greater flexibility and autonomy to developing countries in the management of capital inflow.
4. Reforming the monitoring and regulatory systems.
5. Considering the creation of additional liquidity, generating resources development, regional arrangements for capital control, regional common currency, and regional reserves for meeting emergency situations.

## V. RECOMMENDATIONS FOR DEVELOPING COUNTRIES IN THE CONTEXT OF THE UN REFORM PROCESS

97. Developing countries in general recognize that they need to be involved and engaged deeply in order to ensure that their views and perspectives shape and reflect the agenda and future of the UN. Developing countries have continuously emphasized the need to be open, transparent and inclusive, with better communication between member states and the UN Secretariat. They recognize the importance of equality of participation by developing countries in the reform process, and the danger that nations with higher financial contributions may have greater power to sway the direction of the reforms

<sup>118</sup> *United Nations Conference on Trade and Development*, Wikipedia. See <http://en.wikipedia.org/wiki/UNCTAD>.

<sup>119</sup> South Centre, Boutros-Gali, Boutros, *Reinventing UNCTAD*, 20 February 2006. See <http://www.southcentre.org/ReinventingUNCTAD.pdf>.

<sup>120</sup> Id.

98. Differences among UN member states with respect to the direction, focus and pace of UN reform are based on differing perspectives over how and who should be running the organization and over what the role of the UN should be in the overall global governance structure. For developing countries in general, they point out that the UN is owned by member states and “all states should have equal roles in monitoring activities related to the reform.”<sup>121</sup>
99. UN reform, for developing countries, should be viewed from the development lens. Any changes in the way that the UN is run and managed, and the direction of its programs and activities, must be with the view of enhancing its ability to respond effectively to the development challenges that developing countries face.

#### *A. Stronger Cohesion and Unity among Developing Countries*

100. “No reform aimed at restructuring the United Nations and rationalizing its expenditures [is] likely to achieve its purpose without taking due account of the priorities and interest of developing countries.”<sup>122</sup> It is evident that the aims and purpose of the UN cannot move too far away from the agenda of development without raising some questions as to the validity of the continued purpose of the organization.
101. The South needs to be more united. Historically, developing countries have used their power in numbers for political leverage.<sup>123</sup> The ability of developed countries in many instances to develop a common perspective and position on key issues needs to be matched by an increased willingness and capacity on the part of developing countries to also work together and present common positions. This ability to do so on the part of developing countries has been used to great effect in the WTO negotiations, for example.
102. **A Southern vision of development for the South and the role on the UN in promoting and achieving such vision needs to be strongly and consistently articulated.** Currently, UN reform proposals by developed countries focus on what they consider “niche areas” such as conflict prevention, post-conflict reconstruction, democratic governance, gender and environment.<sup>124</sup> Such proposals would effectively remove the UN from playing a major role in shaping global economic policies, and would leave such policies in the hands of institutions primarily controlled by developed countries – e.g. the World Bank, the IMF, and the WTO. This would effectively dilute the ability of developing countries to shape and influence global economic policies and norms which may have an impact on their national development policy space and, consequently, on their development prospects.
103. Therefore developing countries must be able to develop, articulate and promote a strategic vision of UN reform, both for their own countries, and as a larger entity, that would promote their development objectives and which would reflect their development needs and concerns. In doing so, individual countries must align their interests with an

<sup>121</sup> Raman, Meena, *G-77 Ministers Voice Concerns on UN Reform*, South-North Development Monitor SUNS, 30 May 2006. See [http://www.twinside.org.sg/title2/UN\\_reform/news/United\\_Nations.doc](http://www.twinside.org.sg/title2/UN_reform/news/United_Nations.doc).

<sup>122</sup> *United Nations Reform Must Take Due Account of Developing Countries' Concerns*, Prime Minister of Morocco Tells General Assembly, Science Blog, 25 September 1997. See <http://www.scienceblog.com/community/older/archives/L/1997/B/un971287.html>.

<sup>123</sup> Luck, 2003.

<sup>124</sup> Skard, Torild, *Frontal Attack on the UN*, Global Policy Forum, 28 April 2006. See <http://www.globalpolicy.org/reform/initiatives/panels/coherence/0428attack.htm>.

analysis of their own needs as a country, while also recognizing the ability of the developing countries as a group to negotiate and acquire development necessities, such as increased funding, greater policy space, and special and differential treatment.

### ***B. Strengthening the UN's Core Global Governance Role***

104. The UN is the core global governance institution, the only one, in fact, in which there is universal membership among all states (except for the Holy See). As such, given its universality of membership and the legitimacy that this confers, the UN's role as the core global governance institution should not be undermined by the UN reform process. Rather, such process should result in a strengthened mandate for the UN as the primary global governance institution to be able to exercise coordinative functions over the work of the major multilateral economic policymaking institutions like the World Bank, the IMF and the WTO.

105. Developing countries should emphasize that the division of UN into three pillars (development, humanitarian action, and the environment), as proposed by the panel on System-Wide Coherence, would be detrimental to the UN's mandate to serve as the primary and core global governance institution. In a recent High-Level Persons Panel report to examine the future and effectiveness of UNCTAD, it is recommended that "[c]lustering or regrouping UN system-wide activities under the headings of development, environment and humanitarian assistance does not appear to be an effective way of dealing with "core economic development issues."<sup>125</sup> This reform, as proposed by the North will negate the strength and uniqueness of the UN in acting as a world body.

106. The developing countries should recognize and emphasize that:

- The *UN system is strong* because it has a "holistic approach with normative and analytical, political and operational aspects."<sup>126</sup> The division of the UN into three pillars works to separate issues that are inherently interlinked, such as that between development and the other two proposed pillars of humanitarian action and environment.
- The *UN system is unique* in the universality of its membership and, therefore, the global legitimacy as a global governance institution that this confers to the organization. Hence, any attempt to reduce the UN's role to providing programs and services only in the areas of development, environment and humanitarian assistance, important though they are, would be to diminish the role and potential of the UN as the primary global governance institution. This would be a deviation from the UN's original charter mandate as well. It would marginalize the UN and its ability to shape and influence the global economic policies that affect developing countries and their development prospects, leaving primacy of place in this arena to the global institutions such as the world Bank, the IMF and the WTO, that are controlled by and large by developed countries..

107. Secretariat and management reform in the UN must not be at the expense of the UN's development-oriented programs and mandates. While all efforts to improve the ability of the UN and its Secretariat to fully implement the organizations mandates and the delivery

<sup>125</sup> UNCTAD, *Enhancing the Development Role and Impact of UNCTAD, Report of the Panel of Eminent Persons*, June 2006. See [http://www.unctad.org/sections/edm\\_dir/docs/osg20061\\_en.pdf](http://www.unctad.org/sections/edm_dir/docs/osg20061_en.pdf).

<sup>126</sup> Skard, 2006.

of its programs should be supported, especially in the social and economic development field, such efforts should not result in a diminution of the essential intergovernmental nature of the organization. This means that the role of member states in decision-making within the organization, including with respect to the consideration of budgetary and administrative matters, must be retained and indeed strengthened. In addition, developing countries must be better represented in the UN Secretariat, especially among senior positions which in practice have been invariably held by nationals from only a few (developed) countries<sup>127</sup>.

### ***C. Strengthening International Economic and Social Cooperation through the UN***

108. Developing countries should promote reforms that strengthen ECOSOC. It currently holds “a measure of legitimacy that any institution outside the world body would find difficult to match” because it is an organ of the UN General Assembly.<sup>128</sup>

109. Within the existing structure of the UN body, ECOSOC must measure up to the expectations and standards imposed on it in order to remain worthwhile. While developed countries focus on ECOSOC reforms aimed at achieving certain goals of efficiency and effectiveness in ECOSOC’s activities, developing countries must ensure that such achievement does not come at the expense of the ECOSOC’s political mandate of serving as the UN’s oversight and coordinating mechanism for global economic governance. ECOSOC, after all, is mandated under the UN Charter to promote international economic and social cooperation among the UN’s member states.

110. In strengthening ECOSOC, attention should be given to providing it with the mandate to:

1. continuously assess the overall state of the world economy and the interaction between major policy areas;
2. provide a long-term strategic policy framework in order to promote stable, balanced, and sustainable development;
3. ensure consistency between the policy goals and work of the major global economic governance institutions, particularly the Bretton Woods bodies and the World Trade Organization (WTO), and that of the UN with respect to the creation of an enabling policy environment that supports and reflects the development needs and objectives of developing countries; and
4. give political leadership and promote consensus on international economic issues.

### ***D. Preventing Abuse of the Power of the Purse.***

111. Currently, 82% of UN funding comes from the developing countries including the US, Japan, the EU and Canada. These countries have been accused of using the “power of the purse” to promote their own agenda in the reform process of the UN. Most distinctive is the US’ repeated budget caps and withholding of funds until its requests to the UN are met.

<sup>127</sup> For example, the post of UN Under-Secretary-General for Management has always been filled by an American.

<sup>128</sup> *L20 and ECOSOC Reform: Complementary Building Blocks for Inclusive Global Governance and a more Effective UN*, 2005.

112. Developing countries, within the limits of their capacities, could step up to contribute a larger share of funding so that the current monopoly of funding of the UN can no longer hold as much sway in the decision making process of what should be a multilateral, one country, one vote organization.

113. Any abuse of the power of developed countries over the purse strings of the UN should be immediately met with vigorous action to remind members that the UN is a multilateral organization with developed and developing countries and that a member state's authority and responsibility to participate in the decision-making processes of the UN are not limited by the amount that it contributes. Under the UN Charter, all member states are equal within the bodies of the United Nations.

**a. Tap into emerging economies of the South**<sup>129</sup>

114. Many developing countries have quickly growing economies (such as China, Brazil, India, South Africa). Their rising economic clout and their recognition of the need to foster South-South collaboration would seem to bode well for enhancing the ability of developing countries to work together and harness the political strength to ensure that UN reform initiatives provide genuine developmental benefits and conditions for developing countries.

115. Of course, this could also entail reassessing the utility and viability of developing countries deeming themselves to be in a position to do so to contribute more to the UN's general operating budget and its extra-budgetary resources. Countries of the G77 and China must also individually assess the costs and benefits of monies spent to fund the UN, and incremental effectiveness of that money spent on individual country development initiatives.

116. An increase in funding by developing countries will exhibit to the UN body, especially developed countries that they are invested in their own futures and taking responsibility for their development goals.

**b. Strengthening the UN's financial resources**

117. The use of funding dominance by some developed countries to leverage and influence the direction of reforms has been largely criticized by developing countries. Politicizing UN funding is "counter-productive" and "go[es] against Charter obligations." UN members hence should not politicize the payment of their membership dues as this would jeopardize the financial stability of the organization. The size of one's membership dues to the UN should be irrelevant to the extent to which a particular country's views could be heard and reflected in the collective decision-making processes of the UN.

118. The UN should avoid shifting resources from its development-oriented activities to other activities that are donor-driven and not in line with the priorities of developing countries. UN membership dues should remain at the core of the UN's financing sources for its operational activities. The UN should not depend on voluntary or donor contributions to finance its operational activities as to avoid instances where such operational activities would be influenced by any conditionality that may be attached to the provision of such voluntary contributions.

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<sup>129</sup> *L20 and ECOSOC Reform: Complementary Building Blocks for Inclusive Global Governance and a more Effective UN*, 2005.

119. The payment of UN membership dues is a treaty obligation assumed by all members and must be complied with in accordance with the principle of capacity to pay as reflected in the UN membership's scale of contributions. Dues payment should not be made subject to political considerations or to attempts to promote certain perspectives onto the broader UN membership.

*E. Placing the UN at the Core of Global Governance Coherence*

120. The process to discuss system-wide coherence is inherently flawed. The panel tasked with researching UN reform and who finally proposed the three pillar system did not have extensive knowledge of the field, nor did they properly understand the realities of the UN system.<sup>130</sup> They were also under the time pressure of finishing their research before Annan's tenure as Secretary General ended. Thus, the recommendations reached seem to be ends in themselves for the purpose of coherence, rather than coherence for the purpose of more efficient and effective performance for the UN in support of the development aspirations of developing countries.

121. On system-wide coherence, developing countries have stressed that the UN should play its role as the "global parliament" wherein it can address the interactions between "global-regional-national" and "normative-analytical-operational."<sup>131</sup> The UN should not reduce its role in macroeconomic issues, such as international trade and finance policy. While there is a need to create greater coherence among global institutions in promoting the development of developing countries so that all countries would be able to achieve the MDGs, this should not be at the expense of the UN's charter-mandated coordinating function with respect to international economic and social cooperation.

122. Hence, system-wide coherence should, in fact, focus on areas where better cooperation and coordination with respect to the delivery of development-oriented programs and activities among UN agencies, other multilateral development aid institutions (such as the World Bank and IMF), and other institutions whose policies impact the delivery of development assistance (such as the WTO), could be undertaken. Towards this end, an analysis of the entire global governance structure through a development lens must be undertaken.

123. Any changes in the way the UN functions or delivers its services should be done in the context of corresponding changes in the way that other institutions such as the World Bank, the IMF, and the WTO, define and implement economic policies that would have an impact on the UN's development-oriented programs and activities. In this regard, the UN should be given the highest political mandate to provide policy directions and guidance to the Bretton Woods institutions, the WTO and other relevant organizations and institutions that have an impact on the development of developing countries, so as to ensure that the work of these institutions are supportive of both international and national development goals.

124. This means that the system-wide coherence process should take due account of individual country situations and should be reflective of the need of developing countries for greater development policy space in the context of the work and policy

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<sup>130</sup> Id.

<sup>131</sup> Id.

recommendations that multilateral economic and development institutions provide to developing countries.

125. Developing countries are conscious that the vision of UN reforms being pushed by developed countries, especially under the guise of “system-wide coherence,” could be detrimental to the UN’s development agenda by cutting down agencies that specifically focus on these issues. This reform process must not be about cutting the UN’s spending but about how the UN, as the global governance institution, must be better structured to enable it to be of better assistance to member states, especially developing countries, in meeting their MDG commitments.

**ANNEX 1: Timeline of recent UN reforms<sup>132</sup>**

**1992**

- Boutros Boutros-Ghali becomes Secretary General
- Major reforms of Boutros-Ghali’s term include:
  - shifting aid towards “technical assistance”
  - abolishing a dozen operating units
  - dissolving the Centre for Transnational Corporations
  - creating Department for Economic and Social Affairs
- Boutros Ghali issues two major reform documents:
  - *An Agenda for Peace*, a reform plan in the peace/security area
  - *An Agenda for Development*, laying groundwork for reform in development
- Re-election for Boutros-Ghali’s second term blocked by US

**1997**

- Kofi Annan assumes office as Secretary General and subsequently announces a reform package, *Renewing the United Nations: A programme for reform*.
- Annan appoints Maurice Strong as Under Secretary General for Reform.
- The UN creates a new Senior Management Group to better coordinate operations.
- The General Assembly creates the post of Deputy Secretary General to strengthen UN management.
- The Office for the Coordination of Humanitarian Affairs is created.

**2000**

- *Millennium Development Goals* are created.
- The Millennium Summit is held in September and there, the Millennium Development Goals are adopted.

**2002**

- Kofi Annan begins his second term as Secretary General and announces further reforms. He issues *Strengthening of the United Nations: and agenda for further change*.

**2003-2004**

- Annan creates a panel to examine UN and civil society relations. The Cardoso Report is submitted to the UN, calling for it to become a more “outward looking organization”.
- The Annan issues *We the peoples: civil society, the UN and global governance*, based on the report.
- A panel on “Threats, Challenges and Change” is created to examine global security issues.
- Annan issues *A More Secure World: a shared responsibility* that emphasizes the role of the UN in evolving threats. In this report:
  - The creation of a Peacebuilding Commission is proposed

<sup>132</sup> As summarized from *UN Reform Chronology: 1992- Present*, Global Policy Forum. See <http://www.globalpolicy.org/reform/intro/chronology.htm> for full chronology.

2005

- The creation of the Human Rights Council is proposed

- Annan issues *In Larger Freedom: towards development, security and human rights for all*.
- Negotiations at the World Summit are weakened by hundreds of amendments from the US and other countries. The final document is vague and fails to address major issues of development.
- After the 2005 Summit, the General Assembly establishes a new Peacebuilding Commission.

2006

- The General Assembly establishes the new Human Rights Council, a new body under the General Assembly, replacing the Human Rights Commission of ECOSOC.
- Annan creates a High-Level Panel to consider consolidation of the UN's agencies, funds and programmes in what is termed "System-Wide Coherence".

**ANNEX 2: Summarized perspectives of selected developing countries on UN Reform**

<b>Chile</b>	ECOSOC needs follow through for poverty reduction should be restructured for more cohesion and better coordination of various agencies. Spending caps will not help better management.
<b>China</b>	Developing countries need comprehensive strategy to protect common interests. Need to increase credibility and effectiveness of UN.
<b>Cuba</b>	Developing countries should work together to protect their rights. This is not problem with management, but rather stems from a need for a “deep rooted overhaul of the international economic system through a system wide coherence process that enables the Third World to progress and achieve the UN’s goals of the last decade” <sup>133</sup> .
<b>Egypt</b>	Increase role of ECOSOC and focus on filling in gaps of UN rather than reducing costs through limiting role of UN.
<b>Guatemala</b>	Equality and sovereignty of countries, regardless of contributions.
<b>India</b>	Bretton Woods has power but no mandate, ECOSOC has mandate but no power. UNCTAD needs to be secured.
<b>Indonesia</b>	Coordination between UN and Bretton Woods institutions. No spending caps.
<b>Jamaica</b>	Reforms should strengthen UN, make sure they don’t weaken the UN agencies.
<b>Laos</b>	Strengthen development role. Increase developing country representation in senior staff echelons. No spending caps or cost cutting. Financial contributors should not have power to pressure.
<b>Morocco</b>	Need to revitalize Security Council which should better represent the current geopolitical environment. Member interests should be considered in reform process regardless of dues contributions.

<sup>133</sup> Raman, 2006.

<b>Pakistan</b>	G-77 should capitalize on its strength of numbers and members to find a common strategy. Need to stress key attention be given to development and equitable representation. Policy space for developing countries.
<b>Philippines</b>	UN reform should not decrease input of certain countries.
<b>Syria</b>	G-77 should lead the reform process to make UN more effective for development. Should not have spending caps or budget restraints.
<b>Thailand</b>	Development decisions are moving too slowly, and the UN is becoming more and more polarized.
<b>Venezuela</b>	Democratize World Bank and IMF, respect political space and national sovereignty.
<b>Zimbabwe</b>	Equal participation by all groups. Emphasize MDGs being met—refocus developed country focus which seems to have shifted to political issues including rule of law, democracy and human rights.

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