

UN leadership sought for aid coordination

If the world wants to distribute aid more effectively, pursue the Agenda for Sustainable Development, and achieve the Millennium Development Goals, the international architecture for development and environment must be reformed, according to a recent study commissioned by Germany's Friedrich Ebert Foundation. It argues that the current international structure is fragmented and dysfunctional, dominated by institutional and national interests, and characterized by overlapping responsibilities.

The study, "Governance Reform of the Bretton Woods Institutions and the UN Development System," which was authored by experts from German, U.K., and U.S. think tanks, notes that the political, economic, and bureaucratic capacities of developing countries are frequently overwhelmed by aid programs from national and international donor organizations. At the same time, donor countries often see their aid efforts diminished because too many players and institutions are involved. For that reason, the study calls for a core UN group to take charge. "We need to get a leadership group on aid architecture," says Simon Maxwell, Director of the Overseas Development Institute in London, at a July 6 forum on the study in Washington, D.C.

Specifically, the authors call for the creation of a Council of Global Development and Environment—based on a 2004 proposal by a German government advisory group—with a mandate to formulate political guidelines, steer the UN development system, manage a single development budget, and become an equal partner with the Bretton Woods institutions. The authors also call for reform of the governance of the Bretton Woods institutions with recommendations for a better balanced voting structure, a recalibrated quota system, enhanced transparency of Executive Board discussions, and reinforced cooperation with the UN.

Call for stronger coordination

But better coordination between the UN development system and the Bretton Woods institutions requires a leadership group that has the power and



From right: Dirk Messner (Director of the German Institute for Development Policy) and Dieter Dettke (Executive Director, Washington office, Friedrich Ebert Foundation).

the resources to do the job effectively, the study says. The Council would not interfere with the operations of the international financial institutions, but rather issue political guidelines on the direction of international development and environmental policies that would lead to more effective policy coordination and coherence. "Many disagree with the creation of a new management system," Dirk Messner, Director of the German Development Institute in Bonn, concedes. "But they agree with the functions the system should have and admit that it's a step in the right direction."

Several principles should guide the leadership group, the study says, including keeping the core group small and involved in as many issues as possible; developing trust-building measures from the beginning; encouraging a system that makes it awkward not to cooperate; using positive incentives to effect reform; and setting up appropriate institutions to manage these interactions and relationships. "However the leadership group is constituted, it should set out a vision of a unified and efficient UN development system, large enough and competent enough to provide a realistic alternative to the Bretton Woods system—and then should offer to fund it," the study concluded. ■

A copy of the study can be requested from the Friedrich Ebert Foundation at www.fesdc.org.



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