

#DevCoSummit



2022
EFFECTIVE DEVELOPMENT
CO-OPERATION SUMMIT
12-14 DECEMBER • GENEVA

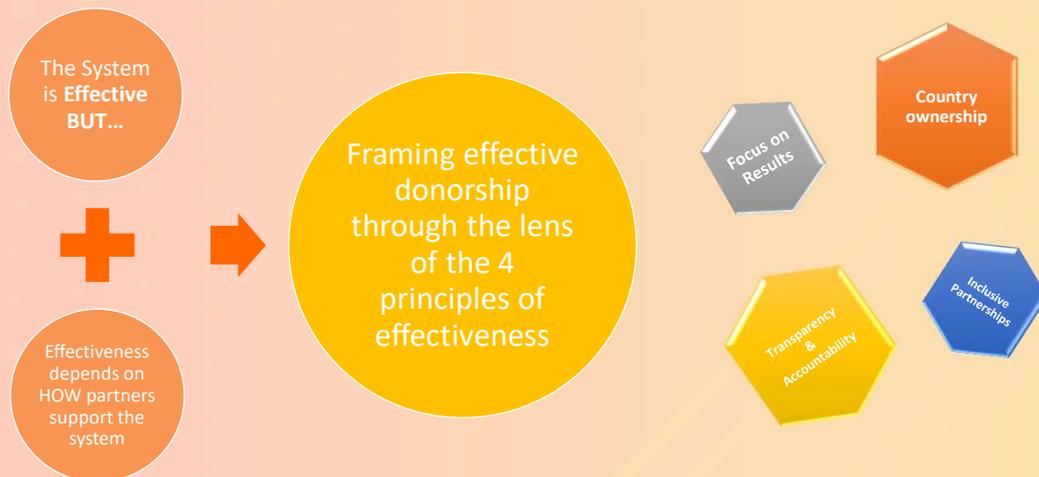


**Global
Partnership**
for Effective Development
Co-operation

GPEDC | Action Area 2.7 | Effective Multilateral Support
A Space for Change: Partner Perspectives on an Effective Multilateral System

Partner perspectives on effective donorship for multilaterals: Why

...To contribute to the global discourse on how partners can effectively support multilateralism.



WHY:

- To contribute to this highly important global discourse on what an effective multilateral system should look like and how partners can effectively support multilateralism. The main output will be a written report that assesses how donors support the multilateral system and how this aligns with the effectiveness principles.
- Literature review showed that the system is working, and it is EFFECTIVE; partners are

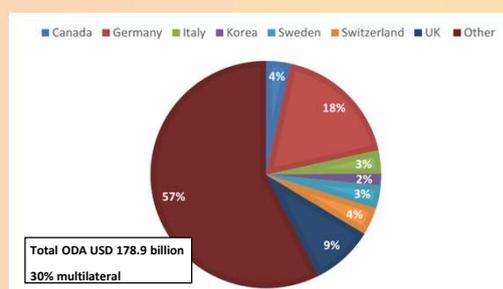
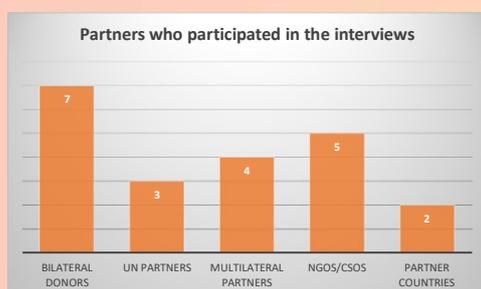
committing strongly to effective donorship and this is true particularly in light to the 2019 Funding Compact agreed between the UNSDG and member States.

- BUT effectiveness depends on how partners support the system.

- From here the need to frame an understanding of effective donorship to multilateral organizations through the lens of the agreed effectiveness principles.

Partner perspectives on effective donorship for multilaterals: How

1. Defining effective donorship building on existing data, based on a **literature review**.
2. Exploring partners views and perceptions through a series of **online interviews**.
 - Why do donors commit to effective donorship and how to they execute it?
 - What is the added value of working with the multilateral system?



HOW?

- FIRST: Defining donorship base on literature review
- SECOND: Exploring partners perspective on:
 - 1) how they can execute effective donorship – interview-based, focused on mechanisms/policies (core contributions, multi-year commitments, etc.) donors use to ensure effective support.
 - 2) Donors' perceptions around the added value of the multilateral system – exploring the policy-value different partners place on the system, and what draws them to work with the system and how the

system can play a role in supporting partners to better align with the principles.

Table 1 shows numbers and type of stakeholders we've spoken to;

Table 2 shows the total ODA provided by the donors we've spoken to;

Defining Effective Donorship: Key Literature Review

Main reports on Effective Financing/Funding the multilateral system



[Multilateral Development Finance](#) | OECD 2020

- Panorama of the multilateral development system and how it copes in today's challenges (pandemic, +)
- Key trends in recent funding to the system and DAC members decision implication
- Financing from the system and added value



[Financing the UN Development System: Time to Meet the Moment](#) | [Dag Hammarskjöld Foundation](#) - UNMPTFO 2021

- Who is providing funding, who is being funded, and how.
- Focus on quality and quantity of financial flows in terms of sustainable development results and financial instrument/innovative finance
- Private sector role



[Funding analysis](#) | 2022 Secretary-General's report on the implementation of the QCPR

- Recommendations on funding the UN system, latest data and trends
- Progress made in implementing the funding compact.
- Detailed data on funding by entity, contributor, recipient country and type of funding

Secondary Literature Review Pieces

Three different 'performance' perspectives:

- The Multilateral Organisation Performance Assessment Network ([MOPAN](#))
- *Donors' performance*: [OECD DAC Peer Reviews](#)
- GPEDC monitoring reports at the country level

A broader perspective on principle-led uses of ODA

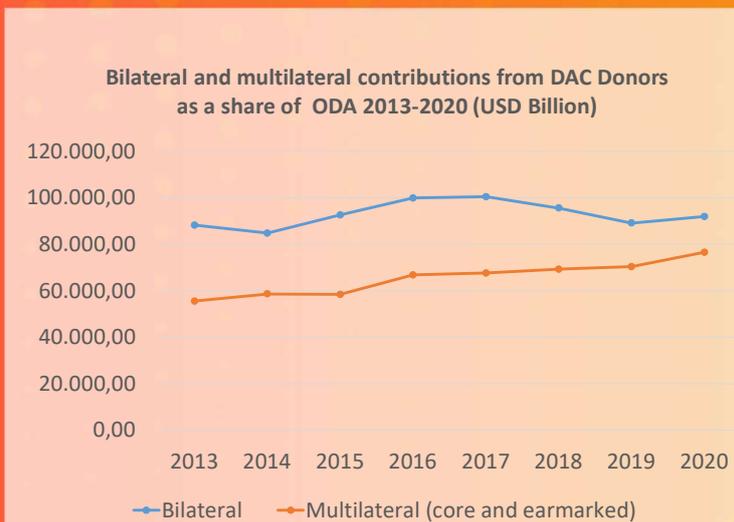
- [QuODA](#): CGD 2021
- [Principled Aid Index 2020](#)

Other gaps we're trying to fill

1. Linking partners commitments to the 4 effectiveness principles
2. Investigating trade-offs among effectiveness principles
3. UN system added value in supporting partners to align with the principles

- Started by analysing three main pieces that deal with the concept of 'effective donorship'
- Then analysed secondary literature review pieces that provided with different perspective on multilateral partners, donors and partner countries' performance as well as principle-led usage of ODA.

ODA and Multilateral Spending – exploring current expenditure trends



Data Sources

Multilateral Development Finance Report 2020, OECD (2013-2018 data)

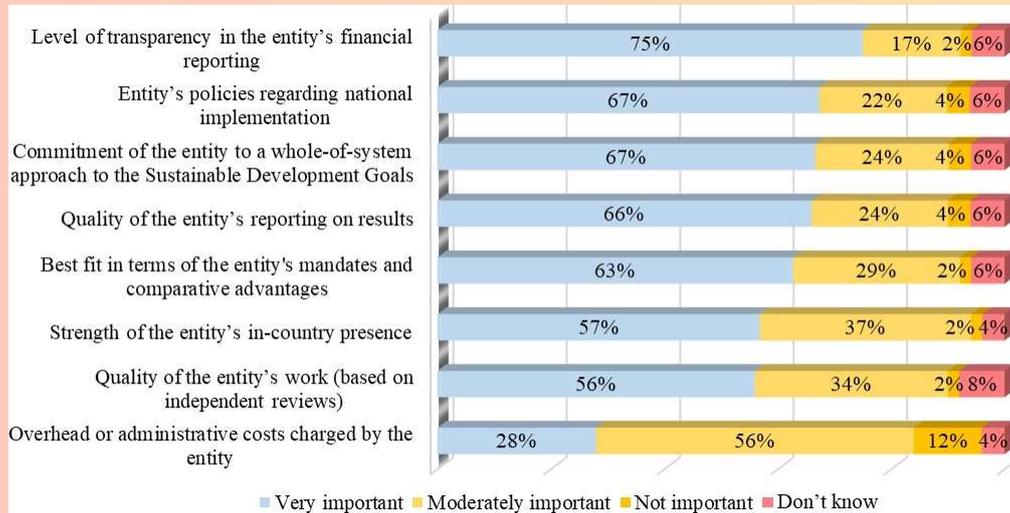
OECD CRS Database - 2019-2020 Data

Headlines

The multilateral system has remained a stable source of development finance over time with multilateral flows increasing both in volume and as a proportion of ODA. Confidence in the effectiveness of the multilateral system remains high.

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Stated reasons for choice of multilateral channels by donors

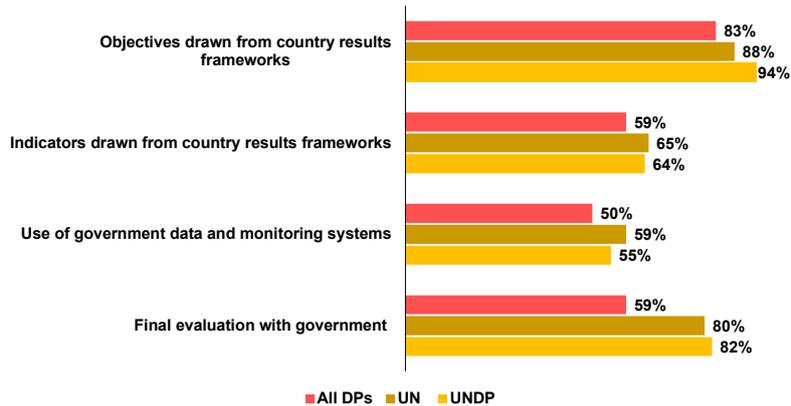


Slide: Stated Reasons for choice of multilateral channels by donors

Point 1: This data from the QCPR report (Report to ECOSOC May 2022) Useful to note that strength of county presence, national implementation, SDG alignment and transparency related to reporting feature highly in terms of why donors choose to support multilaterals. These map well to Effectiveness Principles – particularly those related to National Ownership, Focus on Results and Mutual Accountability.

Use of Country Results Frameworks

- Strengthened national development plans and country results frameworks have not been met with increased development partner alignment.
- UNDP outperforms other partners in objective-level alignment but could do more to align indicators and to use government data and monitoring systems.

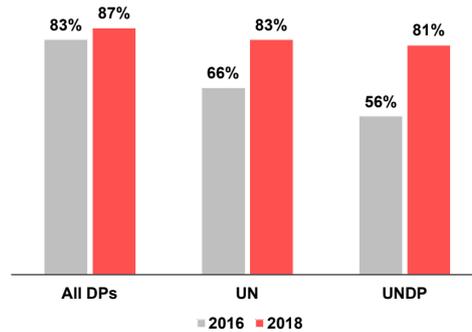


Slide: Use of Country Results Frameworks

Global Partnerships monitoring suggests that against several measures UNSDG agencies are performing well – for example this one on Use of Country Results Frameworks

Annual Predictability

- The proportion of co-operation disbursed in the year in which it was scheduled has increased for UNDP from 2016 but still remains slightly below other development partners.



Slide: Annual Predictability Graph

However – still room for ongoing improvements as this graph on predictability highlights – however performance is arguably only as good as system allows it to be and predictability of incoming flows remains a major challenge for many agencies.

Summary of Evidence for Effectiveness

- Multilateral system can demonstrate development effectiveness. While performance varies multilaterals ensure high levels of funding reach recipients.
- Multilaterals perform well on Ownership, Transparency & Untying
- Multilaterals often well placed to respond quite rapidly and flexibly to issues requiring large scale responses
- UN entities value in terms of convening power, standard setting, and ability to react to crises recognised.
- BUT system is shaped by the way its supported

Data Sources

Quality of Official Development Assistance Report 2021 – Centre for Global Development
 Multilateral Development Finance 2020, OECD
 GPEDC Monitoring Reports

Headline

Whilst reforms are still ongoing and there is room for improvement the multilateral system is an effective way of channelling resources to areas of most need and for convening and coordinating collective action.

Slide: Summary of Evidence for Effectiveness

Point 1: Findings of 2021 QUODA and 2020 MDF reports suggested that the multilateral system can support development effectiveness. While performance varied multilateral agencies had a good track record in ensuring high levels of funding reached recipients and targeting ODA to where need is greatest.

Point 2: Multilaterals also perform well on Ownership, Transparency & Untying, with a strong commitments made to working with partner countries

Point 3: Multilaterals are often well placed to respond rapidly and quite flexibly to large scale events requiring multi-sectoral action and responses. These include emergencies/ humanitarian needs but also other more protracted crises. Recent COVID-19 experiences have been highlighted and cited as examples of such cooperation – other emergency responses e.g. Ebola may also be included

Point 4: 2020 MDFR Report found that DAC members recognised UN entities value in terms of convening power, standard setting, and ability to react to crises.

Point 5: But system is shaped by the way it is supported – and this can be seen in both positive attributes of the current system as well challenges faced.

Perceptions - National Ownership

- National Ownership recognised and highlighted as an important principle by respondents from across the different stakeholder.
- Does multilateral support build or dilute prospects for national ownership?
- Opportunities amidst fragility?
- Broadening and deepening national ownership – rising to the challenge

Key Quote

"Multilateral funding can allow us engage in countries at times where it would be difficult (technically and politically) to continue engagement"

(Bilateral respondent)

Point 1: National Ownership was recognised and highlighted as an important principle by respondents from across the different stakeholder types but views on the the value and impact of financing through multilaterals on national ownership were however mixed.

Point 2: It was suggested by some respondents that funding channelled through multilaterals may not particularly support national ownership as partner governments may be largely silent or side-lined in funding decisions and resource allocation processes. In some circumstances this may arguably be a risk which needs to be considered. Should also be noted that some bilaterals value the direct relationships and influence that bilateral support may bring.

Point 3: But discussions revealed that the picture is more complex. In some circumstances multilateral support enables support to be provided in circumstances where it would otherwise be considered too risky to engage (on fiduciary or political grounds). Support through multilateral channels makes possible to maintain support and influence nascent but fragile reform and capacity building processes. In some contexts donor partners were providing both multilateral and bilateral support based on an assessment of what made most sense at the time in terms country level

partnerships and frameworks

Point 4: Noted that there is still work to be done, and opportunities still being missed, by both multilaterals and others, to expand scope and depth of national ownership – some respondents highlighted the importance of work with non-executive parts of Government, e.g., Parliaments, audit institutions as well as civil society highlighted and felt there was scope for more systematic engagement – not just projects -.....

Perceptions – Focus on Results

- Clear recognition by donors of the value of multilateral support for - normative approaches and standards, human right based approaches, pooling and mitigation of risk and added value
- Value in convening power and leveraging of more resources by UNDG agencies and International Finance Institutions
- Strengthening of Resident Coordinator role and functions has been and will be critical moving forward
- Important to better communicate the benefits of multilateral development resourcing

Key Quote

“Whatever challenges we face - the need for ongoing support for global norms and standards, human rights-based approaches and neutrality and access in humanitarian contexts remain compelling arguments for funding the multilateral system”.

(Bilateral respondent)

Point 1: Clear recognition by donors of the value of multilateral support – support for normative approaches and standards, human right based approaches, pooling of risk and added value

Point 2: Value in convening power and leveraging of more resources by UNDG agencies and International Finance Institutions

Point 3: Strengthening of Resident Coordinator role and functions has been and will be critical moving forward

Point 4: Important to communicate the benefits of multilateral development resourcing – need to counteract negative perceptions around multilateralism more generally – current ability of security council to act on some issues etc.

Perceptions – Mutual Accountability

- UN commitments and actions on reform are important – but what incentives are there on donors to deliver on commitments?
- Fragmentation – a coordination challenge or is diversity a strength?
- Country partners roles in promoting accountability and aid effectiveness – opportunities for more action and engagement?
- Building on the Funding Compact - more than just indicators.....

Key Quote

*"Some honest discussions just need to be had" -
"offloading of risk comes at a cost"*

(UNSDG Respondent)

Point 1: FC and QCPR approaches important – but there is a sense that it remains quite one sided with limited practical come back if and when donors don't deliver on commitments. There is a sense that many decisions remain crisis and security driven and in these circumstances, it is very often easier to squeeze multilateral aid than bilateral where there may be direct implications for bilateral relations etc. Some discussion about the possibility of making more use of Partnership agreements?

Point 2: Aid architecture has evolved without a blueprint, with most of today's aid principles and institutions resulting from debates and joint decisions made in past decades. As financial flows have increased, so too have the proliferation of official finance providers and implementing entities and the continued fragmentation of development activities. All of this has added to the complexity of the global aid architecture and impacted aid effectiveness.

Point 3: Potential role of other member states in influencing bilateral donors worth noting - mentioned recent intervention by the Kenyans as members of the G77 grouping

Point 4: Parameters of FC easy to look at but need to be unpacked and understood as

principles not just indicators - wider issues related to aid effectiveness and national ownership. For example, bilateral-multilateral approaches are important in terms of intent - but not captured in current set of indicators "Important to focus on objectives not the vehicle for delivering on them"

Perceptions – Inclusive Partnerships

- Increased collaboration and reduced competition than before – but dependent on and driven by funding
- Finding common ground and spaces to pursue equitable development more important than ever "
- Shared analysis and frameworks can drive common funding mechanisms
- BUT space for real partnerships with civil society and their role in policy dialogue felt to be limited and in some contexts is shrinking

Key Quote

"Divides around geopolitics and North-South issues are currently becoming bigger for a variety of reasons – we really need to build bridges and consensus. Work on the SDG's and the Global Partnership principles can be a vehicle for doing so"

(UN Respondent)

Point 1: Increased collaboration and more reduced competition than before – but dependent on and driven by funding. Sense that there is greater importance attached to collaboration between UN agencies and less competition than there used to be - especially so between the larger agencies with more core funding who don't have to spend as much time trying to raise money through specific project approaches.

Point 2: FC and QCPR approaches important – but there is a sense that it remains quite one sided with limited practical sanction if and when DAC donors don't deliver. Despite the FC and QCPR still a relative lack of available sanction and limited incentives on bilateral donor behaviour - feels that many decisions remain crisis and security driven and in these circumstances it is very often easier to squeeze multilateral aid than bilateral where there may be direct implications for bilateral relations etc.

Point 2: Finding common ground and spaces to pursue equitable development more important than ever Ref: Quote

Point 3: Space for real partnerships with civil society and their role in policy dialogue limited and in some cases is arguably shrinking: On paper, CSOs are considered equal and important partners in delivering EDC commitments and Agenda 2030. However, the current institutional spaces for CSO engagement in multilaterals, especially the IFIs/MDBs, and the respective country processes are not particularly open and inclusive, nor receptive to input on policy and practice. Instead, CSOs experience diminishing spaces, challenges in operations and practice, and funding support, including from multilaterals

Point 4: Increasing use of country programme documents and frameworks a potential vehicle for the development of country level pooled funds - can be a centre of gravity to address some aspects of fragmentation - and identify funding mechanisms across the Nexus

How is multilateralism being supported?

- Although there has been a growth in overall levels of core funding earmarking has quadrupled in recent years – are we seeing Multilateralism “a la carte”?
- However, a significant proportion of earmarking is allocated in a manner which can be described as relatively “soft”
- Depth and spread of core funding across donor partners – shallow waters?
- Growth in the number of financing channels and modalities – chaos and fragmentation or resilience and diversity?
- Funding Compact - indicators or issues?

Data Sources

Multilateral Development Finance 2020, OECD

Headlines

Overall levels of ODA have been increasing but concerns over balances between earmarking and ensuring sufficient core contributions. Fragmentation of funding channels and mechanisms also a concern – but there are also arguments that a degree of diversity can make the system more resilient to sudden changes.

Point 1: Core and earmarked contributions have been increasing but concern has been expressed that earmarking has more than quadrupled in recent years sparking fears with that multilateralism is being “bilateralised” – with the term multilateralism a la carte used (in the MDFR) to describe this situation. It has been pointed out that without sufficient core resources programmes cannot be properly supported both in financial and other terms – low levels of core support force agencies to chase project resources and be more competitive in a narrow sense .

Point 2: However, a significant proportion of earmarking is allocated in a manner which can be described as relatively “soft” with FC targets for increases in pooled funding met and in some cases have been exceeded.

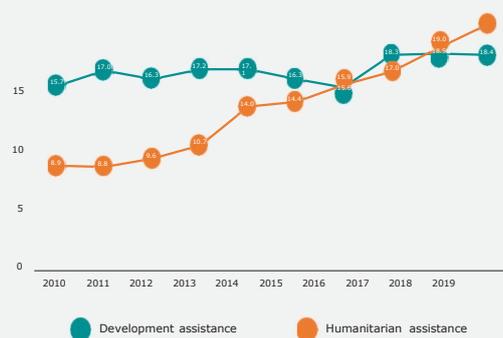
Point 3: -Also concerns that the number of DAC members providing substantial core funding remains relatively shallow, arguably increasing the risk of major challenges associated with one donor changing priorities or focus. Pooled funds slightly more encouraging picture with a growth in the number of donors committing resources to pooled arrangements (

Point 4: Some concerns over the growth in the number of financing channels and modalities and consequent fragmentation of aid and challenges in terms of coordination and duplication. But also a potential way of ensuring resilience and promoting diversity

Point 5: Some respondents pointed out that existing FC indicators don't always capture extent to which attempts are made to align to intentions – for example bilateral-multilateralism in some country programmes or use of soft earmarking wherever possible.

Development and Humanitarian balances?

Total expenditure for development and humanitarian related UN operational activities 2010-2019



Data Sources

Financing the UNDS – Time to Meet the Moment, DHF/UNMPTFO 2021

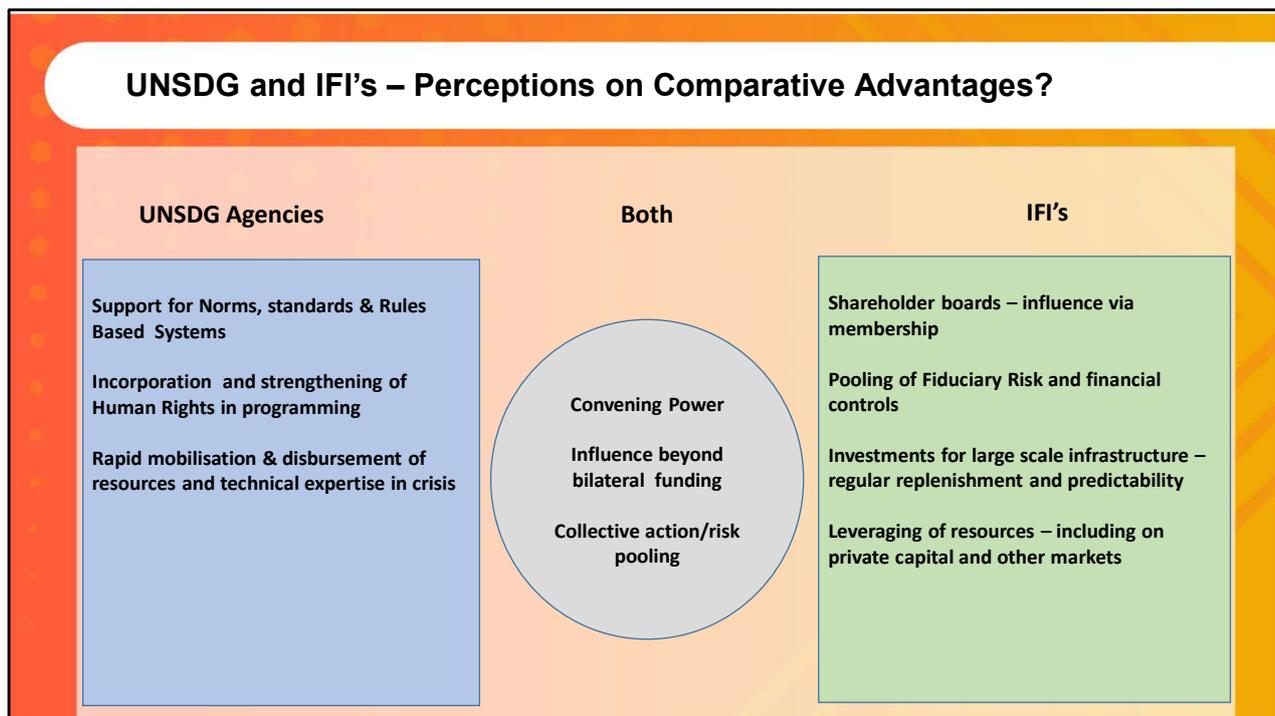
Headline

Over the last 2-3 years total expenditure on humanitarian assistance has surpassed that for development activities and this looks set to continue - especially in the light of climate change etc. To what extent is this an issue – it can be argued that rather than being about proportions this highlights the need for additionality and greater work across the HDP-N

Point 1: Over the last 2-3 years total expenditure on humanitarian assistance has surpassed that for development activities and this looks set to continue - especially in the light of climate change etc. Some felt this reflected a focus by donors on short term responses – and may be coming at the expense of international development. However - it can also be argued that rather than being about proportions this highlights the need for advocacy around additionality and the promotion of greater work across the HDP-N – where some of the most difficult and challenging issues faced can also be found. Turning it around DPH-Nexus. Important to mention prevention.

Point 2: In the Humanitarian sector UN agencies have become adept at developing and obtaining donor resourcing for instruments such as the CERF which allows for the rapid disbursement of funds. Work being undertaken on Anticipatory Action Frameworks also offers opportunities for some interesting lessons.

UNSDG and IFI's – Perceptions on Comparative Advantages?



Point 1: Some questions were asked about different perceived roles and comparative advantages of UNSDG agencies and IFIs.....

Important to note areas of shared value....and perceptions of the areas of advantage of the IFI's

Conclusions: Key themes – a policy-space for *navigating* objectives

Key themes on expectations/perceptions of multilaterals from donors

- *Country ownership/access/bridge-building*
- *Own objectives/policy agenda*
- *International norms*

Different expectations of UN system versus IFIs

- UN preferred for normative-focused issues
- Preferred for more complex settings
- IFIs relied on for leveraging

- The UN system, and multilaterals more broadly, are a policy space
- Consider Weiss' 'three UNs'
- Two further features: a space for managing competing objectives; and often trying to navigate these rather than resolve them
- In this instance; three key themes emerged; and a couple of others we expected to see, did not so much (i.e. leveraging, mostly only with IFIs)

- Not the first to pick up on the idea of a policy-space for balancing/navigating
- ODI conception (refer to main dimensions of development gaps, public spiritedness, and global cooperation) shows the balance between interest and values among donors
- We see this expanding however, in particular with reference to the multilateral system...

- From a dilemma, we want to borrow the concept of a trilemma: three competing objectives, where any time preclude/undermine the third
- Examples: UK/Rwanda asylum policy; COVID vaccines; and core funding. Also give example from Kinshasa of how navigating works...
- And the system works by essentially permitting de-risking, through collectivized/externalized action

- We had expected the Funding Compact to be a major vehicle for this analysis: return to the theme that the system is shaped by how it is supported by partners, here is an explicit tool for agreeing funding v reporting commitments (with a focus on mutual accountability and transparency)
- And this is of course important, and many of the measures help the system be more effective in terms of the principles, for instance, more core resources allowing a greater focus on results and countries' own priorities
- We find a good awareness of the Compact, but limited evidence for how it is driving behaviour so far; and it quickly gets into technical issues (i.e. 'soft' earmarking)

- Graham touched on some of these issues here: from our discussions, we found an awareness of the Compact, but there was just as much to reflect on in terms of other channels, namely: humanitarian, and financing-oriented.
- Some advantages/issues are obvious. And more broadly they constitute other parts of the development financing ecosystem (and one with a long history grounded in the charter; think back to ECOSOC's role, and the adoption of the charter).
- But, for each channel there are also special mechanisms, tools, and political arguments that should at least be explored in terms of their potential adaptation to the UN development system, and our grant-based development interventions – and we're working on how we present and structure these...

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Thank you!



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