



**Global
Partnership**

for Effective Development
Co-operation

A SPACE FOR CHANGE

Partner perspectives on
an effective multilateral system

INTERIM REPORT

This work would not have been possible without the engagement and efforts of the following partners who participated in interviews and written feedback:

Albania

Center for Global Development

Colombia

CSO Partnership for Development Effectiveness

Dag Hammarskjold Foundation

Germany

Inter-American Development bank

Inter-Parliamentary Union

INTOSAI Development Initiative

Organisation for Economic Co-operation and Development

Peru

Republic of Korea

Sweden

UN Multi-Partner Trust Fund Office

United Nations Development Programme

UK

World Bank Group

Disclaimer: This report has been led by members of the Global Partnership Action Area 2.7 on effective multilateral support. Please note that this is an interim report, for the purposes of sharing key ideas which have been initially validated and is still in the process of being validated through continued feedback and reflections from partners and participants

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Rationale & method

This paper intends to understand what we mean by an 'effective' multilateral system, taking as a lens for this analysis, the four principles of effective development co-operation – **country ownership, inclusive partnerships, a focus on results, and mutual accountability and transparency** – agreed in Busan in 2011 at the 4th High-Level Forum on Aid Effectiveness.

What made this work at once richer and more difficult is the sheer quality of the work already available to us at the outset, from QCPR reporting put out by the UN Department of Economic & Social Affairs, supported by the agencies funds and programmes of the UN System, to the work of UN's Multi-Partner Trust Fund Office and the Dag Hammarskjöld Foundation, to the OECD's own thoughtful analysis, built on access to the DAC. And we took these as our point of departure.

On top of these we brought not only the lens of the effectiveness principles, but also a distinct methodology, that sought to establish, in the words of those engaging closest with the system, what they think the value of these investments really is.

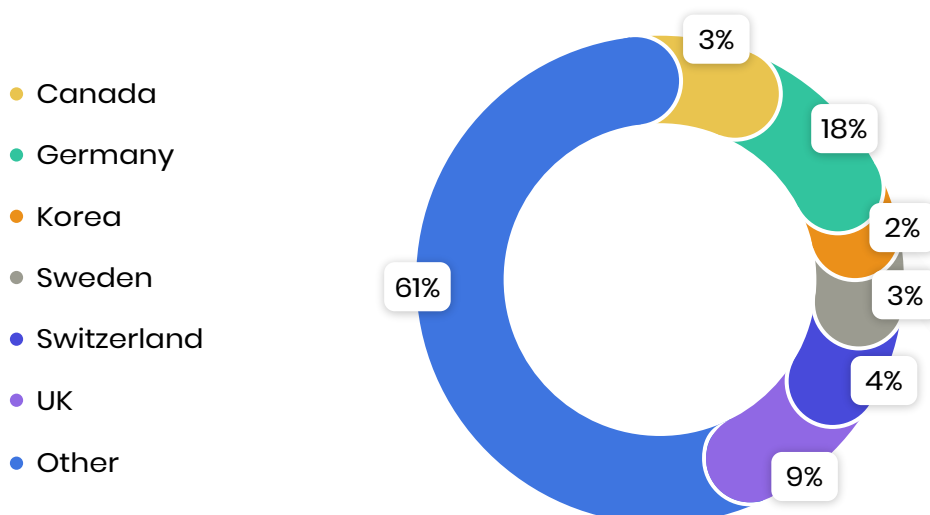
The basic approach to this work sought to leveraging the convening power of the Global Partnership, and its credibility on development co-operation and effectiveness issues, to develop a

multi-stakeholder contribution to the discourse on an effective multilateral system and, based on this, reflect on how partners might more effectively support multilateralism. To achieve this, a two-part methodology was adopted:

- A literature review, drawing on the pieces identified above, as well as other data sources – including from the Global Partnership's own data collection efforts, and
- Online consultations with a cross section of key stakeholders comprised of development partners (including traditional bilateral partners), partner countries, multilateral partners (drawn from UNDS agencies, but also development banks) and non-governmental partners. **A total of 25 people participated in the consultations drawn from 20 entities across stakeholder groups.** 'Topic Guides' were used to help lead and manage the discussions, themselves informed by the findings of the literature review.

The findings presented in this report are heavily focused on the UN system, reflecting the key issues raised during our discussions with partners and those that emerged from the literature reviewed.

Graph 1: Share of ODA provided by bilateral partners is estimated to be USD 178.9 billion in 2021, which reflects 39% of total ODA.



Perceptions & expectations of the multilateral system

Initial findings

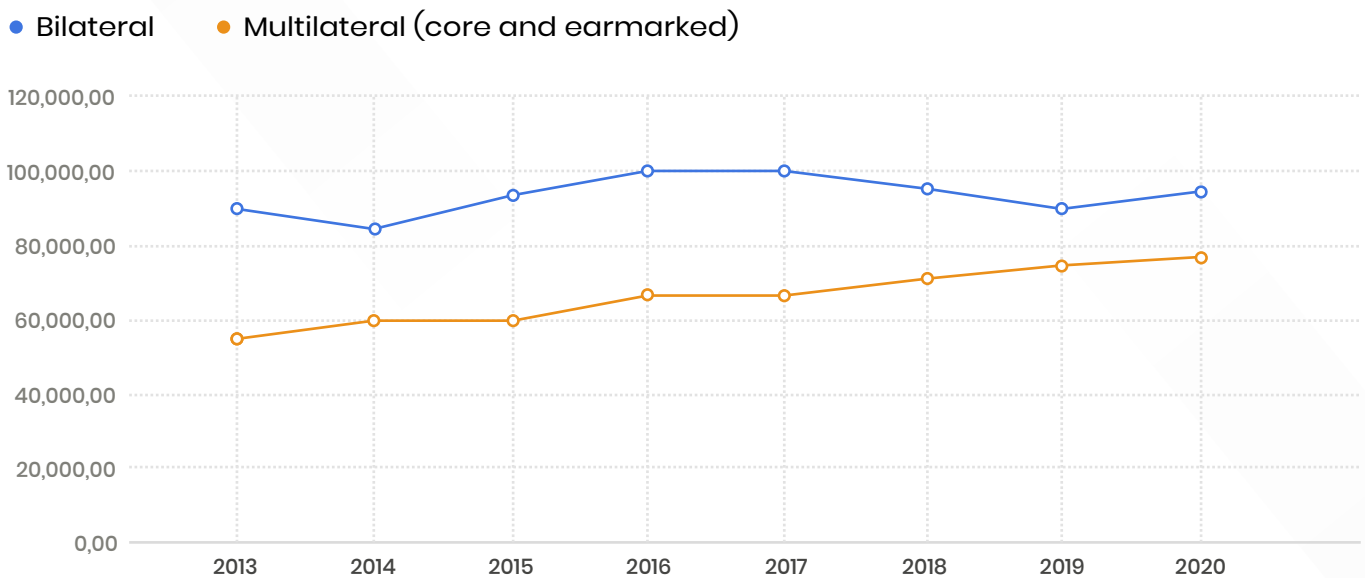
At a glance, it is not hard to establish a basic sense of confidence in the system:

- While the vast majority of funding and financing for development through the multilateral system is voluntary (i.e. not binding/assessed based on the fact of membership), volumes remain nonetheless remarkably stable, and

indeed continue to grow in both real terms, and as a share of total Overseas Development Assistance (ODA).

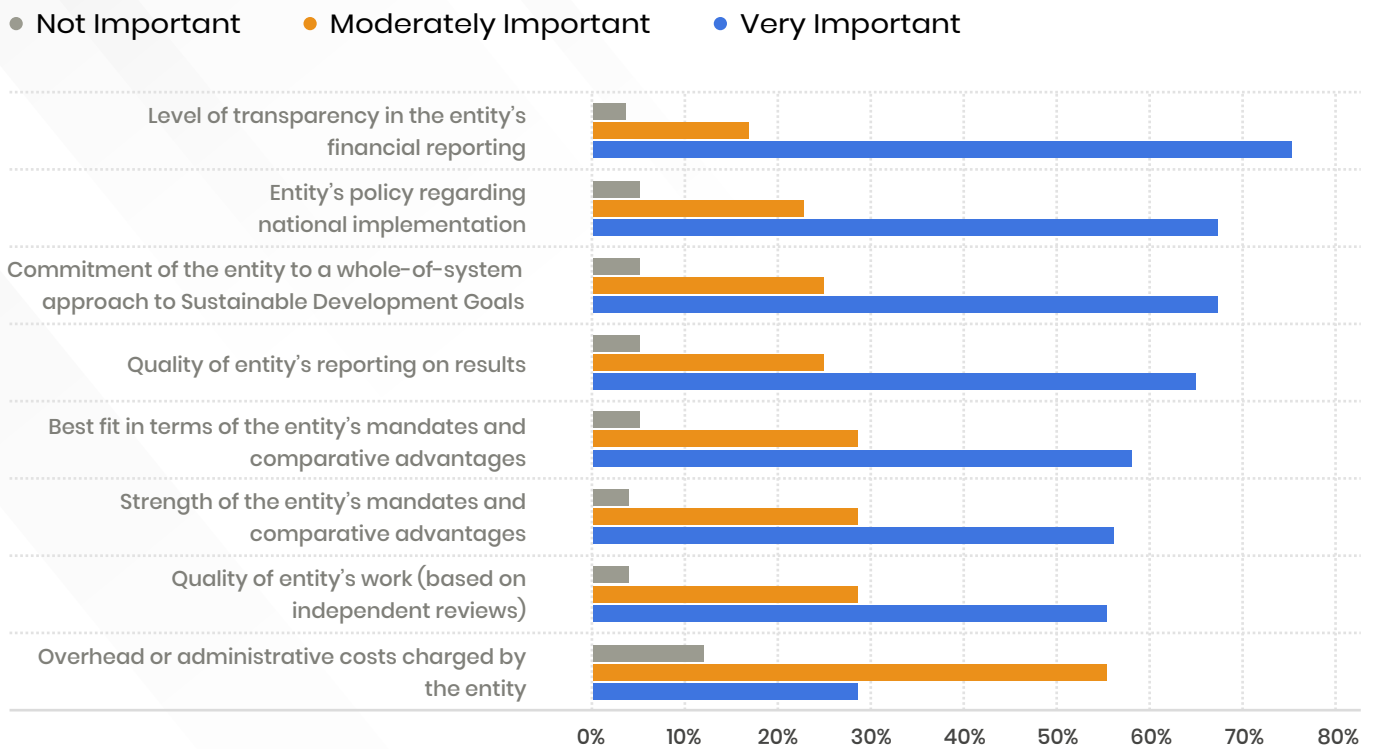
- When development partners and bilateral partners are surveyed on the UNDS' performance, more than two-thirds (67%+) cite its transparency, alignment to national priorities, and 'whole-of-system', inclusive approaches as 'very important'.

Graph 2: Bilateral and multilateral contribution from DAC Donors as a share of ODA 2013–2020 (USD billion)



Data source: OECD (2020), Multilateral Development Finance 2020, OECD Publishing, Paris

Graph 3: Motivating factors for contributing to the UN development system

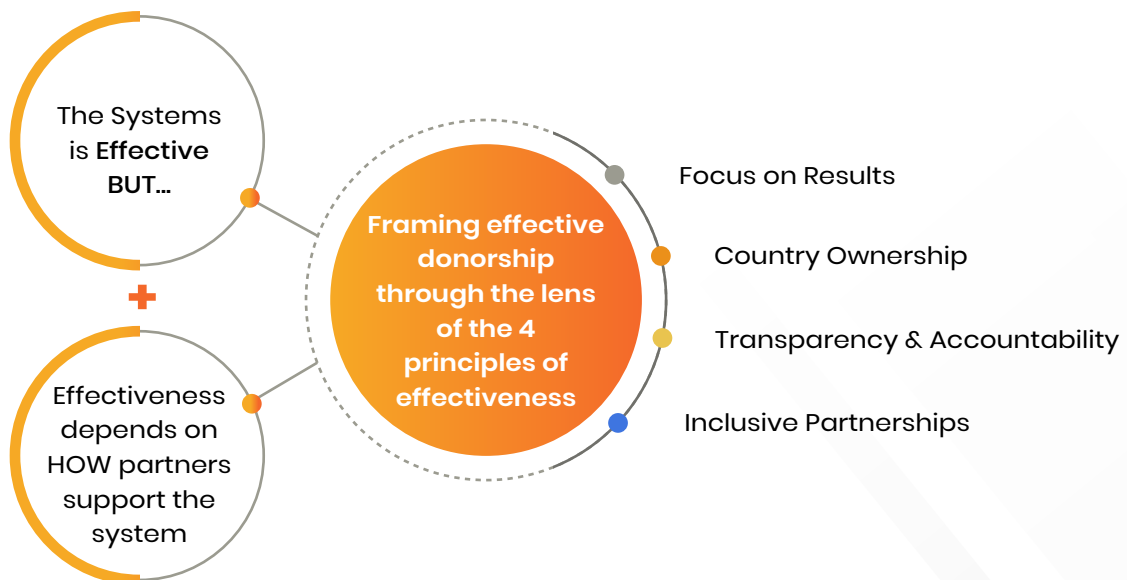


Source: 'Report of the Secretary general: Implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding of the United Nations development system.'

The Global Partnership's own data shows how the system can often be considerably more effective in some aspects of its delivery than bilateral partners. For example, close to 60% of UN partners are reported to be using government data and monitoring systems, compared to around 50% of other development partners, and 80% undertaking final evaluations with governments,

compared to only 59% of development partners. In other areas the UN system has been shown to be performing less well than bilateral partners.

But – much of this performance is inherently linked to **how** the multilateral system itself is supported by partners.



...and an in-depth 'take'

And additional interview work, across partner types, allowed us to re-enforce these findings – that multilateral organizations are often (not least by way of the principles) effective actors, and more effective than bilateral partners acting alone:

- In terms of national ownership, quantitative data found that multilaterals were often better aligned with local efforts than other partner-types (Global Partnership data), and indeed, this was perceived by development partners as a top-three reason for working with multilaterals. But we also saw that national ownership means different things to different actors, and that a 'classical' reading of government-of-the-day buy-in was increasingly seen as too limited. Indeed, some partners, even in the same context, **pursued national ownership differently on different topics**: happy to fund governments on-budget for service provision, but not for other types of programming, where they instead preferred multilateral-led country-wide programmes (themselves the result of extensive consultations and broad engagement).
- In terms of mutual accountability, again, multilaterals and the basic approach to transparency and reporting speak for themselves, across data, survey results, and interviews. But, and closely related to the issue above, definitional questions remain, not least in terms of **accountability to whom?** Aid and development co-operation necessarily create a delicate junction: central political and distributional questions, but conducted through the prism of foreign policy, where central governments have historically acted without the close scrutiny of civil society or auditors, let alone the parliaments they are (typically) otherwise beholden to. Multilaterals, while themselves typically often hyper-transparent (in terms of

both planning and reporting; see, for instance IATI results), are just as implicated in this tension as other actors, and platitudes to 'whole-of-society' approaches to development are no panacea.

- Data and surveys suggest that multilaterals play, and are seen to play, a role in convening different development actors – **creating space for partners to come together around development policy**, with new initiatives for reaching the private sector (even if civil society engagement is more mixed). But it is still far from the breadth many see as essential to an effective approach. One could argue development has never been more inclusive of different partners in terms of the general awareness of and technical application to more marginalized groups. And yet, as we consider our understanding of national ownership and accountability (again, the effectiveness principles both overlap and interact), key institutions of the State (from Parliaments to auditors), let alone civil society, are often missing. The UN, and particularly Resident Coordinators, have an important role to play in advocating for and building capacities in partner countries to lead and convene multistakeholder processes on sustainable development.
- In terms of focusing on results, there is solid evidence partners understand how multilaterals are working toward development goals, not least in terms of the 2030 Agenda, and responding to sudden-onset crises, such as COVID. But the clearer, and easier the goal, the more likely development partners are to work toward them bilaterally (an idea we will return to below). A clear finding in favour of the multilateral system here however is **the power of multilaterals' – and in particular, the UN system's – normative role**: whether it is development partners' thinking that their women's programming will be stronger with

UN-Women, or simply preferring to navigate more politically complex

landscapes within a broader partnership.

Key perceptions & expectations identified broadly across partners

KEY THEME	DONORS	PARTNER COUNTRIES	MULTILATERAL ORGANISATIONS	NGOs/CSOs	TOTAL	%
Bridge building/ access/country ownership						89.4
Increased influence & leverage convening powers						73.6
Own Objectives and Policy Agenda						57.8
Normative standards and HRBA approaches						57.8
HDP balances & nexus						36.8

Key challenges & opportunities identified as priority across partners

KEY THEME	DONORS	PARTNER COUNTRIES	MULTILATERAL ORGANISATIONS	NGOs/CSOs	TOTAL	%
De-risking through Multilaterals						47.3
Challenges of predictability in earmarking/core funds						78.9
Pooled fundings						47.3
Fragmentation as challenge or opportunity						52.6
CSOs shrinking space						57.8

Data source: based on the proportion of responses drawn from key informant interviews, using an open dialogue methodology.

Creating space for development policy

Behind these structured reflections however, a sense of the basic value of the multilateral system, and in particular UN system, did emerge. And it emerged unanimously among development partners and near-unanimously among other types, in the form of three key themes:

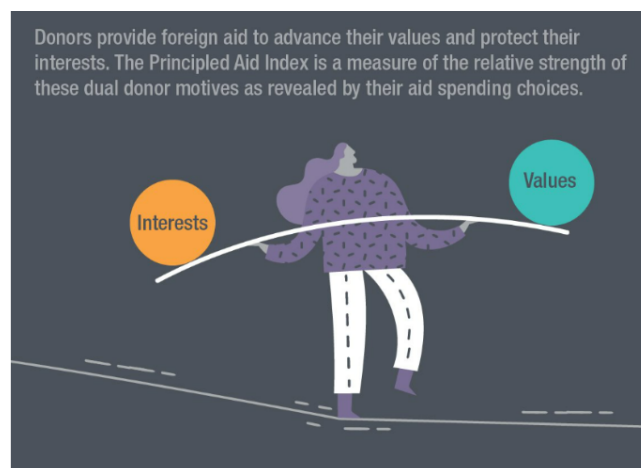
- Country ownership and access/'bridge-building'
- Own objectives and policy agenda
- International norms and values

Thomas G Weiss and others have assembled a rich legacy of work interpreting the UN and broader multilateral system as a 'policy space' – for achieving outcomes and objectives that would not otherwise be possible working individually, or in isolation. And this policy space is created via **collective action**; thereby serving to de-risk action by individual actors, as **the potential risk-burden is shared**.

This policy space is often 'unpacked' as three distinct aspects or functions: (i) as a convening space, bringing together member states foremost (but also different partners; with most, if not all 'rules of engagement' understood); (ii) as a corps for implementing and bringing life to decisions reached within that space; and (iii) as a repository of norms, embodying the values that have been agreed upon, from the importance of national sovereignty, to the fundamental nature of human rights.

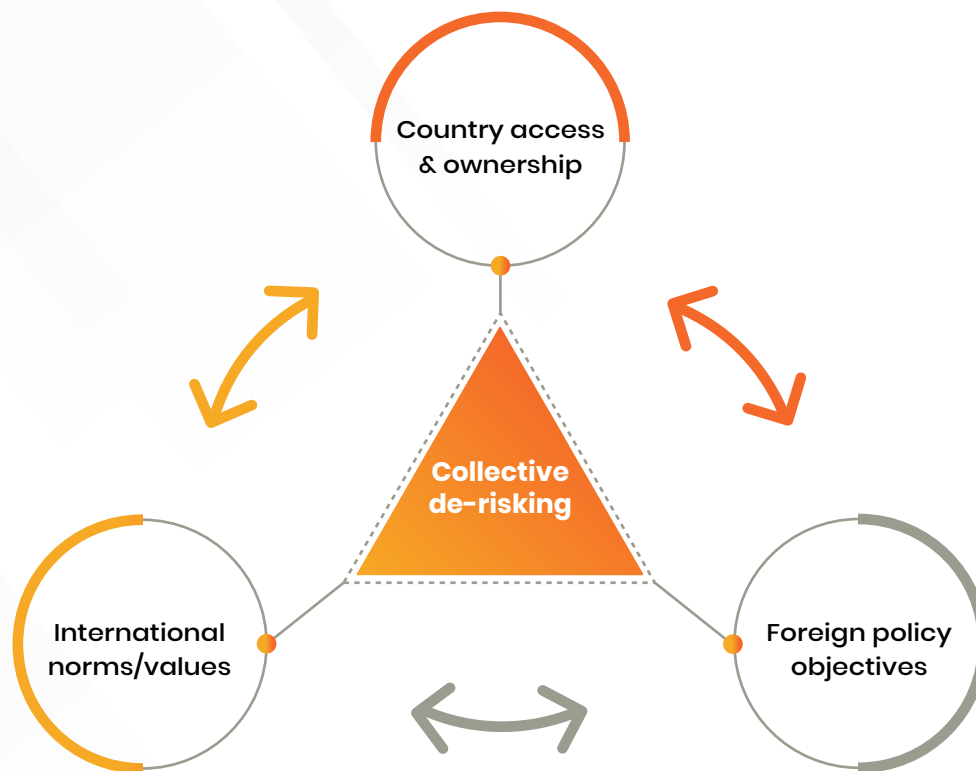
And as the last two examples suggest, some of these values can come into conflict with one another, underscoring another core value of the system: as a space for navigating – as much as resolving – our most fundamental and challenging values and differences. Bringing this perspective to development is not new. Many will recognize this role, and these dynamics, from their own work. A piece we have made less reference to, but no less authoritative than its peers, the ODI's Principled Aid index takes this idea head on, conceptualizing the fundamental

balancing act between development partners and bilateral partners' own interests, and principle-led development values.



Source: ODI – Principled Aid Index 2020

Based on the three themes above, this could extend into a three-way conceptualization: from a dilemma (where one option necessarily precludes or undermines another), to a 'trilemma' (where the pursuit of two primary objectives precludes a third). Placing our three emerging themes into a trilemma, we begin to see how the multilateral system becomes an **effective tool** for partners as a policy space for navigating, managing and even minimizing the trade-offs involved.



To illustrate, we can consider three examples:

- i **Prioritizing international norms and foreign policy objectives at the expense of country ownership:** one example here would be international efforts on COVID vaccine distribution: international agreements, led by key global actors, were put together, and there remains a keen understanding of how immunizing the world protects everyone, including the largest bilateral partners. And yet, a hyper-commitment to global patent rights has essentially undermined the ability of countries to make their own vaccines, and prioritize and distribute according to their own needs (partially off-set by various mechanisms within COVAX).
- ii **Prioritizing country ownership and foreign policy objectives at the expense of international norms:** here, we might take the example of a development partner entering into an agreement with a partner country for managing asylum applicants. In the absence of a broader policy space for managing the agreement, one such recent example was subsequently prohibited by an international court, precisely for violating

international norms and treaty obligations.

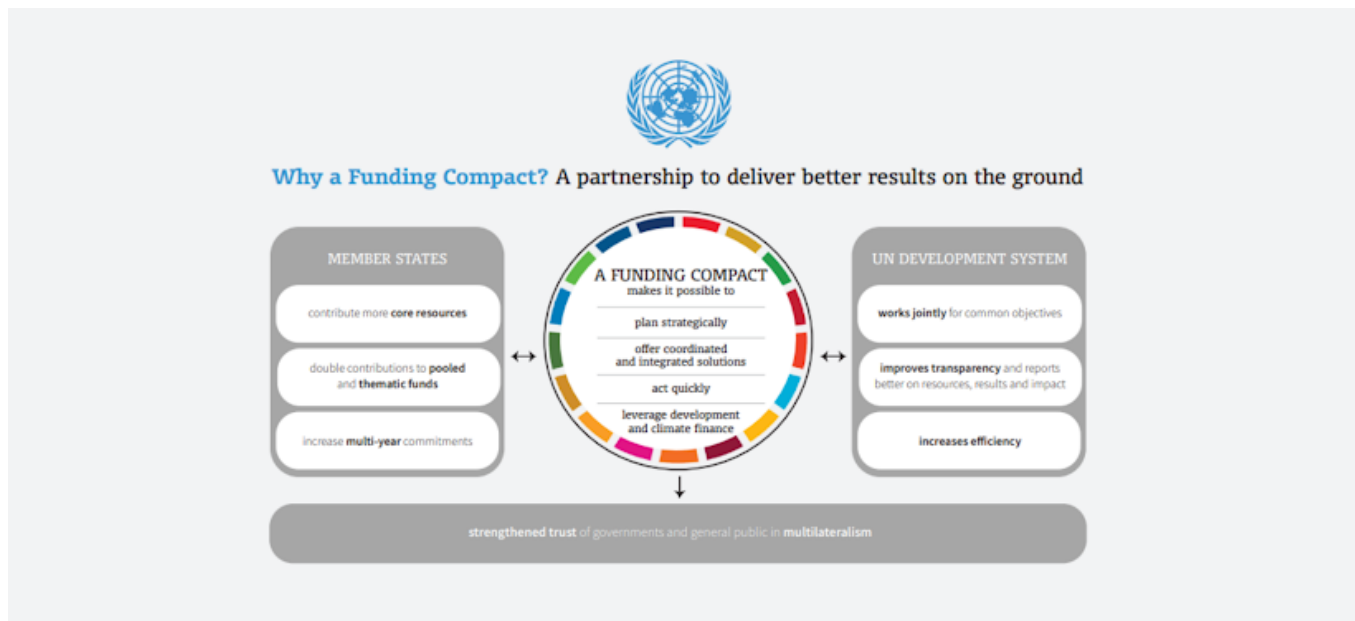
- iii **Prioritizing country ownership and international norms at the expense of foreign policy objectives:** This is arguably the case with assessed and voluntary core contributions: investments in the multilateral system that allows for the collective action, and de-risking, that provides member states with space to manage the trade-offs above more dynamically.

And this is perhaps the broadest, but also most profound finding of our work: that when partners are asked outright about their perceptions and expectations of the system, these three broad development objectives – country ownership, their own objectives, and international values – are at the forefront; **with multilaterals not just effective at creating the space for pursuing these objectives, but the means also for managing trade-offs between them.**

Building on the lessons around us

In terms of how partners support the system and channel resources, our start point is the most recent agreement between the UN system and member states on such issues, namely, the Funding Compact of 2019. All development partner respondents were aware of, and indeed, well versed in the Compact, and its basic intent: to put

development financing on a surer, more robust, and more consistent footing. And the three core themes of the Compact in terms of financing and funding (also those, as it happens, that are furthest behind in terms of key indicators): core funding, pooled funding, and multi-year commitments, all came up as subjects of discussion.



Source: UN General Assembly and UN Economic and Social Council (ECOSOC), 'Report of the Secretary general: Implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding of the United Nations development system.'

Key themes emerging here were perhaps not novel for those familiar with these issues (visibility, attributability) but there were certainly examples of how development partners were being creative and thoughtful in how to support the system, with direct funding of country programme documents, for instance, and softer forms of earmarking. In response, multilateral partners agreed such efforts deserved greater recognition and even encouragement: in short, not all earmarking is equally disruptive. And indeed, close to one-third of respondents pointed to the **virtues of different and varied funding sources**; when some 15 member states account for 90%+ of core essentially across the system, political developments in one of them can have their own outsized and disruptive impacts.

But there is a multilateral space beyond the UN development system and similarly structured organs. And two came up often, as a both a partner-type, and context for development efforts.

The first would be humanitarian responses and related channels of funding. Development partners were unanimous that securing political and public backing for humanitarian response was considerably easier than other kinds of development-related spending. And this

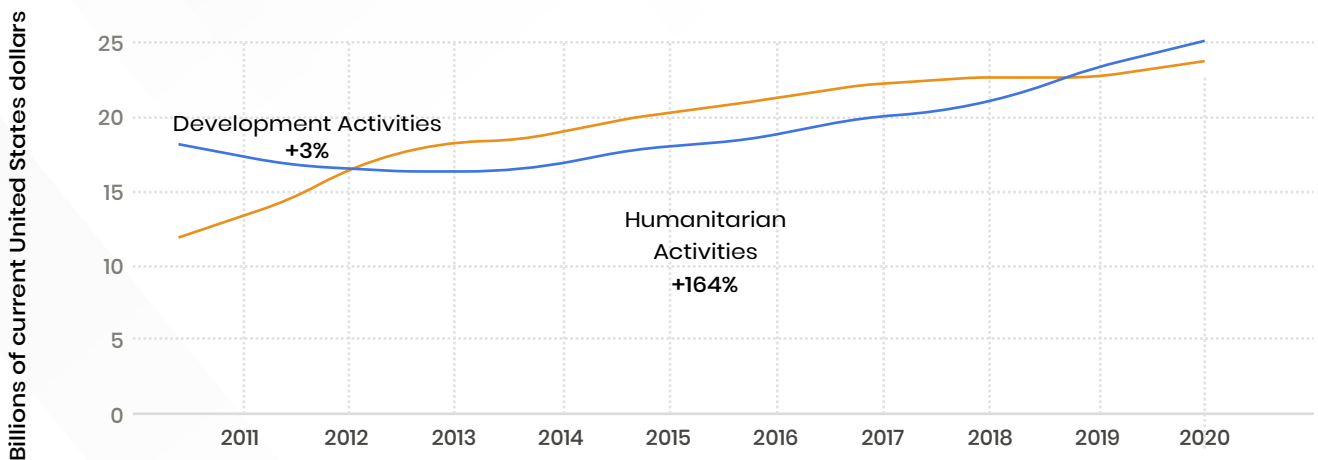
held true even as needs increased, moving from a period of relative global stability at the turn of the century into the Syrian War and war in Ukraine, and increasing incidence of dramatic climatic events, and the overall

effects of the climate crisis.

Indeed, we see this in the funding figures themselves, with UNICEF and WFP – each with

large humanitarian presences – supplanting UNDP as the largest entity of the UN development system over the last decade.

Graph 5: Expenditures by UNDS in USD billions showing humanitarian and development activities in proportion.



Source: Dag Hammarskjöld Foundation and UN Multi-Partner Trust Fund Office (2021), *Financing the UN Development System: Time to Meet the Moment*, ISBN 978-91-985372-8-4.

Well-versed arguments about the connections between development investments and humanitarian response, and how building capacities with development interventions can lessen the impacts of disasters, and create the wherewithal for more independent responses, do not – based on interviews – inspire confidence in practitioners that they can convince their Ministers: no tears are shed for the crisis that doesn't erupt. But this doesn't mean there are lessons to be learnt from different partners in how this is approached; from building on OCHA's pooling and standing capacity instruments, to nascent forecasting efforts, to development partners own innovations around separate credit frameworks for development and humanitarian spending (to ensure one does not come at the direct expense of the other) and efforts to bridge the gap between programme types, with separate frameworks and instruments for 'nexus' activities.

The second major area that is close to but distinct from the basic approach of the UN development system, and from which there are lessons to be learnt, is development-focused MDBs. By raising capital on open markets, MDBs can often

afford to be less donor driven (though the shareholder model reinforces some of the donor prerogative) and therefore more responsive at country level. Preferred creditor status (meaning they will be paid sooner than others) allows them to make riskier investments (often those needed most), and in at least one instance, major decisions require triple majorities: of voting shares, of the membership, and of the borrowing membership. The shareholder model moreover creates space for multi-year/rolling investments, even from those partners who are otherwise unable, for ostensibly legislative reasons, to make multi-year contributions to the UNDS. Typically, development banks and others are engaging with DAC country Treasuries rather than development agencies, giving them still more voice and purchase over policy.

Drawing on the examples of humanitarian response and institutional financing, could one or two development priorities over a set period (Ending hunger? Eliminating Malaria?) be identified for special targeted funding treatment? Within the confines of one-member/one-vote, could structures be set up to give programme countries a greater voice still – so development priorities and approaches can be better distilled?

Reflections

Our effort has been to use existing data and analysis sources and establish that – through the lens of the effectiveness principles – much of the development-focused multilateral system does indeed present itself as an effective partner in the effort to end poverty and transform our world by 2030.

And, more than this, there are instruments, habits, and solutions around us from which to borrow and learn in helping the system become a more effective partner still.

But it is also worth taking a moment to reflect on what is most effective about the multilateral space: a protected sphere for shared action that creates options, alternatives and even ways of saving face for navigating some of the toughest policy challenges going, from the climate crisis to war. It is the very fabric of our solidarity across nations and borders, and a mutual support and protection network.

But, for all this, it remains fragile. And as a global community, we will have fewer bonds tying us, fewer shared points of understanding, and a poorer sense of the world around us, should we fail to value and sustain it.



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