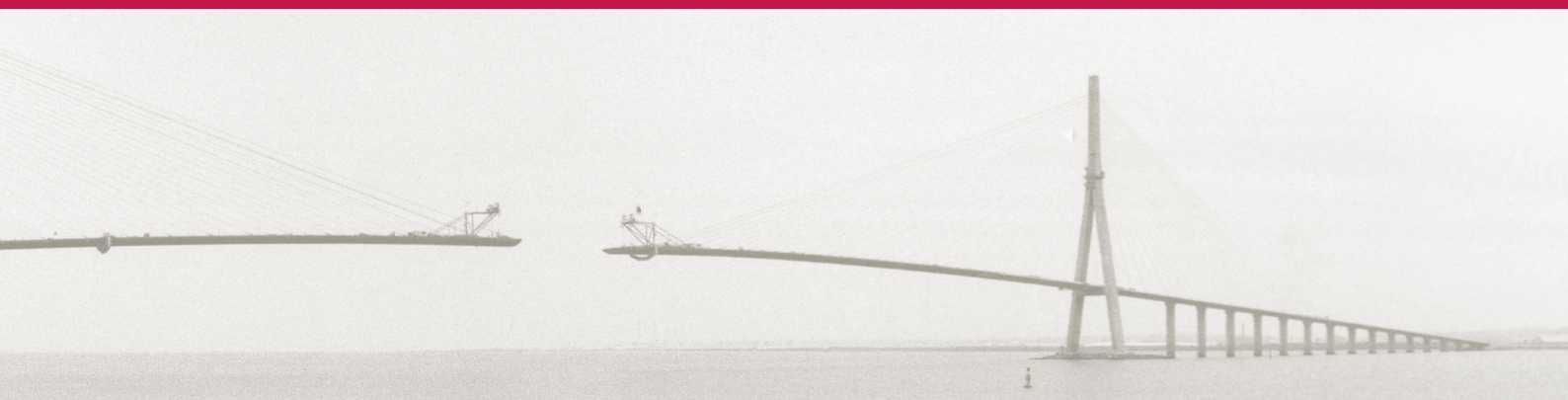




Briefing Paper 20/2018

A Mountain Worth Climbing: Reforming the UN Department of Economic and Social Affairs

Summary

The United Nations Department of Economic and Social Affairs (UN DESA) is a key multilateral organisation for development. Since 2015, DESA has had the unique mandate of facilitating the efforts of all UN member states towards achieving the 2030 Agenda for Sustainable Development by supporting the High-level Political Forum. It is tasked to provide intellectual leadership through research and analysis, support norm-setting by the main UN bodies on development – the General Assembly (GA), the Economic and Social Council (ECOSOC) – and coordinate with the broader UN development system.

However, DESA has yet to unlock its full potential in playing a politically relevant and analytically authoritative role in sustainable development beyond the conference rooms of New York. DESA's organisational structures have become increasingly outdated and inefficient. Since the founding of DESA in 1997, the department has been curiously exempt from the ongoing reforms of the world organisation. In addition, there is little transparency and analysis of actual reform needs and options.

Our reform vision is that DESA should become a more prominent voice of the UN in sustainable development and help to credibly raise ambitions for the implementation of the 2030 Agenda globally. Tasked with economic and social affairs, DESA could serve as the multilateral hub for advancing universality, assisting all countries (including high-income countries) in striving for sustainable development and coordinating global policies towards advancing the global common good. This vision calls for a department that is intellectually brilliant, politically capable and impartial in bringing together the whole UN system.

As a basic condition, DESA reform requires vigorous and consistent support from member states. The power of the Secretary-General (SG) and his heads of department to reorganise the structures are limited by member states' oversight, which is mainly executed in the UN's budgetary bodies. Moreover, DESA's substructures have expanded organically around mandated tasks, creating a highly decentralised entity with various overlapping activities, thereby raising the stakes of reform.

The most recent reform attempts of DESA have stagnated in a geopolitical climate of mistrust and opposing priorities along the divisions between countries from the political North and South. DESA has been the home base of developing countries – organised as the Group of 77 and China (G77) – at the UN Secretariat, making it an advocate of developing-country interests. Since 2015, several countries from the political North (e.g. United States and EU countries) have called for DESA reform in terms of increasing effectiveness and efficiency, while the G77 has pushed back, suspecting attempts to diminish their power by cutting funding and staff. The situation has become increasingly complex, with growing speculation on the intentions of China, whose diplomats have been leading the department for the last decade.

In order to prepare the ground for a comprehensive DESA reform that is beneficial to all stakeholders, we suggest three steps to the SG and his reform team that build upon each other:

- 1) create greater transparency, substantive knowledge and participation on DESA reform;
- 2) interlink DESA reform with ongoing UN reform processes;
- 3) generate political support from member states and long-term payoffs from DESA reform.

Introduction

Created in 1997 as part of Kofi Annan's restructuring of the UN Secretariat, DESA is the international bureaucracy's development pillar. With around 530 staff members and an annual budget of about USD 150 Million (including 45 per cent extra-budgetary resources), it is small compared to UN Secretariat structures for peace and security. In terms of size and tasks, DESA is more similar to the UN Conference on Trade and Development (around 400 staff, annual budget of ca. USD 100 million) or the World Bank's Development Economics Vice Presidency (annual budget of ca. USD 107 million), a unit responsible for research.

DESA's main mandated functions are: 1) support for inter-governmental deliberations and norm-setting (e.g. to the GA, ECOSOC, and High-level Political Forum); 2) data and analysis (e.g. collecting economic, social and environmental data and producing substantive reports); 3) capacity-building (organising activities or projects at the global, regional and national levels), which accounts for less than 2 per cent of the annual budget. The department is led by Under-Secretary-General (USG) Liu Zhenmin, from China, and aided by two Assistant Secretaries-General (ASGs). It has nine divisions, each headed by a director (Figure 1).

Why should UN DESA be reformed?

DESA's structures are not well-matched with the new requirements of the 2030 Agenda and have changed little since its founding. Over the last decades, each division has taken on extra tasks along the three main functions, but no strategic review or major reorganisation has taken place. DESA has become a highly decentralised department with autonomous divisions that generally perform all three core functions of the department. There is limited central planning and oversight, leading to a high probability of inefficiency and duplication of activities.

Today, DESA has more than 300 mandates. Some date back decades, such as follow-up on Agenda 21 and reporting on the New International Economic Order from 1974. In trying to fulfil these mandates, DESA's resources are continuously stretched. Despite plenty of useful work, many divisions hold meetings that are poorly attended or produce reports that are hardly read. DESA divisions typically combine inter-governmental support and analytical work. Analytical work is thereby insufficiently shielded from political pressures, reinforcing the Secretariat's tendency to minimise any danger of offending or criticising member states. Hence, reports and meetings are often watered down to the extent that they contain few analytical insights. DESA risks falling short in informing intergovernmental decision-making to the best of its ability. As a result, DESA-assisted UN bodies, such as the GA and ECOSOC, become less effective in setting global norms or coordinating policies.

Since 2015, DESA has had the mandate (through supporting GA and ECOSOC) to coordinate and analyse efforts of all member states towards achieving the 2030 Agenda. Crucially, DESA supports the High-Level Political Forum for

Sustainable Development. It is also an integral part of the UN Development System (UNDS), which just embarked on another reform effort (Baumann & Weinlich, 2018). Still, to date, it is unclear what unique value DESA adds to the implementation of the 2030 Agenda, also when compared to other UN development actors.

In 2016, the GA requested that the SG enhances the effectiveness, efficiency, accountability and internal coordination of DESA in order for the department as a whole to support the follow-up and review of the 2030 Agenda at the global level (United Nations, 2016). In April 2018, five divisions were renamed, and several teams were rotated between divisions. Further changes have been proposed by DESA to the SG (e.g. merger of some divisions). Yet, there is a risk that needs concerning reform that have accumulated over the last decades will continue to be ignored. Although DESA reform falls under the remit of the SG, more fundamental changes require support from member states.

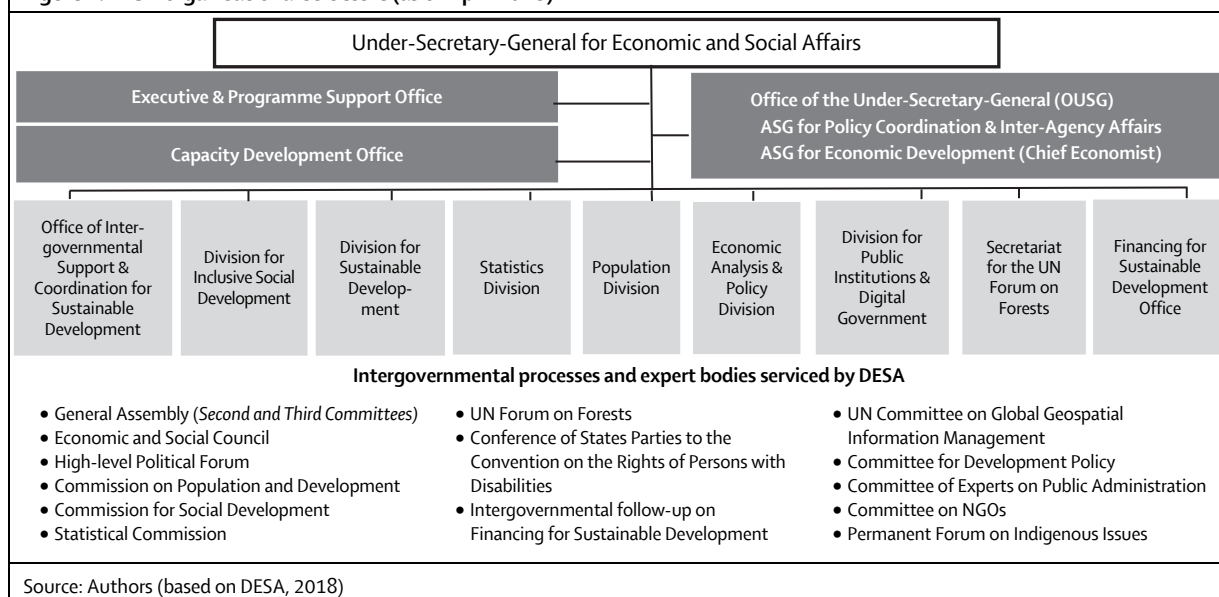
The political context: speculations on all sides

The independence of international civil servants is formally enshrined in the UN Charter. Yet, informal ties between countries and UN positions are common, especially for the permanent five members (P-5) of the Security Council. The head of the department for peacekeeping has traditionally been French, whereas political affairs has often been led by someone from the United States. Since 2007, the last three DESA heads have been Chinese.

DESA has been traditionally associated with the G77 and China, making the department a perceived advocate of developing countries' interests. Key members of the Western European and Other States Group (WEOG) have repeatedly criticised DESA; for instance, they opposed placing the UN Development Operations Coordination Office within DESA during the latest UNDS reform. Since 2015, several WEOG members (e.g. Australia, the United States and the EU) have advocated for DESA reform – acting individually as well as a group – using various means to put pressure on the SG.

In turn, the G77 and China have pushed back, suspecting attempts to weaken the developing countries' stronghold in the Secretariat. The situation has become even more complex with growing speculations by WEOG countries about the intentions of China at the UN.

Internationally, there is an increasing worry that China's geopolitical expansion also manifests itself in an elaborate strategy to utilise – or even subvert – the UN, with DESA being one key organisation in this regard. For instance, observers have criticised DESA's endorsement of China's foreign policy initiative "One Belt One Road", although more than 20 other UN entities had signed agreements with China concerning the initiative prior to DESA. Indeed, China's contributions to the UNDS for operations outside its own borders have substantially increased over the last five years. However, although there are indications of Chinese efforts to reshape international norms on human rights in the UN Human Rights Council, we have not yet observed similar dynamics in the UNDS.

Figure 1: DESA organisational structure (as of April 2018)

All member states, particularly the P-5 (including China), use international positions held by their citizens to further their own interests. Whether Chinese ambitions for DESA go beyond this baseline of common practice is difficult to establish. Two issues are clear, however. First, little information on the scope and content of DESA reform was shared by the UN Secretariat, which has only fuelled speculations about China's role and influence. Second, by only interpreting inaction and secretiveness on DESA reform as being part of a larger Chinese strategy, one overlooks the persisting structural obstacles that complicate DESA reform regardless.

Reform obstacles

We see two key reform obstacles stemming from DESA's history and the rigid control of member states over the UN Secretariat.

1) DESA is a highly decentralised department

DESA divisions have been functioning as semi-autonomous entities, actively promoting a decentralised approach to setting the department's agenda. Each division is typically engaged in a mix of intergovernmental support (servicing one of the intergovernmental commissions or organs), analytical work and capacity-building. The Under-Secretary-General exerts only limited oversight vis-à-vis quite powerful division directors; the two ASG positions mainly serve as advisors to the USG with little authority over divisions.

As in any bureaucracy, divisions have an incentive to proliferate their activities. More mandates usually mean more staff, and subsequently more influence. Nearly half of DESA's budget comes in the form of resources that are earmarked for specific thematic issues or activities. The nine division directors hail from eight different countries, and the most highly represented region among DESA staff is allegedly Europe. All in all, reform efforts carry the possibility of losing independence, influence or simply staff posts. DESA divisions

can easily mobilise resistance against reforms by calling on constituencies among member states. Although this holds true for all multinationally staffed Secretariat departments, DESA is particular dear to many developing countries. There is a strong sense of entitlement over posts in DESA among many G77 members who are likely to hamper reforms.

2) The powers of the SG and the USG to change DESA's structure is constrained by member states

The SG, as chief administrator, may alter the structure of the international bureaucracy. But any transfer of posts from one section of the budget to another, creating new posts or expanding already existing programmes requires authorisation by the UN's budgetary bodies. It is up to the SG and his office to decide on the risk of restructuring initiatives when support from member states is divided. These constraints also apply to DESA's budget, which is formulated along the sub-programmes (divisions) of DESA. The GA's Fifth Committee (consisting of all 193 member states) needs to approve the grade level, duties and location of every new post in the Secretariat. The Fifth Committee decides by majority, thus providing a de facto veto to the group of developing countries.

Various attempts to give the Secretariat greater discretion over personnel and spending have failed, most recently in the management reform initiated by SG António Guterres. Particularly developing countries fear an even greater influence of WEOG countries on the UN if the international bureaucracy gains more independence.

What can be done?

Despite the complicated geopolitical context and persisting reform obstacles, we believe that pursuing DESA reform is an urgent matter. Ultimately, all stakeholders – including DESA staff, developing countries, WEOG countries and China – can benefit. A reformed DESA could be more effective and

efficient in supporting and guiding multilateral deliberations. Three key steps are necessary.

1) Creating greater transparency, substantive knowledge and participation on DESA reform

The DESA reform debate needs to be widened and analytically substantiated. Little independent analysis on the inner workings of DESA and the reform efforts (past and current) exists. This systematic lack of transparency has led to a shortcoming in substantive knowledge on DESA reform. For example, most of the information gathered for this briefing paper relies on insider accounts. Reform debates have so far not sufficiently involved DESA staff or outside stakeholders. Despite several town hall meetings on DESA reform having been organised for DESA staff, the understanding across DESA staff on why and how the organisation is being reformed is still limited.

2) Situating DESA reform among other UN reforms

The UN is already in the process of aligning institutional structures with the 2030 Agenda, albeit in a piecemeal approach. DESA reform is closely related to other ongoing reforms, such as the UNDS reform, the review of ESOSOC and the alignment of the agendas of the GA and ECOSOC. It is crucial that efforts to restructure DESA take into account – and possibly reinforce – other processes. The SG's recent appointment of an adviser on reforms to ensure coordination of three reform streams (sustainable development, peace and security, and management) is an important step in this regard.

Chief tasks are a better division of labour between UN entities that deal with statistical and analytical work for the 2030 Agenda, better coordination among those entities who convene member states, a more integrated and strategic approach to development cooperation on the ground, as well as a clear delineation of responsibilities for technical assistance to help implement the 2030 Agenda. The UN management reform is another important reform pillar that will affect DESA,

especially by shifting from biennial to annual programme budgets from 2020 onwards. DESA should seize this opportunity to revise the results-based management approach in budget formulation and replace outdated budget indicators.

3) Generating political support and long-term payoffs

A broader reform debate could also help to build trust among different reform players. Countries that have previously called for reform, for example EU members, need to demonstrate their intent to strengthen DESA, and not to cut costs. The G77 and China need to buy into the vision of a reformed DESA that takes on a stronger role in global development. Such an agenda should be well-aligned with Chinese political interests to be a champion of global development and the multilateral system. Developing countries need to show willingness towards tackling duplications and inefficiencies in DESA, and granting it more autonomy. Any reform process will only be successful if it is also sustainable. All member states would need to be prepared to abolish outdated mandates and build sunset clauses into future mandates.

In light of the current crisis of multilateralism, these three steps seem difficult. Yet, we believe that the SG and his team should advance more substantial DESA reforms as part of the UN's push for sustainable development. On a more detailed level, a way to kick off with our first suggestion (more transparency, knowledge and participation) could be to appoint an independent expert panel (ideally composed of scholars as well as ex- and current DESA staff) that provides the substantial basis for reform by drafting a report on key reform areas: 1) review and assessment of previous DESA functions and existing political mandates; 2) redefinition of DESA functions and reporting lines (including ASG roles); 3) reorganisation by separating functions more clearly (e.g. through creation of intergovernmental division and several analytical divisions); and 4) establishment of a long-term vision plan, including proposals for sunset clauses by default and regular DESA reviews.

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Published with financial support from the Federal Ministry for Economic Cooperation and Development (BMZ)



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DOI:10.23661/bp20.2018