Supporting the 2030 Agenda for Sustainable Development:

Lessons from the MDG Fund

Stephen Browne and Thomas G. Weiss

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COVER PHOTOS

Top left: Children growing up in Guinea-Bissau face difficult odds. A third of under-5's suffer from moderate to severe stunting and 19 % are under-weight. More than 1 in 10 die before reaching the age of 5. But 25,000 children like these are getting better nutrition through an MDG-F programme to educate youngsters about healthy eating by teaching them to cultivate school gardens. *SDG Fund photo*

Bottom left: Despite a huge drop in its poverty rate over the last 15 years, Vietnam continues to struggle with significant inequalities, particularly in rural areas. The MDG-F's programme to increase incomes for rural families targeted 4,800 farming and craft-producing households in four northern provinces of Viet Nam. *SDG Fund photo*

Center: Some 16 million Filipinos do not have access to safe drinking water. The MDG-F improved delivery of water to 122,000 households by encouraging investment in services for poor communities, improving local management of water. *SDG Fund photo by Erwin Lim*

Top right: When Beauty Begum began raising goats and vegetables through an MDG-F programme to boost nutrition in Bangladesh, not only did her family's health improve, she gained independence and a new position of influence in her household. *SDG Fund/WFP photo by GMB Akash*

Bottom right: While Upper Egypt represents a quarter of the country's population, it contains two-thirds of its most impoverished citizens. The MDG-F financed a programme to give small landholders more of a voice in the food production chain, supporting six farmers' associations and training 1500 farmers in agricultural methods and small enterprise management. *SDG Fund photo*

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About the Authors

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Foreword

This report has been commissioned by the SDG Fund with the aim of becoming a window into the future of development, particularly into what the Sustainable Development Goals (SDGs) may represent using the experience of the MDG Fund. The SDG Fund (SDG-F) was established in 2014 by the UN Development Programme (UNDP) on behalf of the UN system with an initial contribution by the government of Spain. The SDG-F is a multi-donor and multi-agency development mechanism, inspired by the broader principles of the Millennium Development Goals (MDGs) Achievement Fund (MDG-F), which could serve as a platform for interagency and multi-partner collaboration in pursuing the SDGs. The particularities of the SDGs required a new framework of action, and the SDG-F was adapted accordingly to deliver more effectively in this new context.

The SDG-F is already working in 21 countries through joint programs with 14 UN organizations in all regions with the premise that the 2030 Agenda requires a completely new understanding of responsibilities and potential contributions of development actors, many of whom are relatively new to development or at least to the UN development system.

The new SDGs are substantially different in many ways from the MDGs, including a new focus on universality, the clear understanding that development can only be effective when it incorporates the three dimensions of sustainable development (economic, social, and environmental) and the realization of a new geopolitical order in the development landscape, with new actors and priorities.

The starting point for this report is that the vast experience of the MDGs can greatly inform and provide lessons learned for more effective implementation of the 2030 Agenda for Sustainable Development, which was approved in September 2015. The MDG Achievement Fund provides an unusual opportunity to look into the process that helped to achieve the MDGs.

With joint programs in 50 countries in eight broad thematic priority areas, as this report by the Future United Nations Development System (FUNDS) affirms, the MDG-F was one of the boldest attempts to put the UN system into action to deliver development goals. In this report, devised as a case study of the experience, the authors highlight some of the strengths (and weaknesses) of this mechanism.

Stephen Browne and Thomas G. Weiss with Bruno Moro provide many suggestions for rethinking the UN's role in SDGs. I want to focus on three elements that can provide a glimpse into the SDG-F. First, in order for a fund to contribute to the ambition of the new agenda, the first priority is to ensure the participation of all actors, starting with greater national ownership. All SDG-F joint programs are designed, approved, and implemented with national governments, which also participate in their steering organs. At the same time, national partners contribute matching funds with their own resources. At the time of this writing, more than 20 countries are contributing approximately 55 percent of program budgets. More importantly, 25 percent of total resources come from countries that are not members of the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD/DAC), reflecting a new geography of financing development.

Second, governance structures need to respond to all partners. The SDG-F Steering Committee, the highest representative instance of decision making for the fund, is formed by the UN Development Programme, including the chair of the UN Development Group, UN agencies, donor countries, program countries, the private sector, matching fund contributors, and other key stakeholders. The SDG-F is also inclusive because, unlike the MDG-F, the SDG-F was established as an open platform for other donors, public and private, to contribute to UN joint activities for achieving the SDGs. The authors rightly affirm that a mechanism for the new agenda should not be a "multi-bi mechanism," but a truly multi-donor initiative.

Third, another crucial element is that the SDG-F builds on the UN system's unique and complementary expertise to deliver joint programs. The number of participating UN organizations, as suggested in the report, has been limited to a maximum of four, but ideally to three to avoid what the report calls "too many UN organizations" involved in several programs. The principle remains: if poverty is multidimensional, solutions to poverty should be multidimensional. The SDG-F builds on official mandates, expertise, and networks as well as on UN planning tools and a key figure of the UN system at the country level: the UN resident coordinator. We must put all these parts together through UN joint programs to rethink financing development.

With the SDGs already alive, citizens worldwide are demanding a more sustainable path with more jobs, more opportunities, less inequality, and a healthier planet. As the new Quadrennial Comprehensive Policy Review (QCPR) discussions take place to boost UN system coherence and performance, we have a once in a lifetime opportunity to rethink the funding mechanisms that propel UN-coordinated responses to the pressing challenges of this age.

The 2030 Agenda is a universal roadmap that requires the engagement and resources of all actors. I believe that the UN will remain relevant, particularly in assembling integrated approaches. The current programs of the SDG-F demonstrate that this is possible. For that reason, the SDG-F will continue its efforts to bring more partners together in order to deliver on this ambitious and inspiring promise.

Paloma Durán, SDG-F Director

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List of Abbreviations

AECID	Spanish Agency for International Cooperation and Development
DAC	Development Assistance Committee (of OECD)
DaO	Delivering as One
DOCO	Development Operations Coordination Office
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FUNDS	Future UN Development System Project
G77	Group of 77
GAVI	Global Alliance for Vaccines and Immunization
GEF	Global Environment Facility
GF	Global Fund for AIDS, Tuberculosis and Malaria
HDI	Human Development Index
HQ	Headquarters
IT	Information technology
LIC	low-income country
MDGs	Millennium Development Goals
MDG-F	Millennium Development Goals Acheivement Fund
MIC	middle-income country
MPTF	Multi-Partner Trust Fund
NSC	National Steering Committee
OAD	operational assistance for development
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PMC	Programme Management Committee
RC	resident coordinator
SDGs	Sustainable Development Goals

SDG-F	Sustainable Development Goals Fund
SOP	standard operating procedures
SSA	sub-Saharan Africa
SSC	South-South cooperation
TSC	technical sub-committee
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDS	United Nations development system
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WFP	World Food Programme
WHO	World Health Organization

Introduction

The Sustainable Development Goals Fund (SDG-F), established by the UNDP on behalf of the UN system, commissioned the FUNDS Project to undertake "an independent study of the MDG-F experience to help guide future disbursements…and act as a foundation for future action in strengthening the UN development system beginning in 2016." The special characteristics and performance of the MDG-F, and the fact that it led to the creation of new and different oversight mechanisms and procedures, means that there are lessons to be learned from this experience that could and should inform the future operations of the UN system, in headquarters as well as the field.

Not surprisingly, the lessons are both positive and negative. In addition since 2007, when the MDG-F began operations, the development cooperation landscape has continued to evolve, in both dramatic and less dramatic ways. Technical assistance, especially from the UN, is increasingly crowded out by new sources of funding, official and private; and developing countries have growing access to alternative resources for their development needs: remittances, foreign direct investment, mining royalties and taxes, and export receipts. New donors in the North and the global South have also become major partners of some of the poorest countries.

In September 2015, UN member states agreed to a new development agenda for the next 15 years. It is far more comprehensive than the one spelled out by the MDGs, which inspired the government of Spain to so generously endow the MDG-F. The General Assembly's acceptance of the SDGs provides a partial guide for future action by the UN development system but is very far from a detailed architectural blueprint. In particular, there are many continuing and anticipated tasks for the UN system that are absent even with the 17 SDGs and 169 targets. The additional challenges of mass migration, corruption, capital flight, armed conflict, peacebuilding, and cyber security are among those that will inevitably be invoked by member states or UN organizations in coming years.

Since 2010, the FUNDS Project has undertaken evidence-based research, convened meetings, and communicated widely about ideas and options for UN reform. FUNDS is therefore a natural partner for the SDG-F in helping to review the past, with a view toward proposing how the UN can adapt its strengths and minimize its weaknesses to meet future demands. It would be helpful to sketch both the way that the research and writing took place and the shape of this report.

METHODOLOGY

The FUNDS team was able to benefit from the results of the comprehensive evaluation of the MDG-F completed in 2014,[1] itself based on a large number of evaluations of individual projects[2] supported by the MDG-F. The current report is not an attempt to duplicate the work of that evaluation, but rather to complement it by obtaining additional views from within the UN system as well as from several donors and the secretariat of the OECD/DAC. The FUNDS team had access to a wealth of documentation provided by the SDG-F secretariat. FUNDS also had the considerable benefit of drawing on the first-hand experience and practical wisdom of the last director of the MDG-F, Bruno Moro, who provided valuable insights and information that were incorporated into chapters 1 and 2. Using a briefing note and questionnaires, FUNDS interviewed some 50 people in the course of the research beginning early in 2015 (see Annex 1). These interviewees were chosen for their familiarity with and/or active participation in the MDG-F. In order to guide the donor interviews and identify potential partners for a new funding mechanism, the FUNDS team undertook detailed desk research on the major donors to the UN with attention to their support for multilateral assistance in general, and for the UN, UNDP, and UN reform in particular. The research was undertaken by Nina Connelly, a PhD candidate at the CUNY Graduate Center, whose care in compiling and interpreting the data is gratefully acknowledged (see Annex 2) as well as her editing of the final version of this report.

An important aspect of our research was to examine the experience of the MDG-F and the prospects for a new multi-donor funding mechanism not just "from within" but also in the context of the rapidly changing development cooperation landscape, because of which the perceptions of the UN's role are also evolving. In the new era spanned by the SDGs, the operational activities of the UN system and UNDP will undoubtedly be different from those of the previous decade. For this purpose, we reviewed a considerable amount of data and analysis containing contemporary views of aid and technical assistance. This task was made easier by the timely publication of the latest OECD/DAC report on multilateral aid, as well as background documentation for the fourth Financing for Development Conference in July 2015.

This report reflects the opinions of the project's two co-directors alone. The report has been substantiated from many sources, but any remaining errors in fact or interpretation remain those of the two principal authors. The potential value of such independent scrutiny is necessarily based on its distance and objectivity, especially because the current funding context requires the UN to hear opinions that may differ substantially from conventional wisdom within the organization itself. The FUNDS Project, however, is dedicated to advancing the UN's reform agenda.

STRUCTURE

Chapter 1 recounts a brief history of the MDG-F, including its main features and the context in which the Spanish government established it within the UNDP. Chapter 2 summarizes the MDG-F's main strengths and weaknesses with respect to its governance structures and operations, including an assessment of its development impact and capacity to meet its three stated objectives.

Chapter 3 reviews how much the development landscape has changed and can be expected to further evolve in 2016–2030, with profound implications for the roles and impact of the UN development system. The approaches toward multilateral funding of the principal OECD/DAC and main non-DAC donors are summarized and evaluated in Annex 2—and the supporting data are available on the websites of the FUNDS Project and the SDG-F.

Chapter 4 contains the essence of our thinking about a possible adaptation of the SDG-F with proposals for a possible new multilateral donor initiative, which reflects not only our interpretation of present funding realities but also

our assessment of the MDG-F. In 2013, FUNDS Briefing #6 raised the possibility of a UNDP "human development goals achievement fund" to provide incentives to pull together the various moving parts of the UN development system. We considered then that the MDG-F could provide a partial model, but that the new mechanism should involve many donors and "not be conditional by destination and substance, with the funds allocated through UN resident coordinators according to needs determined by UN country teams, in consultation with governments and other local development partners." Moreover, it argued strongly that "in countries, funds would be allocated to different UN (and non-UN) organizations, according to the specific requirements of expertise, standard-setting, and other services."[3]

Chapter 4's proposals are based on our original instincts and adapted in light of the research and interviews undertaken for this report. Despite the fact that the SDGs reflect a strongly sectoral (economic, social, and environmental) orientation, our proposals draw upon the five domains outlined in the preamble to the SDG Outcome document: People, Planet, Prosperity, Peace, and Partnerships.[4] These domains were suggested by an earlier report of the secretary-general[5] and are more closely aligned than the SDGs to the UNDP's original human development paradigm.

1. Overview of the MDG-F

The basic features of the Millennium Development Goals Achievement Fund are essential building blocks in order to interpret in a critical manner the diagnoses and prescriptions that follow in chapters 2, 3, and 4. This chapter briefly provides the context for the MDG-F's establishment, the key elements of its structure, and other considerations essential to understanding its operations and impact.

THE CONTEXT

At the end of 2006, the government of Spain and the UNDP signed the agreement that created the MDG-F, which represented a substantial increase of the Spanish contribution to development cooperation through the United Nations. The MDG-F was the result of an agreement between Spain and the UNDP to design an instrument to promote both the advancement of the MDGs as well as to foster reform initiatives aimed at increasing the effectiveness of development cooperation. Both objectives were crucial, especially because the creation of the MDG-F coincided with a period of intense international debate about the effectiveness of international cooperation for development—a contested conversation that continues.

During the 1990s, there were important initiatives about options and modalities for development cooperation by the UN system and its specialized agencies, funds, and programs, including efforts to promote the results of no fewer than 13 global conferences with the purpose of pursuing a consensus about priorities by sector. The UNDP also had launched the annual *Human Development Report*; and this series of reports highlighted the human side of the relationship between social, economic, and structural factors to pursue a balanced development path and poverty eradication.[6] But the decade also saw the dominance of structural adjustment policies following the so-called Washington Consensus championed by the Bretton Woods institutions as the basis for conditional

> The MDG-F was the result of an agreement between Spain and the UNDP to design an instrument to promote both the advancement of the MDGs as well as to foster reform initiatives aimed at increasing the effectiveness of development cooperation.

lending programs, which some observers viewed as antithetical to UN objectives.[7]

The Millennium Declaration constituted a new consensus among all major partners in the development cooperation field at the beginning of the twenty-first century.[8] The UN secretary-general established an Inter-Agency Expert Group to formulate time-bound and measurable objectives, and the resulting Millennium Development Goals emerged as global priorities for international cooperation.[9] The UN's International Conference on Financing for Development in Monterrey (Mexico) approved these goals in 2002,[10] which were subsequently endorsed by the UN General Assembly in 2005 and revised in 2007. The MDGs represented an agreement on what to do but without any agreement about how. In fact, another element of controversy was the poor coordination among the many development cooperation partners, which hampered or even prevented the effective delivery of international cooperation and, additionally, burdened countries on the receiving end with overwhelming procedural challenges. A series of international conferences were therefore promoted to address the issue of "effectiveness" of international cooperation, starting with those sponsored by the OECD in Paris in 2005 and Accra in 2008.[11]

The UN system also was obliged to adjust to this process of review. During the 1990s, the world organization's various

components had started to adopt measures aimed at better coordination among UN organizations, following mounting criticism, which went as far back as the *Capacity Study* of 1969.[12] However, it was only in the aftermath of the adoption of the Millennium Declaration that there was a renewed push for reform. The 2007 *Delivering as One* report proposed a series of measures to strengthen the role of the system's resident coordinators and to tighten cooperation among the members of the United Nations Country Teams.[13] Many governments, international civil servants, and analysts perceived the actual changes as tame and inadequate. In response, the agreement between Spain and the UNDP to establish the MDG-F was intended to help the UN meet the development goals (Spain was the first donor to do so on such a scale) as well as promote the effectiveness of DaO reforms and the adoption of the OECD's Paris Declaration Principles.

STRUCTURE

The original design of the MDG-F in 2006–2007 necessitated a governance structure, resources, thematic concentrations, disbursement modalities, and joint programming methods and operations. These are discussed below.

Governance

At the level of headquarters (HQ), the MDG-F Steering Committee was established, which was comprised of Spain's secretary-general for international cooperation and the UNDP administrator. This committee undertook all policy decisions related to the MDG-F, based on proposals presented by a secretariat located in UNDP HQ. The Steering Committee met formally twice a year, with additional working sessions as needed. The Steering Committee also approved the governance structure for field operations that were designed to ensure the incorporation of DaO and the Paris Principles into project design and implementation.

A senior UNDP official headed the MDG-F secretariat with a Spanish deputy. This leadership had a double purpose: to reinforce the deliberations process by the Steering Committee and to launch, follow up, and buttress the MDG-F's operations. The secretariat acted as the liaison among all the various components—field operations, headquarters, and the Steering Committee.

At the country level, National Steering Committees (NSCs) were established with the participation of the recipient government's main authority for cooperation, a Spanish representative (from the local embassy or the Spanish Agency for International Cooperation and Development, AECID), and the UN resident coordinator. The NSCs were the highest authority for all matters related to joint projects. In particular, they chose projects from among the different proposals prepared by UNCT members, initially in the form of concept notes. The NSCs also reviewed the progress of joint programming in all participating countries at least twice a year. The establishment of an NSC implied the concurrence of a particular government with the MDG-F's guiding principles. An NSC included, as necessary, the participation of relevant UN and government agencies both at the capital and local levels to ensure alignment with national policies and programs.

A Programme Management Committee (PMC) was also established for each project among the relevant UN organizations, which was typically chaired by the representative of the respective lead agency for a project within a country. The PMC met as necessary. During the formulation phase, it ideally included local government, UN, civil society, and beneficiary representatives to ensure alignment with local policies and legislation.

A Technical Sub-Committee (TSC) oversaw project implementation, based on the decisions by NSCs and PMCs. The TSCs were chaired by representatives of the designated UN coordinating organization, jointly with a national technical counterpart. All UN organizations involved in implementation were also represented as well as beneficiaries and local authorities.

This elaborate structure was designed to help guarantee compliance with the guidelines of the MDG-F and consistency with national policies. Each UN resident coordinator's office was instrumental in supporting the role and activities approved by the MDG-F. As such, a continuing presence of the RC was guaranteed in all project phases, from formulation to implementation.

Financial Resources and Disbursement Modalities

Of the total funding made available to the UNDP (about $840 million), there were three primary accounts: a global account of approximately $24 million (about 3 percent of the total) was provided to the core budgets of certain UN agencies; a DaO account of $69 million (8 percent) from which between $1 and $4 million was given to the One Funds of the eight DaO pilot countries; and an account of $700 million (85

TABLE 1: NUMBER OF JOINT PROGRAMS BY REGION, THEMATIC WINDOW, AND BUDGET ALLOCATION (%)

Thematic Windows	Convener Agency	Asia and Pcific	Eastern Europe	Latin America and the Caribbean	Arab States	Africa	Total	% of Programmes	Budget Allocation ($ Millions)	Proportion of Resources
Children, Food Security and Nutrition	UNICEF	7	1	8	0	8	24	18	134.5	19%
Gender Equality and Women's Empowerment	UNDP Gender Team/ UN Women	3	0	5	3	2	13	10	90.0	10%
Environment and Climate Change	UNEP	3	2	6	2	4	17	13	89.5	14%
Democratic Economic Governance	UNDP-ODS*	1	2	7	0	1	11	8	60.0	8%
Youth, Employment and Migration	ILO	2	4	6	2	1	15	11	80.0	11%
Development and the Private Sector	UNIDO	1	2	7	1	1	12	9	63.0	9%
Conflict Prevention and Peace Building	UNDP-BCPR**	1	3	10	2	4	20	15	94.0	15%
Culture and Development	UNESCO	2	3	5	3	5	18	16	95.6	14%
Total		20	17	54	13	26	130	100	706.6	100%

* UNDP Office of Development Studies

** UNDP Bureau for Crisis Prevention and Recovery

Figures taken from the MDG-F website. Numbers may not add up to exact budget due to rounding.

percent of the total) for joint programming by the 59 eligible countries designated by Spain. Out of the balance, 3 percent of total resources paid for junior professional officers and special assistants for RCs and the MDG-F's secretariat.

Allocation of funds used a "pass-through" administrative arrangement by which resources received by the UNDP from Spain were placed in the MPTF Office, which acted as a conduit and channeled them to agency HQs once the MDG-F projects had been approved. Each organization then distributed the funds to their respective field offices according to their own internal rules and regulations. This decision was consistent with the modalities approved by the UNDG and other UN governing bodies.

Thematic Windows

The Steering Committee established eight thematic areas linked both to the MDGs and AECID priorities: children,

food security and nutrition; gender equality and women's empowerment; environment and climate change; youth, employment, and migration; democratic economic governance (primarily focused on water and sanitation); development and the private sector; conflict prevention and peace building; and culture and development.

Table 1 reflects the summary created by the MDG-F global evaluation and shows the number of projects finally approved for each thematic window as well as the amount actually disbursed for each of them.

Table 1 reflects the geographic priorities of Spain's bilateral assistance, and particularly the high percentage of projects in Latin America (mostly comprising middle-income countries [MICs]). However, that emphasis could also claim a development-related justification because MICs also have substantial poverty and inequality.[14] The high Gini coefficients of Latin American MICs provide fertile ground for armed conflicts and illegal activities.

For each window, the Steering Committee decided to name, at HQ level and consistent with the respective area of specialization, a UN organization to act as a convener, which then coordinated an expert working group to accomplish the following activities: the design of the terms of reference for each specific window; the evaluation and selection of the concept notes prepared by the UNCTs for final approval by the Steering Committee; and the coordination, jointly with the secretariat, of any specific thematic initiative or event—at the regional or global level. Such activities included, for instance, an in-depth review of a specific theme, a review of the findings of the MDG-F's initiatives, or a comparison with findings from other development cooperation agencies or specialized think-tanks. The use of conveners and working groups for the different windows aimed to make use of the UN system's know-how and experience. The selection of the windows sought to facilitate the multidimensional approaches and joint programming necessary for such cross-disciplinary tasks.

MDG-F Operations through Joint Programming

The MDG-F was formally launched in 2007. UNCTs were provided with detailed guidelines explaining the nature, philosophy, and operational arrangements governing the new fund as well as the expected roles and responsibilities for all actors in the field. The secretariat was undoubtedly aware that it would not have been easy for the UNCTs to fully and immediately grasp the new approach adopted by the MDG-F. For example, the strengthened role of the RCs was bound to kindle long-standing rivalries as the RC exercised more active leadership, in particular in taking responsibility for the quality of the proposals presented for approval and adherence by members of the UNCT to the different mechanisms. The channel of communication was unequivocal and strengthened the RC's hand because country notes and project proposals could be submitted for approval to the secretariat only by RCs and not by individual UN organizations. Instead of the normal role of mediation, the new resources and authority provided the leverage for active leadership and guidance. Moreover, the competitive process by which projects were chosen and funding was awarded meant no automatic entitlements. Quality control reflected the felt need for solid and doable projects because failed proposals or lackluster results would have affected the credibility of the RC as well as the UNCT.

The principal innovation was the use of resources exclusively for joint projects, which provided the incentive for the various

moving parts of the UN development system to work as one. The programming guidelines, operational mechanism, and the funding specificity adopted by the MDG-F necessarily encouraged UNCTs and national counterparts to adopt the principles of DaO as well as the Paris Principles.

The availability of substantial new resources, especially within the context of the shrinking resources following the 2007–2008 economic and financial crisis, engendered an active pursuit of funds by all members of the UN system. The MDG-F's guidelines recommended a maximum of four to five participating organizations for each project.

As to the "tendering" process, the secretariat (with the help of the UN conveners and their technical networks) launched calls for proposals to a number of pre-selected countries for each window; and it requested concept notes based on each window's specific terms of reference. The criteria for the country pre-selection was not cut-and-dried but represented a combination of a number of factors: a fair distribution of resources; the characteristics and priorities of UNDAFs; and the specific challenges of individual countries. Additionally, as the sole donor, Spain had an obvious role in fostering parliamentary priorities and cultural affinities. The RCs had to activate the MDG-F's architecture at the local level, provide briefings to all the relevant parties (UN organizations, government, and local AECID offices), and convene the National Steering Committee, which often had to review more than one proposal presented by the UNCT. After the concept notes were approved by the secretariat and the Steering Committee, the RCs had to oversee the formulation process, which was guided by the lead agency. The practical incorporation of the Paris Principles into the process became operationally relevant at this juncture. For example, the principle of national (and not just government) ownership required participation by a host of relevant local actors, beneficiaries, and other stakeholders.

OTHER FEATURES

There are several additional aspects of the MDG-F that are worth highlighting: evaluations; time-frame; gender; knowledge management; and research. These factors were important elements of the MDG-F's performance.

All projects were required to undertake midterm and final independent evaluations. A final global and thematic evaluation of the MDG-F as a whole—that is, a meta-evaluation including field visits and surveys—was undertaken,

TABLE 2: NUMBER OF EVALUATIONS RELATIVE TO THE NUMBER OF JOINT PROGRAMS
IN EACH THEMATIC WINDOW

The Eight Thematic Windows	Joint Programmes in Window	# of Available Evaluations
1. Conflict Prevention & Peace Building	20	19
2. Children, Food Security & Nutrition	24	23
3. Culture & Development	18	18
4. Democratic Economic Governance	11	11
5. Environment & Climate Change	17	16
6. Gender Equality & Women's Empowerment	13	13
7. Development & Private Sector	12	12
8. Youth, Employment & Migration	15	14
Totals	130	126

Source: MDG-F.

as mentioned, in 2014. In addition, the midterm evaluations were designed to reorient approaches or practices that were not working as anticipated. Table 2 depicts the field evaluations by country offices.[15]

The three-year time-frame for projects was originally established to ensure results in the shortest time possible. It responded in part to the Paris Declaration's requirements that focused on results and in part to the need to show immediate and concrete results to the stakeholders in order to retain political support for the initiative.

In addition to the allocations from the gender window, the MDG-F specified that all the other windows should dedicate at least 15 percent of their resources to underwrite gender-specific initiatives and gender mainstreaming. This requirement, however, was not specified from the very outset of field operations and not monitored.

Knowledge management across the system was promoted by the MDG-F as a means of providing pertinent feedback about the outcomes of field operations beyond merely circulating the documentation produced by such initiatives. In addition, the MDG-F promoted some field research in collaboration with academic institutions, which led to generating significant data and analyses about the implications for public policy effectiveness and the actual impact derived from entrenched forms of exclusion and inequalities in important sectors.

2. The Pertinence of the MDG-F "Model"

One of the key recommendations of the 2006 *Delivering as One* report of the Secretary-General's High-Level Panel on UN System-wide Coherence was the call for a Millennium Development Goal funding mechanism.[16] The intention was a multi-donor "one fund" to buttress the pilot one program countries. Subsequently, one-funds financed by several donors were created in DaO countries, although they never represented more than a modest proportion of the total program funding available to the UN development system in those countries; and subsequently they have declined further in size.

The MDG-F took a different tack, as the last chapter indicated. It was a response to the call for an MDG funding mechanism, but rather than funding the One Programs forged among UN organizations at the country level, it sought to stimulate individual joint UN programs in line with the MDG-F's three principal objectives. These objectives are worth repeating here: (a) to contribute to the MDGs "and other key development goals"; (b) to promote and strengthen UN system-wide effectiveness; and (c) to foster adherence to the principles of the Paris Declaration on Aid Effectiveness[17] (which called for country ownership, alignment with country objectives, harmonization and coordination of aid, development results, and mutual accountability).[18]

The final evaluation of the MDG-F was generally positive regarding these three objectives.[19] The purpose of this chapter is not to second-guess that judgment but rather to examine in closer operational detail both the more positive and more challenging aspects of the MDG-F's impact by situating our assessment in a broader context. At least two aspects stand out in any detailed depiction of that context. One, outside of micro-operational considerations, what has been the lasting development impact of the MDG-F? Such a judgment becomes easier with the passage of time, even of a single year. Two, the opportunity costs of the generous $840 million contribution are not irrelevant. Could the agreed results have been achieved with the same

> The purpose of this chapter is not to second-guess that judgment but rather to examine in closer operational detail both the more positive and more challenging aspects of the MDG-F's impact...

resources, but put to different purposes and under different circumstances from those which motivated the Spanish government in making its decision in 2006?

In this chapter, we first comment on the overall governance and management of the fund. We then look in some detail at the operational aspects of the fund and its impact. The possible alternative uses of the major funding initiatives like MDG-F are discussed in chapter 4 when we review future funding mechanisms designed to sustain the UN's development goals.

GOVERNANCE AND STRUCTURE

The MDG-F was a substantial multi-bi program. The Steering Committee, with an exclusive Spanish and UNDP membership, was responsible for the fund's oversight and final project approval. The clear influence of the sole donor on the MDG-F's overall orientation and governance was related to the size of the contribution—the largest ever single contribution received by the UNDP from a bilateral donor. This influence was seen in the initial choice of 59 countries—corresponding to Spain's own aid priorities—of which 50 became beneficiaries. The limited number of countries, and therefore project beneficiaries, simplified the fund's administration but also entailed the exclusion of some low-income countries (LICs). However, some UN organizations

welcomed the funding for MICs in Latin America for which alternative project funding was not readily available.

The influence of the donor was similarly evident in the choice of eight themes proposed by the Spanish government, although UN organizations were active advisers. The democratic economic governance theme (managed by the UNDP) was a somewhat euphemistically titled "envelope for projects on water and sanitation," in which the donor had a particular interest.[20] For each theme, a TSC was established, comprising experts who provided objective appraisals of each project submitted.

As seen in the previous chapter, there were three levels of governance and oversight at the country level. National Steering Committees included representatives of the national and Spanish governments and RCs. Each project also had a program management committee and a program management unit. This three-layered structure may have helped to enhance the claims of local ownership of MDG-F projects. At the same time, the elaborate oversight arrangements specifically established for the fund added to the administrative and procedural burdens already characteristic of UN operations at both the global and country levels. The UNDP's own oversight could not be used for multi-agency initiatives because of the principle of separation of roles along with some concerns about inefficiency and formality versus reliability of the UNDP system.

The balance sheet of positives and negatives in the governance arrangements of the MDG-F were:

Positives:

- Some targeted funding for pilot DaO countries
- Local ownership through National Steering Committees
- Substantial size of initial resources

Negatives:

- Steering Committee limited to the Spanish government and the UNDP
- Influence of donor in choice of themes
- Targeted country eligibility less than universal

OPERATIONAL ASPECTS

The final evaluation was for the most part constructive. It judged many projects to be effective but not efficient, which individual project evaluations also had concluded.[21] Our commentary on the operational pluses and minuses is based on a careful reading of the final evaluation, supplemented by in put from many current and former practitioners of UN organizations involved in various MDG-F projects. Our analysis follows the main stages of the project cycle, as shown schematically in Figure 1.

FIGURE 1: THE MDG-F PROJECT CYCLE

Project identification

Project formulation

Project management & implementation

Monitoring & evaluation

IMPACT

Sustainability

+

Knowledge management
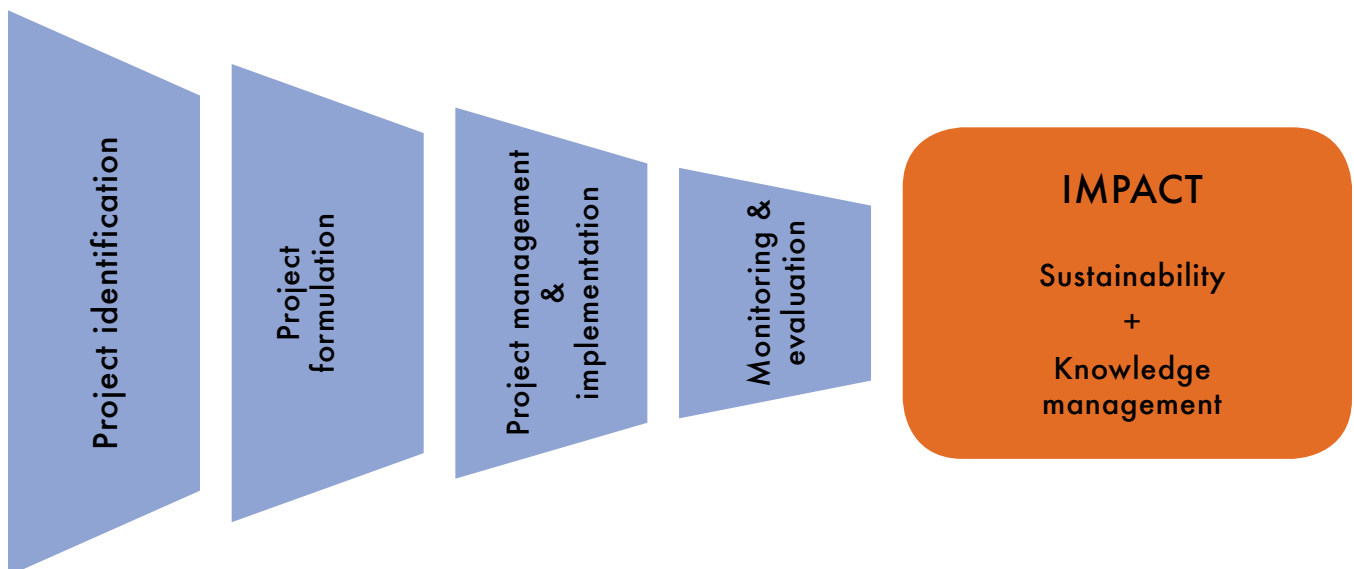
Project Identification

The MDG-F had eight domains of activity, or "thematic windows": children, food security and nutrition; gender equality and women's empowerment; environment and climate change; youth, employment, and migration; democratic economic governance; development and the private sector; conflict prevention and peace-building; and culture and development. These themes did not correspond to the eight MDGs but were spelled out by the Spanish government in consultation with the UNDP and members of the UN development system. The first three windows coincided closely with the MDGs, but the MDG-F was not structured along these lines. If it had been, there would have been a window on education. The last five windows, however, touched on important thematic areas of (contingent) relevance to the MDGs and to the larger agenda originally reflected in the 2000 Millennium Declaration. On the one hand, the preferences of the bilateral funder were reflected in this choice of windows and could be considered a distraction; on the other hand, the MDG-F's eight-fold articulation was as pertinent as the MDGs in broad development terms because the former included vital areas such as private sector promotion and conflict prevention.

By specifying that there had to be several UN organizations working together on projects mostly in the range of $2-12 million each, the MDG-F was instrumental in advancing the principle of DaO. In practice, the average number of organizations per project was six, although most respondents claimed that between two and three (maximum four) would have been optimal because the transaction costs became onerous above this more reasonable level—the worst case being a project in the Caribbean involving no fewer than 16 different UN organizations.

The invitation to UNCTs to identify projects gave a key enabling and empowering role to UN resident coordinators. In what was effectively a competitive process, the more pro-active and entrepreneurial RCs were successful in attracting resources. Larger countries, with commensurately more resident UN staff, were also at an advantage in making a claim on available resources.

The decision to decentralize project construction to the field was clearly a sound one. However, given that the UN development system is intended to mediate global goals with local country needs, there was an opportunity for the UN to provide stronger overall strategic guidance to its 800+ country

and regional offices. Such guidance could have been provided by the UNDG, which is chaired by the UNDP, although it would have represented a departure from its function, which is customarily coordination. The guidance could have helped to raise the quality and the UN relevance of joint programming. The global evaluation of the MDG-F considered that gender issues and sensitivity to the environment were cross-cutting considerations that could have received more attention had more direct guidance emanated from the UNDP or UNDG. These are two examples of the kind of ex-ante strategic direction that could have been provided.

The UNDP was well-positioned to manage the flow of funds, given its coordinating role in the UN system and financial support to UN resident coordinators. Although there has been some diversification, many serving RCs have followed UNDP careers and some UN organization respondents were critical of the disproportionate share of MDG-F resources channeled to the UNDP. Globally, the UNDP was designated as the lead organization for three of the eight windows and received a total of $195 million out of $683 million (29 percent) programmed for countries. Arguably, this proportion is not surprising given the UNDP's rather general development mandate and its ubiquity. However, the UNDP's lingering firewall problem remains a prevalent complaint heard by the authors: "UNDP cannot be trusted not to favor itself." There were also other "winners": for example, small organizations such as UN Women, which received 3 percent even though it had barely begun significant country activities in 2010 as the three-year window for projects was closing; and even larger ones like UN Educational, Scientific and Cultural Organization (UNESCO), which was suffering severe funding cuts after the US withdrawal and benefited from about 8 percent of MDG-F resources largely due to the existence of a specific thematic window on culture and development.

In a supply-led process (in which ideas follow available resources rather than the other way round), it is unclear to what extent the 130 projects identified were not new but rather "shovel-ready" ones pulled directly from the UN's pre-existing UN Development Assistance Frameworks (UNDAFs). It was suggested—for example, for projects in the culture and development window—that the MDG-F facilitated the emergence of new areas of UN cooperative arrangements.

The MDG-F's windows were not designed to correspond precisely to the MDGs, but the lack of alignment was not necessarily a poor idea for at least two reasons. First, most UNDAFs do not, in fact, encompass all the UN operations

in a country, particularly projects by non-resident organizations, so that additional goals provided more programming opportunities. Second, many of the projects outside of UN programming frameworks (and the MDGs themselves) had intrinsic merit and thus were useful pilots for further joint programming.

In sum, the brief balance sheet of positives and negatives in project identification of the MDG-F were:

Positives:

- Support for DaO principles through multi-agency cooperation on each project

- Country-driven process of identification

- Empowerment of UNRCs

Negatives:

- Inexact alignment between MDGs and MDG-F thematic priorities

- High transaction costs associated with cooperation between multiple agencies

- Absence of strategic central guidance based on universal UN norms and paradigms

Neutral:

- Windows reflected single-donor interests, rather than the MDGs, but included other relevant development areas

Project Formulation

In a family as diverse as the UN's development system, joint programming was bound to be a challenging process. Individual UN organizations are more used to working independently and competing with each other for resources from the same set of donors than working as one. Only periodically, during the formulation of UNDAFs, is there collaboration among program staff from different organizations; but even this exercise is closer to cobbling together existing organizational preferences than a true strategic planning exercise.

The first challenge of joint programming is fostering an understanding of how individual organizations can contribute to a holistic set of development objectives. Most UN organizations represented in the field have a limited understanding of the strengths of other potential UN partners and even of their detailed mandates. Even less is known by

UNCTs about the potential of non-resident organizations (which accounts for the fact that some development areas, such as international trade, are rarely included in UNDAFs). A positive feature of the MDG-F was the incentive (actually, the imperative) for organizations to work together. Because the MDG-F was launched half-way through the MDG period (and was completed by December 2012), there was some urgency—if not to say "rush"—in the formulation process, which meant that time for inter-agency consultations was limited. Some organizations were able to provide technical help to their staff from their regional offices and HQs. Smaller organizations, however, were more constrained and unable to provide adequate specialist input to the formulation process.

Because projects were mainly identified at the country and regionals levels, there was a general sense among UN organizations that their HQs were insufficiently involved in project formulation (a sentiment echoed by some who had worked in the MDG-F Secretariat), officials at the Place de Fontenoy told the authors that the fund had "helped UNESCO join the rest of the system"—at least in the field of culture, which was not an MDG but in which the agency partnered with the UNDP and others for the first time. Joint projects had facilitated access by UNESCO to other parts of national governments less familiar with its cultural programs. The culture and development window was a clear example of how the MDG-F brought an enriching multi-disciplinary process to project formulation. The absence of a window on the key MDG for education, however, precluded any potentially productive collaboration among UNESCO, UNICEF, and others in this key MDG domain.

The opportunity for multi-disciplinary—that is, "multi-agency"—approaches could have been an inducement for additional and more intense programmatic approaches. Most of the 130 "programs" were, in fact, multi-faceted projects of a pilot nature with quite modest budgets. A more concerted program approach could undoubtedly have had a greater impact on national strategies and policies; but it would have diminished the opportunity to experiment with new approaches.

Generally, the results of joint project formulation seem to have been positive in pulling together various UN development organizations, perhaps the beginning of a learning process within the so-called family that various members can capitalize upon in the future.

In sum, the balance sheet of positives and negatives in project formulation by the MDG-F were:

Positives:

- Encouraged inter-agency collaboration on substance and mutual recognition of comparative advantages
- Enriched projects through multi-disciplinary approaches and mobilizing a range of UN competencies
- Made experiments possible
- Encouraged whole-of-government approaches in program countries

Negatives:

- Limited participation by non-resident UN organizations
- Limited time for adequate consultation
- Insufficient input from agency HQs
- Absence of program approaches

Project Management and Implementation

Joint programming, encouraged by the MDG-F, encountered the familiar problems of harmonization (better said, "cacaphony") within the UN development system. The lengthy details found in Box 1 suggest why it could not have been otherwise. The delegation of project management to the field level, however, facilitated the search for convergence that would have been even harder had the HQs of the different organizations been more fully involved. Inevitably, implementation encountered the familiar UN challenges of an organizational, operational, communications, reporting, and funding nature. Superimposed on these operational complications were the specific procedures required by the MDG-F itself which nevertheless managed to work with 27 different UN organizations—more than the 18 that signed the standard operating procedures.

A critical reading of available documentation and interviews suggested a number of factors to be considered as relevant to management and operations. First, some RCs may have been inclined to involve as many UN organizations as possible. Whatever the motivations, having more than a few inevitably raised transaction costs in time and resources. It is notable, for example, that the evaluation of the DaO experience at the country level judged such higher transaction costs among the most negative of consequences of that effort.[24] While having more organizations might enrich the content of projects, it also meant more protracted consultations prior to and during implementation, and added to the task of coordinating the outputs. In practice, joint programming in the MDG-F usually meant parallel programming, with some projects being run as several in parallel, each with their own sub-project manager reporting to their respective agency HQ.

BOX 1: HOW "COMMON" IS THE (OPERATING) SYSTEM?

In spite of their adherence to a "common system," joint programming among organizations of the UN system at the country level has always been hampered by the absence of common operating procedures. The MDG-F helped to expose this serious fault-line, and partly as a result there has been some progress toward harmonization ("standard operating procedures," SOP) under the auspices of the UN Development Group and its secretariat the UN Development Operations Coordination Office (DOCO). SOPs have been agreed among 18 UN organizations (about half of those in the system), and they cover budgeting, programming, operations, communications, all under the leadership of the UN resident coordinator. However, the SOPs are voluntary; and while they encourage convergence, they fall far short of anything resembling integration. A common budgetary framework is not a common budget. UN organizations are not able to transfer funds among themselves, unless one is operating as an executing agency for the UNDP. Common programming means that the United Nations presents its different projects in a common document, which encourages comparison and brings out common themes, but does not in itself constitute integrated programming. Operating as one involves the use of a business operations strategy that encourages convergence by "capitalizing on existing agency operational capacities and consolidating service provision."[22] Common communications means that, on some issues, the UNCT finds a common position, which is expressed through a single voice. Even the convergence of UN country operations, however, is held back by the differing IT platforms used by individual organizations as a result of extremely costly earlier decisions to adopt different enterprise resource plans.[23]

Second, business practices should be uniform or at least made consistent. In a 2014 survey of country teams, 84 percent claimed that "different policies and procedures" across agencies were preventing greater harmonization, and 72 percent cited "different regulations and rules."[25] For example, UN organizations apply different rates for salaries and daily subsistence allowances of local staff, and they use different contractual arrangements with local partners. The different IT operating systems of the UN family also made coordination more complex, thus hindering, for instance, the interaction of finance officers from different agencies.

Third, communications are a continual challenge in inter-agency relations no matter what the context. In one of the agencies interviewed by the authors, "emailing" was described as one of the greatest challenges of inter-agency coordination even at the country level. (Historically, as with the choice of enterprise resource plans, the UN system missed a critical opportunity when domain names were being devised in the early 1990s to come up with standard addresses and common servers, thus complicating the sending of messages and exchange of documents.) Apart from horizontal communications, joint programming also entailed additional "vertical" communication within agencies at the country, regional, and HQ levels.

Fourth, reporting requirements for joint projects remained an issue, with each participating agency administering its own "team" (sometimes a single individual). In many cases, staff had to be identified and recruited. Agency staff reported to their respective HQs, as well as to the designated project coordinator of the "UN convener agency." The need for separate vertical reporting by participating organizations encouraged a degree of independence and made it harder for the project coordinator to keep track of progress and ensure that each agency was adhering strictly to project objectives.

Fifth, and as mentioned above, funds cannot normally be transferred between agencies, so rather than the lead agency of each project being entrusted with apportioning resources to the other participating but secondary agencies, the UN used the "pass through" system described in chapter 1. In practice this meant that, having agreed to a budget for each component, funds were provided to each agency directly from the center (which was in most cases the Multi-Partner Trust Fund Office in New York). Such a system was necessitated by the current state of UN operating procedures but detracted from a flexible use of funding, for example to adapt projects to changing circumstances.

In sum, current (albeit improving) operating procedures within the UN development system remain a hindrance to closer convergence in administering joint projects under MDG-F or any other auspices. In addition, projects were required to conform to processes prescribed by the MDG Fund, and approval of each project by the central Steering Committee inevitably led to delays. The implementation guidelines for joint programs under the fund—which were distinct from those developed by DOCO—run to nearly 100 pages. Thus, while the evaluation found that the MDG-F had "helped to foster a culture of One UN," it also concluded ironically that "the processes required by the Fund may have actually reduced efficiency at the joint programme and country level."[26] One senior staffer at an agency HQ described the processes involved in joint programming as "death by documents."

In project management, there were positive and negative UN-specific factors associated with joint programming. With respect to the role of the MDG-F, the factors worth singling out were:

Positive:

- Delegation of project management to the country level, which encouraged operational convergence

Negative:

- Overly ambitious projects involved too many UN organizations

Neutral:

- Project management was made more transparent but also more complex by elaborate MDG-F processes

Monitoring and Evaluation

A highly elaborate system was envisaged for monitoring and evaluating projects of the MDG-F, which reflected a set of common indicators specifically developed by the secretariat and based on the main objectives of the MDG-F. From 2009 onward, monitoring reports were produced every six months for individual projects; and from 2010, projects could be viewed via the online system managed by the Multi-Partner Trust Fund Office. This instant electronic availability provided a useful snapshot of financial flows for all projects for which the MPTF Office was responsible. Projects were also monitored at the country level by respective NSCs.

A substantial number of evaluations were also conducted. For each project there were to be midterm and final evaluations, even within the relatively short window of a maximum of six years (2007–2012). There were also a number of country and thematic evaluations and a final global and thematic evaluation. Partly because of the relatively short life of each project (three years) and the need to devise indicators and other tools in advance, not all of the evaluations were accomplished on time. However, of the total 130 projects, 126 produced final evaluations. In addition, the quality of the evaluations varied. The large majority of the projects were rated as satisfactory or better. There were lower ratings for the use made of evaluations to improve development effectiveness, the application of results based management, and the systems and processes used.

While the need for careful monitoring and evaluation is understandable, the elaborate requirements—as with the complex governance arrangements for the MDG-F itself—placed additional, and what more than one official called "onerous," burdens on those implementing the projects. Also, the time frame originally established for projects (three years), proved restrictive for many development processes and hindered in many cases the realization of the intended results. In fact, the implementation period was effectively reduced to 2.5 years because 6 months were allocated for project formulation. Thus, some midterm evaluations were undertaken after barely a year. Nevertheless, the requirement for mandatory midterm and final evaluations was a laudatory principle.

In sum, the factors of significance were:

Positive:

- The fund developed an elaborate system of monitoring and evaluation

Negative:

- These requirements supplemented existing UN mechanisms and were burdensome within the relatively short time-frame of 2006–2012.

IMPACT

Beneficial impact (which goes beyond outputs, outcomes, results, and performance) is ultimately the most consequential consideration in analyzing development cooperation. But impact—on a sustained basis—can only be judged several years after the conclusion of a project. Thus the conclusions

of the final evaluation of the MDG-F regarding impact, while generally positive, remain very tentative. This section examines just two aspects of impact that are measurable, even if they do not provide the full picture on which a comprehensive judgment of the MDG-F could be made: sustainability and knowledge capture.

When discussing sustainability with UN organization staff, the words "exit strategy" often arose, usually referring to the absence of one. Our general impression was that UN staff often equated sustainability with the need for follow-up financing. The authors heard of instances in which a donor supported the next phase of an MDG-F project after it was concluded. It also happened the other way round with an existing project being followed up and expanded with MDG-F financing. The absence of an exit strategy would seem to imply that some projects were designed with the expectation of continuing financial backing, especially since the anticipated length of MDG-F projects was merely five years or less (that is, by 2012 when the founding documents specified closure). Given the short duration of the MDG-F, such expectations might have been considered as reasonable. At the same time, they also imply that such projects suffered from the continuing and obvious weakness of many externally funded development initiatives, namely their excessive dependence on donor sustenance. Project sustainability can usually only be guaranteed if a country has already made a commitment, including of its own resources, to the objectives of the project and activities are already ongoing. To use a cycling metaphor, development cooperation should add momentum to an already turning wheel, but it should not attempt to be the bike.

Ultimately, determining sustainability requires the services of development archaeologists. Years after the conclusion of a project in all its phases, the site should be revisited for evidence of earlier activity. Unfortunately, given the supply-driven short-term urgency of development assistance along with the requirement for quick results to show the donor (upward accountability), very little excavation takes place. New projects are as likely as not built on the foundations of old ones. MDG-F projects would appear to the authors to have followed the familiar pattern of development assistance in not affording sufficient concern to continuity, a conclusion also reflected in the final evaluation.[27]

More promising evidence of impact has been in knowledge management or capture, underpinned by the requirement that all projects develop communication and advocacy

strategies. Feedback from participating organizations was generally positive about this aspect of the MDG-F. It provided finance to recruit focal point administrators within each of the eight thematic areas whose task was specifically to capture knowledge and record lessons learned. As a result, the MDG-F succeeded in building an impressive library, which can be easily viewed online (http://www.MDG-Fund.org/library), and in which lessons from fund project implementation have been comprehensively captured. This was an all-too-rare example of the UN system's pooling its know-how. Actually "learning" the lessons, however, requires changing policies to reflect failures or build on successes. Compiling lessons on a website is a first step.

To facilitate knowledge exchange and capture, the UNDP made available its "Teamworks" platform, inspired by its earlier networking facilities. These products have been widely disseminated and have had a valuable impact on raising awareness of development problems and possible solutions. In terms of sustainability, continuing use should obviously be made of these products in future UN development system programming.

3. The Emerging Development Cooperation Landscape

At the turn of the millennium, the decade of high-level UN development meetings was closing and official development assistance was lagging. The summit in 2000 yielded the Millennium Declaration and the MDGs, which represented measurable and time-bound targets for development achievement as well as for increased aid.

Fifteen years on, the world is in a much altered development era. The prevalent understanding of the crucial dynamics of progress and of the role of aid itself in it have both evolved substantially. Both kinds of change are important for the UN development system. The implication is clear if underappreciated within the system: there are various approaches available for sustaining the development process, with different resources and partners.

As a prelude to the proposals put forward in the following chapter, we take a look at both types of change and ask what they mean for the UN development system and how they can shape the post-2015 development agenda, drawing on the experience of the MDG-F.

THE EVOLVING UNDERSTANDING OF DEVELOPMENT AND AID

From the time that development became a "discipline" or at least began appearing in economics textbooks—in the late 1940s and early 1950s—it was inseparable from the notion of externally provided financial and technical resources. Development required gaps to be filled, principally of three kinds: between national savings and investment, import payments and export receipts, and necessary and available local skills.[28] Required financial and technical assistance resources could be made available to developing countries by their developed counterparts; the assumption was that if the gaps were plugged, development would proceed apace. This rationale for financial and technical assistance from both

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multilateral and bilateral sources led to the formulation of specific targets. In 1969, the Pearson Commission established 0.7 percent of the gross national product (GNP) of rich countries as a desirable target for ODA, adopted the following year by the UN General Assembly.[29] Targeting was a way of encouraging ODA to rise to what were considered appropriate levels. However, the close association of aid and development led to the misleading assumption that development could only proceed with adequate aid, and the reverse: that a failure to develop was blamed on its insufficiency.

The Pearson report also recommended another target that was of equal or greater importance: the transfer of total resources to developing countries equivalent to 1 percent of the GNP of developed countries, including all private flows. Globally, this target was comfortably surpassed as foreign direct investment (FDI) was added to other flows of private capital (although there are significant reverse flows from some countries as a result of loan repayments, profit repatriation, and capital flight). The supposed advantage of ODA was that it was highly concessional and did not add to the external debt of developing countries. They have also benefited from other non-debt resource transfers, including export receipts and remittances from workers abroad. More recently, the widespread discovery of oil and minerals in

many poor countries have provided them with growing tax and royalty payments.

For the early developers, particularly in East Asia, external injections of all financial and technical resources—including FDI and other forms of private capital—unquestionably assisted their take-off into sustainable growth. But they were not sufficient. Progress was only sustained through the growing capacity of people and institutions. To build and sustain development capacity required rising educational standards, the emergence of strong well-functioning institutions, stable politics, and continuity in policy. These could not simply be bought with ODA but required committed leadership to build capacity and the responsible governance of all available resources, both externally generated and, increasingly, those mobilized domestically through effective fiscal management. These were domestically generated conditions by which countries owned and controlled the development process.

The record over the UN's seven decades shows an unequivocal correlation between ownership and development progress, whereas no such correlation exists between ODA and development progress when the sustaining conditions were absent. ODA is, by definition, a compromise between infringing on national sovereignty, on one hand, and outsourcing development to foreign assistance, on the other, which risks slowing progress in part because it discourages and delays ownership. One recent commentary goes so far as to declare development aid redundant: "when the 'conditions for development' are present, aid is not required. When local conditions are hostile to development, aid is not useful, and it will do harm if it perpetuates those conditions."[30] Hostile local conditions have been defined in terms of the quality of national institutions. Where a state polity is "patrimonial"[31] institutions are beholden to the ruling elite, serving their interests rather than those of the population. Daron Acemoglu and James A. Robinson describe patrimonial states as "extractive" because they concentrate power "in the hands of a few, who will then have incentives to maintain and develop extractive economic institutions for their benefit."[32] In addition to robust institutions, Francis Fukuyama also stresses the need for the rule of law and democratic accountability.[33]

In the 15 years since the formulation of the UN's MDG agenda, there has been a substantial increase in the resources available for development. ODA has increased, as we discuss below. But for many countries, other sources have increased far faster and now dwarf foreign aid in many contexts, which in 2013 accounted for just 7 percent of total resource flows.

Remittances alone are today equivalent to more than three times ODA. Foreign direct investment flows are at least five times larger than aid although unevenly distributed (with two-thirds flowing to just 10 countries). Many countries have also benefited from rapid increases in the prices of their commodity exports in the last decade. An increasing number of developing countries are also borrowing on foreign bond markets.

The biggest change in the aid and development relationship, therefore, results from the diminishing importance of ODA as a development resource. What matters more than ever to development progress is the capacity of individual counties to attract and manage responsibly the full range of resources at their disposal, within an "inclusive" rather than an "extractive" context.

Successful and inclusive management of their development has seen a growing number of developing countries begin to prosper. Since 2000, almost all regions have seen improvement in their Human Development Index (HDI) scores.[34] Compared with the previous decade, gains have accelerated and were particularly marked for Eastern Europe; and the low-income regions of sub-Saharan Africa (SSA) and South Asia also provided evidence of a global convergence process.[35] In the present decade, these gains have slowed, but from 2008–2013, SSA and South Asia have shown faster increases than the other regions.[36]

Overall convergence, however, masks critical inequalities. Within countries, especially where economic growth has been highest, the gaps between the richest and the poorest have grown, crying out for domestic policy correctives. Of even greater concern is the absence of progress in some countries; in some cases the right conditions have evaded them, and in some internal armed conflict has destroyed earlier foundations. It is notable that the least progress in HDI improvement has been in the Arab states region. Other low-income, conflict-prone countries in Asia and Africa have also fared poorly.

The authors do not agree that (non-humanitarian) aid is without value. However, aid does not simply equate with development; and more aid—whether in the form of capital or technical assistance—does not necessarily lead to more or accelerated development. When applied to specific domains, like health and education, the process has been likened to a "hydraulic approach" which posits that "if water is pumped in at one end, water must pour out of the other."[37] In short, more aid does not necessarily mean more development—or "throwing money at a problem" does not necessarily solve

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it. No evidence exists about aid having created sustainable results without the presence of the other critical conditions described above.

But aid can be helpful when it contributes to fostering and not hindering the right conditions for development, including strong inclusive institutions and ownership of the process. It also has a vital role to play in conditions of serious disadvantage, where countries have been thrown off the development path and require resources to survive and eventually recover after human-made and natural disasters. Moreover, there is an increasingly obvious need for aid to help finance global public goods that often are essential for development processes but are beyond the means of individual developing countries.[38]

NEW REALITIES OF DEVELOPMENT COOPERATION

We have seen that, during the MDG era, perceptions of development and aid have changed. With more than 30 developing countries moving from low- to middle-income status, their eligibility for aid is diminished in the eyes of most donors. At the same time, an increasing number of these formerly poor developing countries have themselves become net donors, rather than net recipients. At the same time, most low-income countries, some afflicted by armed conflict, have not progressed or have even moved backward; in these cases, aid is still seen as a necessary floor to compensate for their fragility and alleviate their poverty. In some countries, ODA still accounts for three-quarters of total external resource inflows and more than half their public revenues.[39]

These changes are altering the simple polarization of the world into the haves (donors) and have-nots (targets for ODA). While the UN's social development summits of the 1990s invariably concluded with protracted North-South haggling over resources,[40] the phalanx of aid receivers—negotiating as the caucus of the Group of 77 (G77)—has diminished as the

new set of Southern donors has grown in prominence. The consequences of this change were clearly visible in the UN's Third Financing for Development Conference in July 2015 in Addis Ababa. The outcome document gave prominence to the needs for domestic public and private finance and other resources in addition to ODA.[41] Donors expressed relief that ODA did not become the familiar sticking point, prompting one development minister to declare that it was "a historic international deal that takes us beyond aid."[42]

The same conference also recognized the growing importance of "South-South Cooperation (SSC)," referring to the aid programs between emerging countries in the global South with their poorer brethren. The leading donors—Brazil, China, India, Saudi Arabia, South Africa, Turkey, and the United Arab Emirates—have been designated as "focus countries" by the OECD.[43] Aid from these seven countries accounted for about $20 billion per year, four-fifths of non-DAC concessional finance. The BRICS countries, including four of the focus countries (Brazil, China, India, and South Africa) plus Russia, established the New Development Bank in 2014, in part as a counterpoint to the Bretton Woods institutions in which the countries exercise limited control. In the same year, China also announced the launch of two multilateral funding mechanisms for Asia: the Asian Infrastructure Investment Bank and the Silk Road Fund, to which it will be the dominant contributor.

Aid has changed in other ways since 2000 and the MDG agenda. In that year two new "vertical funds" were conceived in the field of health: the Global Fund for AIDS, Tuberculosis and Malaria (GF) and the Global Alliance for Vaccines and Immunization (GAVI). The GF is designed to tackle the world's most prevalent infectious diseases. Although first mooted in the World Health Organization (WHO), it was eventually established as an independent entity. The GAVI Alliance sought to give a boost to the vaccination campaigns that had been conducted for many years in developing countries by the WHO and UNICEF, but it was also independently incorporated. Both the GF and GAVI have mixed governance systems, with public, private, and nongovernmental organization (NGO) members sitting on their boards. Both have also received substantial donations from private sources, including particularly from the Bill and Melinda Gates Foundation, which is also a major donor to the WHO. Between them, GAVI and the GF have attracted more than $40 billion in 15 years.[44]

The environment has also been a target for vertical funds. The Global Environment Facility (GEF) was created in 1991

and has since provided over $13 billion in grants, which has leveraged more than four times that amount in co-financing. The Green Climate Fund, to tackle the impact of climate change, was proposed in 2010 and held its first pledging conference in 2014. The fund began functioning in 2015 and serve as a channel of up to $100 billion in assistance per year under the auspices of the UN Framework Convention on Climate Change. The first pledges exceeded the initial target of $10 billion, and in addition to traditional donors, China and several developing countries (including Chile, Colombia, Indonesia, and Peru) also pledged contributions.

The advent and growth of these new funds indicates a distinct trend in favor of more targeted multilateral aid. Each of the vertical funds has a much narrower mandate than the more broad-based multilateral organizations, and through these funds, donors can more readily link their aid to visible and measurable if short-term results.

The overall amount of ODA provided by the 28 OECD/

DAC donors has grown significantly in real terms from $80 billion in 2000 to almost $130 billion in 2010 (see Figure 2). Since 2010 and as a result of the aftermath of the global financial crisis, there has been a dramatic slow down with only a modest increase to $135 billion in 2014. Even still, compared with the original aid target of 0.7 percent of GNP, the DAC average in 2014 was just 0.29 percent. Only five countries (Denmark, Luxembourg, Norway, Sweden, and the United Kingdom) achieved the target in that year.

During the whole period, all the main categories of ODA have grown: bilateral, multilateral, and humanitarian. Net debt relief has been included in the data, but it mainly augmented the figures in the last decade and has been of limited significance since 2009. Total aid has grown even more if non-DAC donors are taken into account. Thus in 2014, assuming that the seven focus countries provided $20 billion in aid, the total amount of DAC and non-DAC assistance has probably reached $155–160 billion.

FIGURE 2: ODA FROM OECD/DAC COUNTRIES, 2000–2014
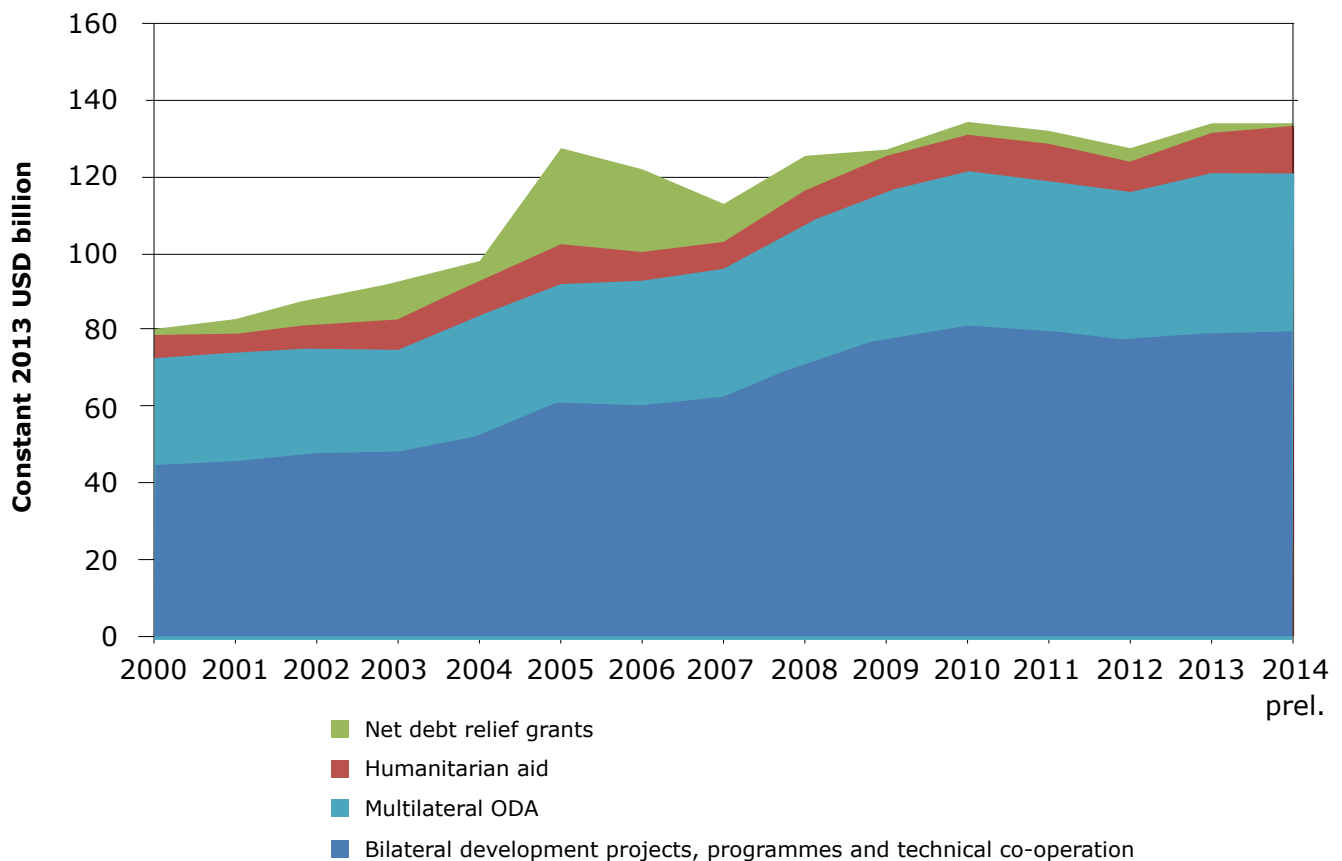
Source: OECD/DAC, Multilateral Aid 2015: Better Partnerships for a post-2015 World (Paris: OECD, 2015).

WHAT THESE TRENDS MEAN FOR THE UN DEVELOPMENT SYSTEM

According to UN Department of Economic and Social Affairs sources, total funding for the UN development system reached $42.6 billion in 2013, the highest ever level. Peacekeeping operations accounted for about 18 percent and global norm and standard-setting accounted for another 19 percent. Of the remaining 63 percent, or $26.4 billion, almost $17 billion was spent on development activities, and $9 billion on humanitarian assistance. These amounts have grown fast—humanitarian aid faster than development aid—particularly since the late 1980s. As such, the UN now accounts for almost 20 percent of total ODA from the DAC (see Figure 3)—although the OECD/DAC's figures are lower.[45] Of the total, over half was received by three organizations (the UNDP, WFP, and UNICEF) that are part of the UN proper, and two-fifths of those amounts was provided by just three donors (the United States, United Kingdom, and Japan). While these amounts are important, they represent a small and diminishing share of total international resource flows because non-ODA income has grown even faster. In 2013, ODA represented 7 percent of total flows, and development and humanitarian assistance through the UN just 1.3 percent.

For the poorest countries, however, ODA is still the major source of external funding, and for them the UN is still an important funding partner.

Within the overall growth in funding for the UN, two explanations are essential to consider: an increase in earmarked funds, and the diversification of donors.

Donors have altered the way that they exercise control. At the beginning of the 1990s, for instance, most of the UN's operational assistance for development (OAD) funding was core—that is, un-earmarked funding to foster the central mandates of recipient organizations that could determine its use. But since then, core contributions have progressed only slowly while the growth in UN OAD funding has been mainly in the form of non-core contributions, which are earmarked for particular purposes, target groups, and geographical locations. Between 1999 and 2014, while core funding for development related activities grew by 20 percent overall, the increase in non-core funding was 190 percent (see Figure 4). Today, almost three-quarters of the resources of UN funds and programs are non-core.
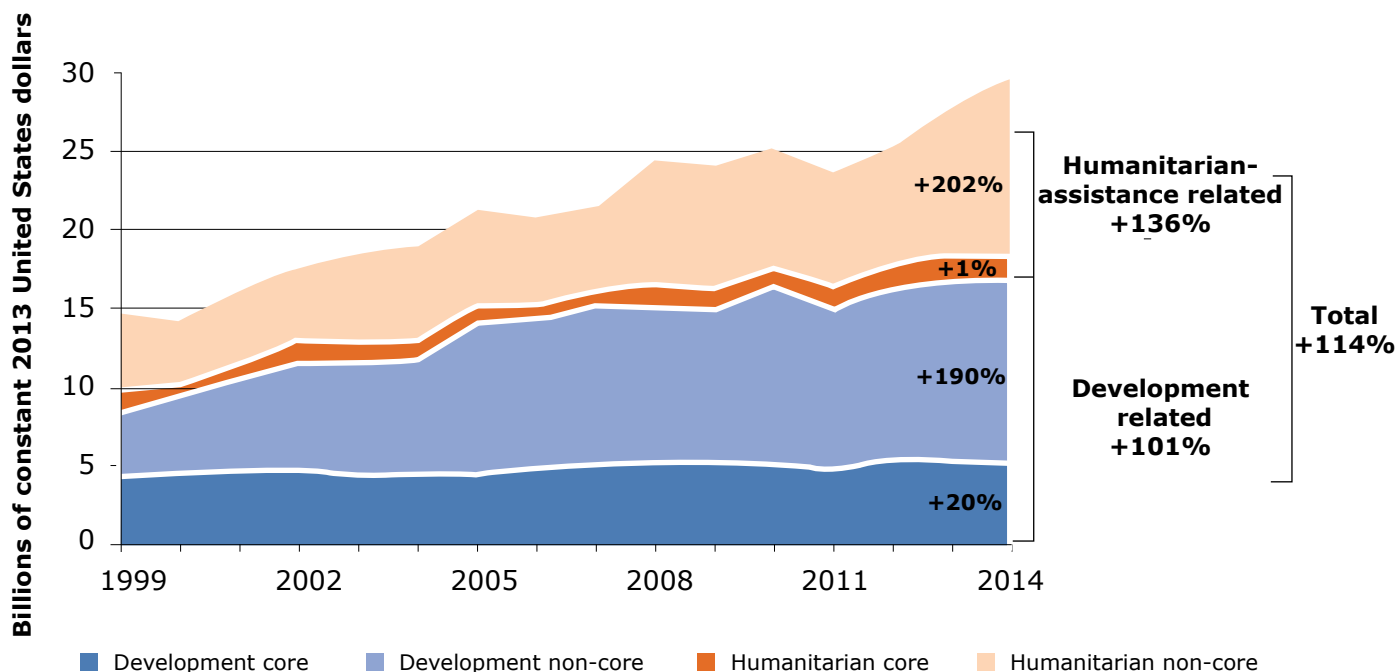
In the latest OECD review of multilateral ODA, a survey of donors suggests three possible motivations for increases

FIGURE 3: OECD DAC FUNDING TO UN OPERATIONAL ACTIVITIES FOR DEVELOPMENT (OAD), 1965–2013
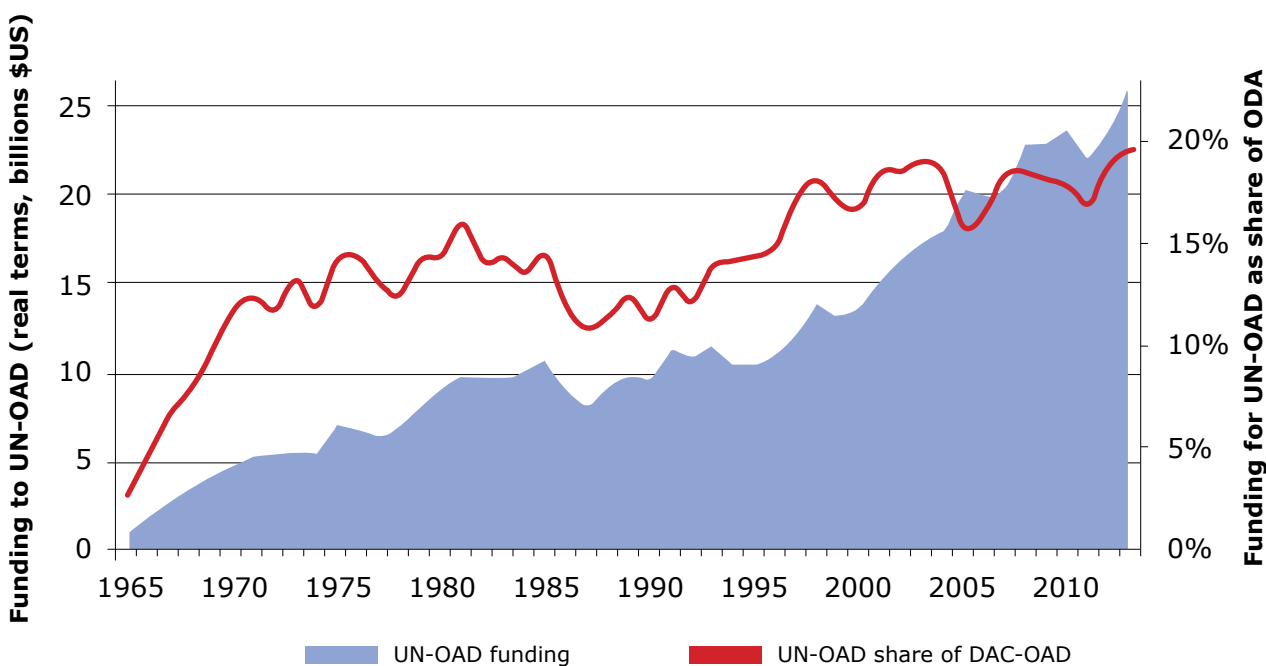
Source: UN A/70/62–E/2015/4.

FIGURE 4: REAL CHANGE IN FUNDING FOR UN DEVELOPMENT AND HUMANITARIAN ODA, 1999–2014
(PERCENTAGE CHANGE SINCE 1999)

Source: UN A/71/63–E/2016/8

in earmarking: the need to ensure greater visibility of aid funds; the desire to exert greater influence over the agendas of multilateral organizations; and the opportunity to exercise more oversight over spending "partly to respond to perceived inefficiencies" of the organizations.[46]

Individual donors differ, however, in the nature of their commitments and layers of control. While the average proportion of multilateral aid to total ODA in the DAC is 41 percent, it varies from more than 80 percent for Poland, Greece, and the Slovak Republic to less than 30 percent for the United States, Japan, and Australia (see Figure 5 and Annex 2 along with accompanying data). The higher percentages of the smaller donors mainly reflect their obligations to European Union aid along with the absence of any historical experience with aid disbursements until the end of the Cold War.

Most of the larger DAC donors preserve a high proportion of their multilateral contributions as non-core, but there are exceptions such as Germany, France, and Italy (see Figure 6).

The trend toward non-core funding can be interpreted in two ways. On the one hand, it has enabled the UN development system to maintain its operational activities, with rising non-core resources compensating for falling core resources. In the case of humanitarian aid, where the rise has been the fastest, the UN system has been able to respond more fully to catastrophes in individual countries. Those in fragile situations, such as Afghanistan, have become the largest recipients of UN ODA.

On the other hand, the trend suggests a waning confidence in the UN itself and the constituent organizations of the system to determine independently priorities along with the desire by donor countries and their parliaments (concerned with aid effectiveness) to disburse multilateral aid mainly for purposes prescribed by them. As a proportion of their ODA, while multilateral funding by DAC countries has remained stable at 28 percent since 2007, the non-core share increased from 23 percent to 31 percent.[47] However, as Figure 7 shows, the proportion of non-core funding in the UN—and especially in its funds and programs—is greater than that of other multilateral organizations. This partly reflects the importance of humanitarian and peacebuilding aid in current totals (and perhaps the UN's perceived comparative advantages in these areas).[48] Recent data show the extent to which states in fragile situations are assuming an increasing percentage of OECD flows—already 38 percent in 2011.[49] While all euphemisms

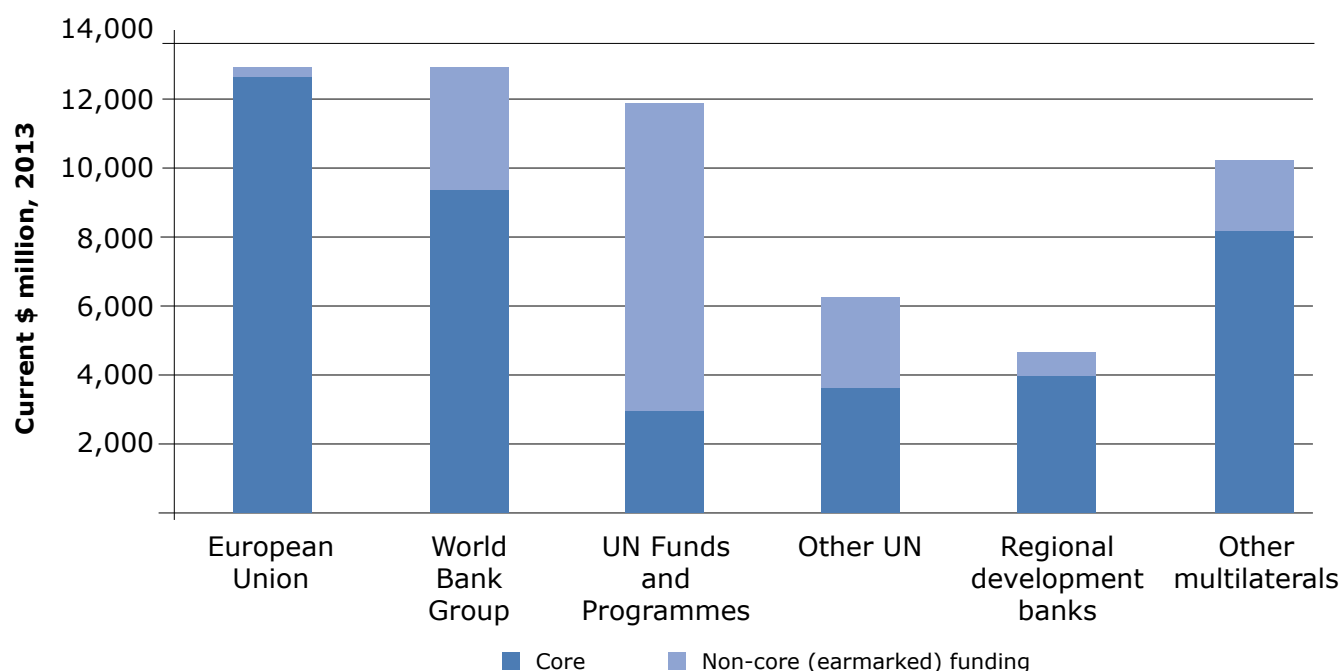## FIGURE 5: SHARE OF MULTILATERAL CONTRIBUTIONS IN DAC ODA, 2013
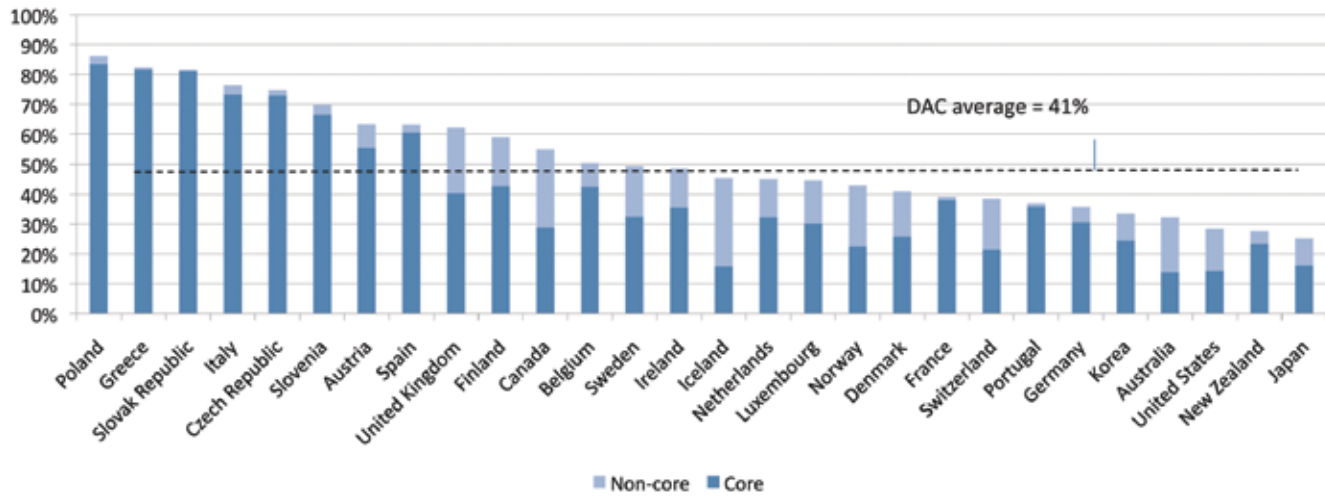
Source: OECD DAC, Multilateral Aid 2015.

FIGURE 6: CORE AND NON-CORE CONTRIBUTIONS TO MULTILATERAL AGENCIES BY DAC DONORS, 2013
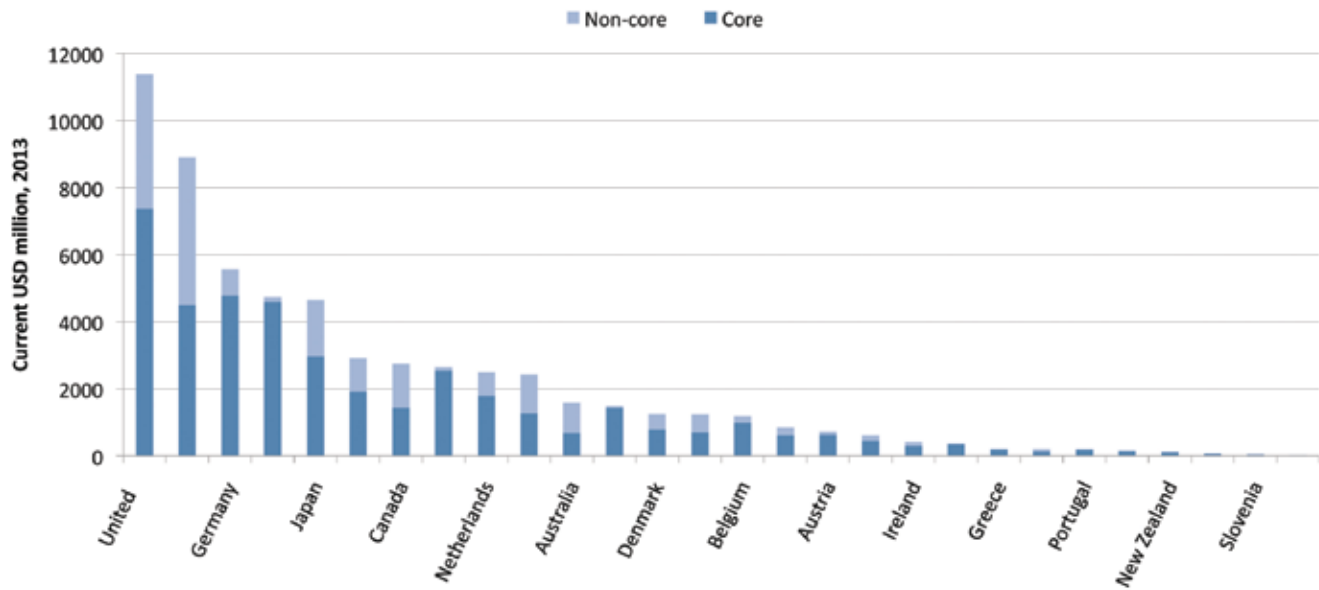
Source: OECD DAC, Multilateral Aid 2015.

FIGURE 7: CORE AND NON-CORE CONTRIBUTIONS FROM DAC COUNTRIES TO MULTILATERAL ORGANIZATIONS, 2013

Source: OECD DAC, Multilateral Aid 2015.

including "fragile" are contested,[50] backing for projects to strengthen institutions in such countries has become so widespread that two commentators have gone so far as to call it a "new development paradigm."[51]

As Figure 8 shows, earmarking applies across a wide range of sectors covered by the system. UN organizations have reacted to earmarking by embracing it wholeheartedly, while simultaneously pleading with donors to sustain core contributions. There is no better example than the UNDP, which along with other organizations pleads for more core resources while expanding its operations in recent years as a direct result of its willingness to acquiesce in the earmark requests made by donors. The continuing interest in multilateral financing requires finding a way to marry the concerns of donors with the needs of target countries and UN organizations.

The growing, and now widespread, practice of earmarking poses challenges of various kinds for the UN development system. In a fundamental way, it changes the nature of each organization, which becomes an implementing agency on behalf of donors, thereby diluting the control over and interpretation of the intergovernmental mandates approved in their constitutions or approved later by governing bodies. Indeed, the role of governing bodies is diminished as

organizations are increasingly beholden to the bidding of individual donors. The example of the WHO is not atypical. Some of its project managers have told the authors that a major proportion of their time is spent on managing the organization's relationships with over 400 donors, which diminished from their availability for professional health work. Soliciting donations is only part of the task; most donors also require separate reports to be written on the use of their funds—and may even require different implementation procedures to be followed (as for the MDG-F itself)—adding substantially to transaction costs and administrative burdens.

The UN development system has acquiesced in the inevitable growth and preponderance of earmarked funding, and its concerns have shifted away from trying to counter the trend toward improving the quality of earmarked projects and programs. Spurred in part by the Quadrennial Comprehensive Policy Review process, organizations are pursuing two types of reform. First, in order to restore credibility to their governance functions, they are trying to achieve closer alignment between their available resources and central programming mandates, as well as enhance the predictability of resource flows. The WHO pioneered an integrated multi-year program budget, approved by the

FIGURE 8: EARMARKED MULTILATERAL CONTRIBUTIONS BY SECTOR ($ MILLIONS), 2013
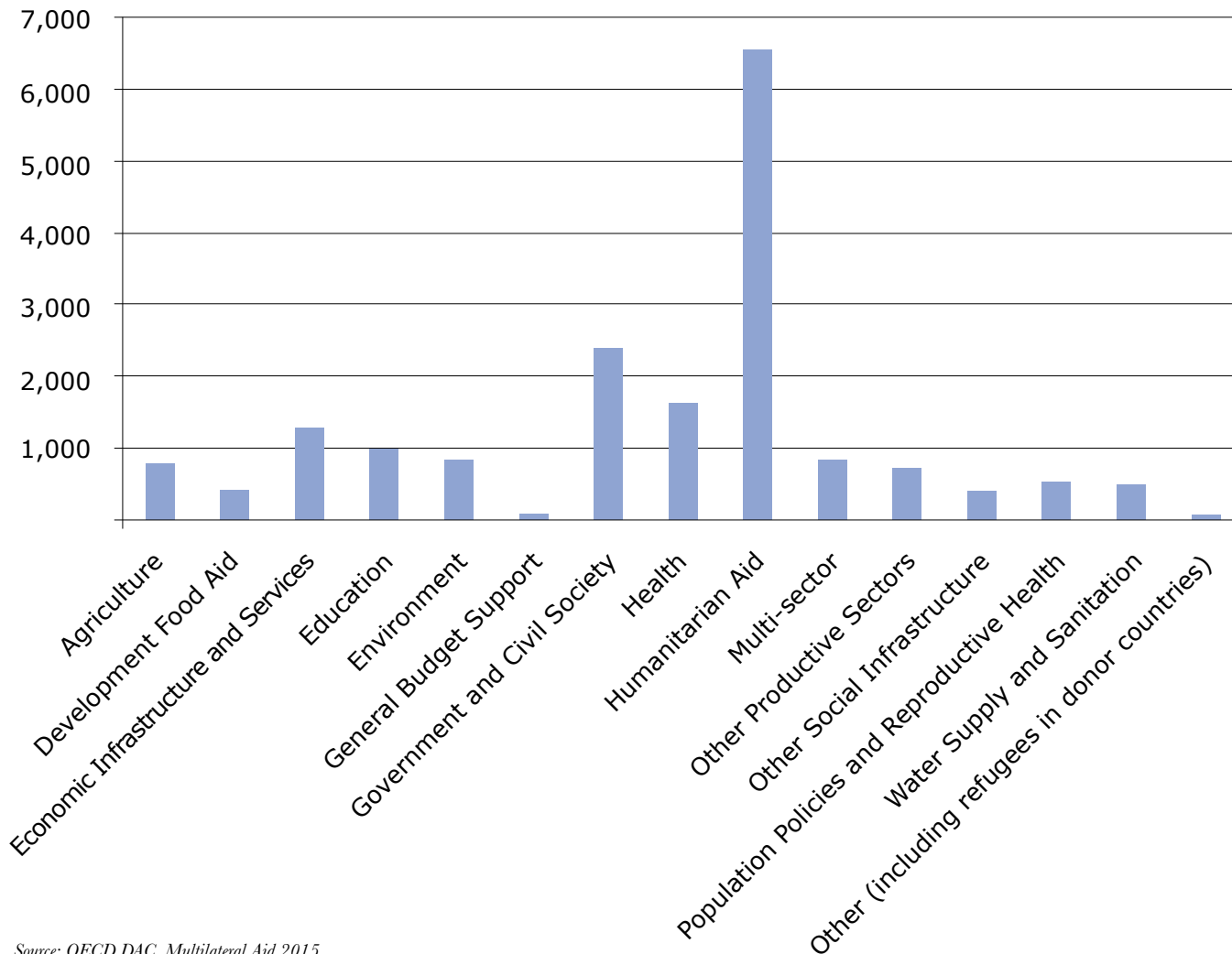

Source: OECD DAC, Multilateral Aid 2015.

World Health Assembly in 2013, which includes all core and non-core resources. Where additional non-core resources are sought, they need to be aligned with the approved framework. The practice has been followed subsequently by the executive boards of the UNDP, UNICEF, the UN Population Fund (UNFPA), and UN Women.

A second reform modality concerns "full-cost recovery," whereby UN organizations seek to avoid cross-subsidization of non-core resources from core funds. The problem has arisen mainly because some organizations, under pressure from donors, have reduced the overhead margins on earmarked funding. At the same time, several organizations have either maintained equal overhead margins on core and non-core resources or are narrowing the disparity.

Apart from the growth of earmarking, another change in the pattern of funding to UN ODA has been the diversification of sources. As Figure 10 indicates, governments are still the major contributors to UN funding, accounting for some $20 billion, or 75 percent of the total. Of this amount, 64 percent (almost $13 billion) is contributed by DAC donors, the rest by non-DAC ones, including especially the seven focus countries. The European Commission, and its agencies, has become another important donor. Finally, 18 percent of the total is made up of "other sources," which include private funds and foundations.

For development-related UN activities (that is, excluding humanitarian), the picture in Figure 10 shows for 2013 the major sources as well as the breakdown by core and non-core (the size of each sphere correlates with total contributions).

FIGURE 9: SOURCES OF FUNDING FOR UNITED NATIONS OPERATIONAL ACTIVITIES FOR DEVELOPMENT, 2014

Total contributions: $28.4 billion
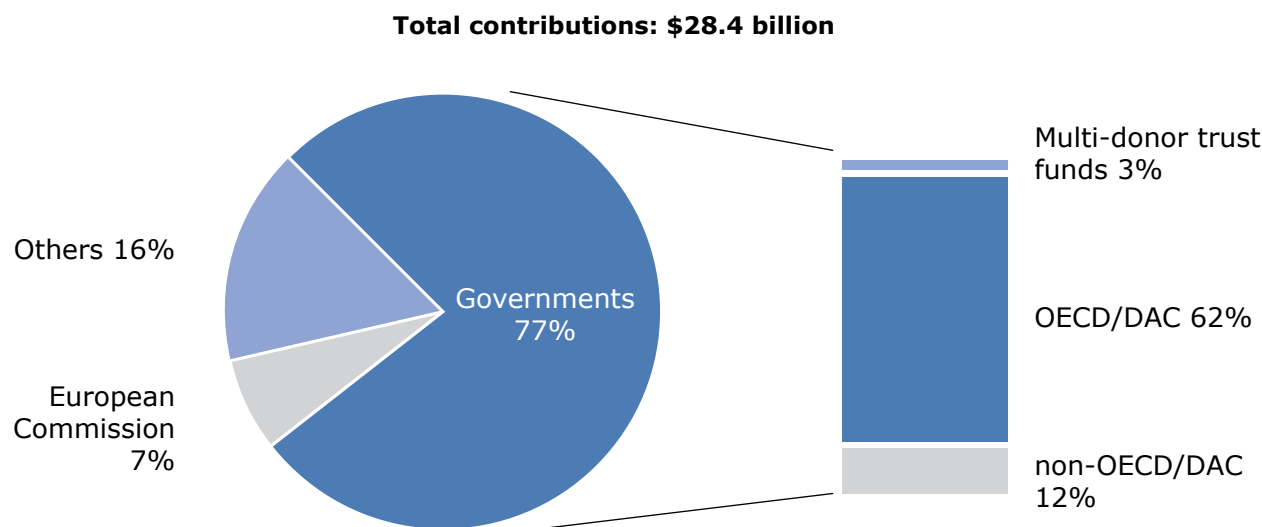
Contributions by non-DAC (developing country) governments were $683 million, roughly equivalent to the contributions of Canada, with more core (57 percent) than non-core resources. In addition, however, developing countries—particularly in Latin America—contribute so-called local resources to the UN's development efforts of some $1.3 billion. These resources are paid mainly to the UNDP for the provision of local development-related services, such as home-based consultants and local procurement.

The major donors from the global South, including in particular the seven countries identified by the OECD in their latest multilateral report as providing more than 80 percent of non-DAC ODA,[52] generally provide smaller percentages of their aid to the multilateral system than do DAC donors. However, the two exceptions are Brazil, which allocates an estimated 25 percent, and South Africa, 45 percent. About half of the multilateral assistance is given to the UN system, with a particular concentration on humanitarian assistance and on the specialized agencies. The major non-humanitarian agency to receive funding was the Food and Agriculture Organization (FAO), for which Brazil, China, and Saudi Arabia are especially prominent donors.

The UN also receives about $900 million per year from both the European Commission and the global funds—principally the GF, GAVI and GEF (see Figure 9). The GF and GAVI help to finance not only the WHO and other health-related UN programs but also the UNDP as a conduit ("principal recipient") for their funds at country level, where local institutions are

considered to have inadequate capacity. The GEF contributes to the environment programs of the UNDP, UN Enviornment Programme (UNEP), and other UN organizations.

Some $2 billion is contributed by NGOs and private sources. More than half of this amount comes from UNICEF's national committees ($1.1 billion in 2013), with the Bill and Melinda Gates Foundation being another major private contributor—for example, it is one of the top three sources of WHO funding.

A proportion of the non-core development-related resources flowing to the UN is in the form of pooled resources. The UN has encouraged pooling at the program level in order to reduce the degree of fragmentation in the system, both on the part of donors as well as UN implementing organizations, while building on the donors' proclivity for earmarking resources for particular purposes. Multi-donor trust funds (MDTF) are administered by a separate New York-based UNDP entity (the Multi-Partner Trust Fund Office, MDTFO) and were originally created to finance major reconstruction programs in Iraq, Afghanistan, and elsewhere. The MDTFs for development-related activities accounted for $400 million in 2013. The top ten contributors and implementing entities are shown in Table 3.

A second type of pooling—at the country level—was inspired by the 2006 *Delivering as One* report and led to the designation of eight countries as "pilots" for more concentrated (albeit not integrated) UN programming.[53] To encourage joint programming, "One UN" funds were established in 2007–2008 for each of the eight countries, and later for several

FIGURE 10: MAIN CONTRIBUTORS TO UNITED NATIONS DEVELOPMENT-RELATED ACTIVITIES, 2013
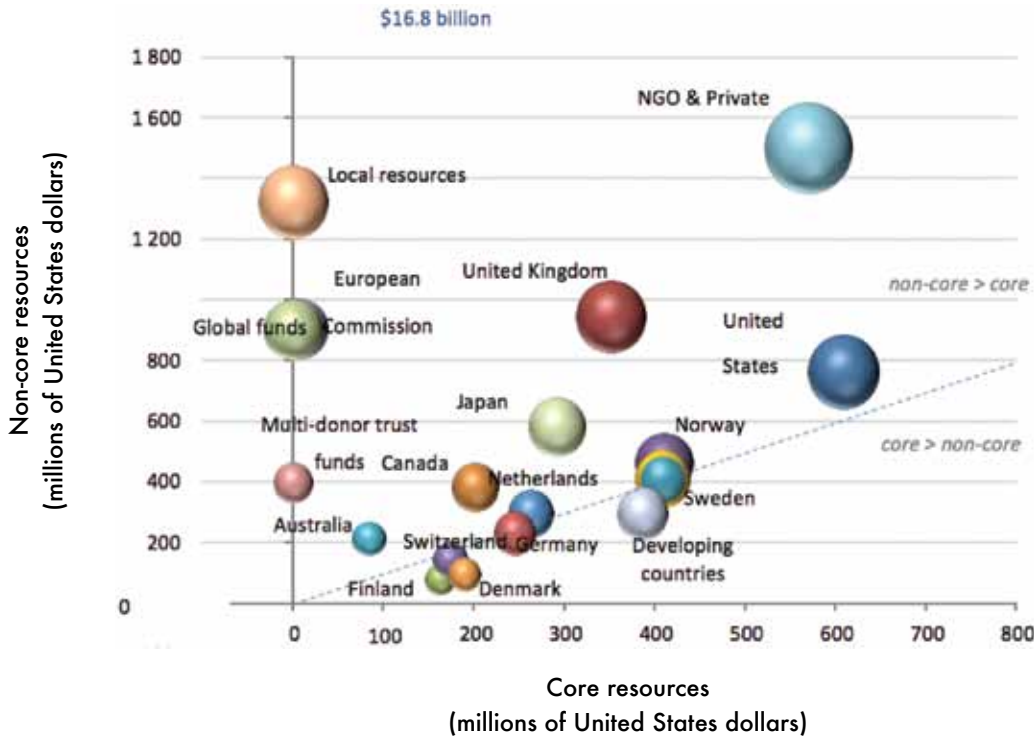
Source: UN A/70/62–E/2015/4.

TABLE 3: MULTI-DONOR TRUST FUNDS FOR DEVELOPMENT-RELATED PURPOSES, 2013

	Main contributors			Implementing entities		
	Donor	Contributions (millions of United States dollars)	Share of total (percentage)	United Nations entity	Transfers received (millions of United States dollars)	Share of total (percentage)
1	Norway	82	20	UNDP	108	27
2	United Kingdom	56	14	UNICEF	37	9
3	Sweden	51	13	UNOPS	35	9
4	Spain	46	12	OCHA	25	6
5	Australia	26	7	FAO	24	6
6	Netherlands	24	6	UNEP	18	4
7	Canada	21	5	WFP	17	4
8	Denmark	17	4	UN-Women	17	4
9	Luxembourg	11	3	UNFPA	12	3
10	Germany	10	2	WHO	11	3

Source: UN document A/70/62–E/2015/4.

more. These funds were initially popular with a few donors, but they do not yet account for a significant fraction of the total value of UN programs in any country. On the donor side, there were concerns about the visibility of their resources and the realization that the One Funds were filling rather minor niches in the UN's overall programming frameworks. On the UN side, there were too few bankable joint programming initiatives, such as those financed by the MDG-F.

In 2013, they were equivalent to less than 9 percent overall (see Table 4). In 2014, however, donor commitments to One Funds increased by 35 percent, following the launch by the UN Development Group of the Delivering Results Together Fund.

To encourage joint programming and enhance transparency, some UNCTs have adopted common budgetary frameworks, which are designed to accompany UNDAFs and encompass the totality of UN development activities in a country. In practice, however, they are often less than comprehensive since they do not always include the activities of UN organizations that are not represented in the country. Common budgeting is part of the SOPs described in the previous chapter and has been adopted by 32 countries. The aim is to aggregate all the resources—both core and non-core—required to meet the UNDAF program needs. However, the Joint Inspection Union has found common budgeting to be hindered by "a lack of synergy between the tools and the programmatic and budget cycles of agencies."[54] Difficulties also arise that make almost impossible a reliable summation of resources because of inconsistencies and differing definitions within the UN system.

THE UN DEVELOPMENT AGENDA, FROM MDGS TO SDGS

The common view is that in 2000 the UN development system forged a new agenda to guide activities. This conventional wisdom is not strictly accurate. In acknowledgement of the new millennium and encouraged by the Jubilee 2000 movement urging that the threshold year should be an occasion to cancel the debts of the poorer countries, UN secretary-general Kofi Annan called for a development summit. An unprecedented number (to that date) of heads of state and government came to New York and signed a comprehensive statement of development aspirations, the Millennium Declaration,[55] in September 2000. For a few months, the declaration enjoyed the familiar fate of many UN outcome statements—nothing happened except for rubber-stamping by the General Assembly. Then, in early 2001, the UN led by the UNDP decided to formally identify

and label what became the seven MDGs,[56] which were extracted from the declaration, and to initiate a process of regular country monitoring. It was another year before a full set of targets and indicators was drawn up (subsequently expanded) and an eighth goal added at the urging of the G77 and international civil society. Only the UN secretariat and the funds and programs were involved in this process, and the MDGs only gradually came to be acknowledged as the basis for UN system-wide operations. The specialized agencies were initially not engaged, and some took several years before incorporating MDGs into their programming.

Thus only in the latter years of the MDGs could they be said to have been the basis of a system-wide agenda, encouraged by the donors that viewed them as a focus for their backing. As suggested above, the MDGs not only increased UN operational funding but also encouraged the creation of new targeted funds, particularly in the domain of health. For the UNDP, the MDGs were evoked in the establishment of the MDG-F.

At a second and somewhat larger summit in 2005 on the occasion of the UN's sixtieth anniversary, member states agreed to an even more comprehensive declaration that included longer and more explicit sections on peace and security and human rights.[57] It helped to blur the artificial distinctions among the UN's different humanitarian, human rights, peacekeeping, and development operational activities; but the meeting reaffirmed the need to pursue the MDGs, which were essentially confined to education, health, gender equality, and (marginally) the environment.

Compared with the declarations of 2000 and 2005, the SDGs agreed by the September 2015 General Assembly Summit[58] are more comprehensive in one important respect, but much less in another. Because they grew out of the Rio+20 environment summit in 2012, they are infused with concepts of natural resource and energy sustainability. In fact the SDGs can be characterized as the MDGs+. While there are new references to inequalities, seven out of the 17 goals relate to energy and the environment. The outcome statement confines to a single goal perfunctory references to some of the more critical aspects of development that we identified above, such as good governance, rule of law and democratic accountability (and almost nothing at all on security concerns and human rights). The principles of democratic accountability are not even being applied to the monitoring of SDG progress, which is to be firmly in government hands.

Unlike the MDGs, the SDGs were the product of a protracted, two-year-long process of consultations and intergovernmental

TABLE 4: "ONE UNITED NATIONS" FUNDS IN 2013

Recipient country	"One United Nations" fund expenditure (millions of US dollars)	Total United Nations development-related expenditure (millions of US dollars)	"One United Nations" fund share of total (percentage)
Pilot countries			
Albania	2.1	15.3	14.0
Cape Verde	1.7	17.8	9.8
Mozambique	6.6	119.0	12.5
Pakistan	14.8	215.0	7.2
Rwanda	10.4	66.0	15.7
Tanzania	32.6	114.2	28.5
Uruguay	1.0	12.8	7.8
Vietnam	6.5	75.5	8.6
Subtotal	**84.7**	**516.5**	**16.4**
Non-pilot countries	23.9	767.3	3.1
Total	**108.6**	**1,284**	**19.5**

Source: UN A/70/62–E/2015/4.

FIGURE 11: ONE FUND EXPENDITURES IN DAO COUNTRIES, 2008–2013
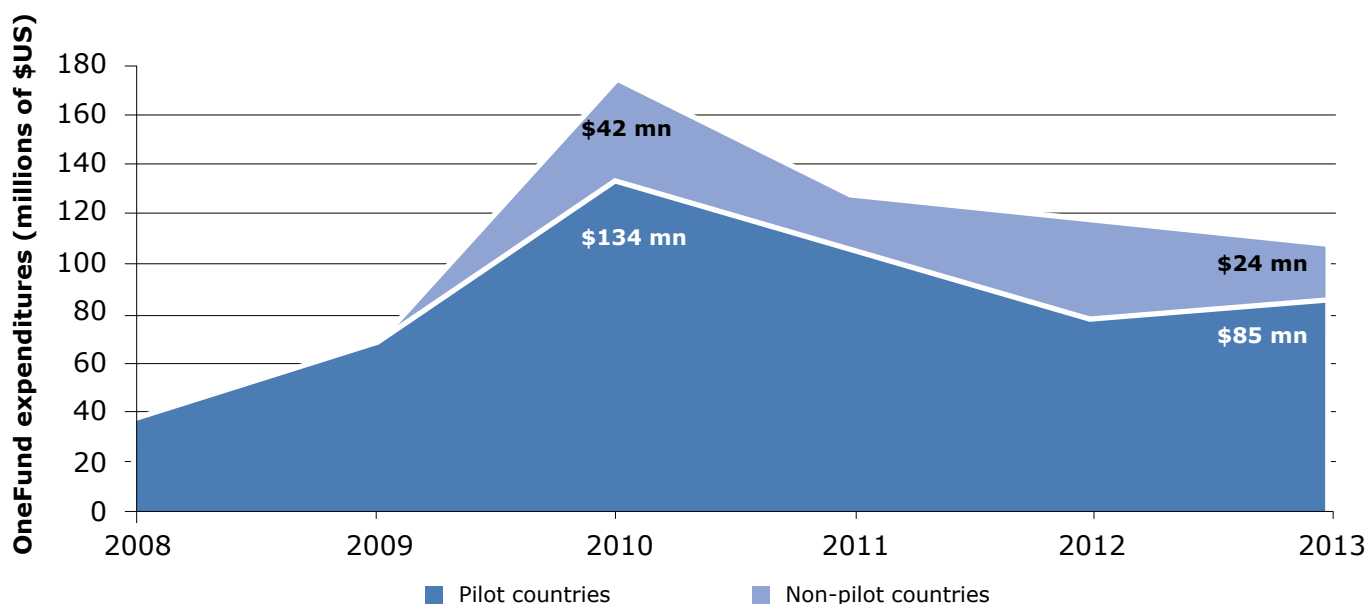
negotiations, signed off by 193 member states. To that extent, they enjoy wide legitimacy because they are intended to apply universally to developed and developing countries alike. This approach is especially pertinent for many environmental issues that are cross-border by nature. While unquestionably the UN has a critical role to play in matters of environmental management, in several other areas covered by the SDGs, experience has shown that the UN is being increasingly eclipsed operationally. In a FUNDS Briefing in 2014, the former World Bank director-general of evaluation went so far as to state, based on the results of recent surveys of the UN's effectiveness, that "the organization has lost the aid effectiveness race….its key role is in security operations, humanitarian assistance, and global norm building. In these realms, the UN is peerless."[59] It is as if the member states engaged in the SDG discussions have a death-wish for the UN, asking it to do more in areas where it enjoys the least comparative advantage.

In the aftermath of the summit, the SDG indicators will be further honed, and countries will be encouraged to draw up their own achievement road maps, although the number of (particularly environmental) targets is so numerous that no country will be able to adopt all. Yet, despite the length of this putative UN agenda, it is nonetheless incomplete. The SDGs do not include some of the planet's most critical challenges that are central to UN operations. Climate change and trade negotiations are highly relevant, but even without the SDGs, there are already established forums for negotiating new agreements. Several of the huge global development challenges that the UN will be called upon to address are not even mentioned—massive forced displacement and voluntary migration, capital flight, corruption, cyber-security, post-conflict reconstruction, religious intolerance, international terrorism, and the list goes on with other topics that constitute daily headlines and that are core challenges for many UN organizations.

It is not a contradiction to indicate that the SDGs are too sweeping yet incomplete because the requirement for successful negotiations was to come up with the lowest-common-denominator. It is more than likely that the important development work of the UN will be found between the lines of the 2015 outcome statement and in arenas unmentioned in the SDGs. The question therefore arises: in spite of the active representation of UN development organizations in the negotiation process, to what extent do the SDGs actually constitute a "UN agenda"? It would be more accurate to call it a UN member-states agenda, representing the most common and least controversial interests of 193 countries.

> It is more than ever urgent that the UN development system rededicate itself to those functions for which its value-added is beyond dispute and beyond rivalry.

Achieving the SDGs will of course not primarily be the responsibility of the UN system, but will require the participation and resources of many stakeholders, beginning with the governments of member-states. Among those efforts, the UN development system needs to find its role. Because its traditional development assistance activities are being increasingly overshadowed by other organizations and by new funds and mechanisms, it is more than ever urgent that the UN development system rededicate itself to those functions for which its value-added is beyond dispute and beyond rivalry. Those functions are of two kinds. First, the UN as a whole will be needed in situations of chronic human crisis, in which development plays a partial but vital part. Second, the UN has long-term value as the fount and proponent of ideas and ideals that have spawned numerous global conventions, norms, standards, and principles—where the UN is "peerless."[60] These two areas should define its future operational role, including those financed by multi-donor trust funds.

CONCLUSION: TOWARD THE FUTURE UN ROLE

In this chapter we have attempted to describe how, and how much, the development and aid landscape has changed, even over the life-span of the MDGs. Within this substantially altered context, the functions and operations of the UN development system will also need to adapt far more than they have to date if the system is to remain relevant, effective, and more than a relic of earlier development cooperation eras. The new SDGs have been designed as a framework for future UN action, but in reality it requires substantial interpretation in order to provide guidance for members of the UN development system. There are some areas, for instance, that are incompletely spelled out in the SDGs but in which the UN's activities are highly pertinent for development progress, particularly in recovering and conflict-prone states; and there are other emerging global challenges mentioned above, which can already be anticipated and into which the the UN will be increasingly drawn.

4. The Lessons for 2016 and Beyond

Chapter 2 reviewed the lessons from the experience of the MDG-F for the mandates and operations of the UNDP in particular and the UN development system in general, paying special attention to the underlying principles of multilateral cooperation. Chapter 3 discussed the evolving perceptions of successful development and the changing development cooperation landscape, spelling out in detail how the parameters at the outset of the SDG era outline the main features of an appropriate funding mechanism. Such a mechanism could sustain the UN system in meeting its responsibilities for post-2015 development challenges and realizing the 2030 sustainable development agenda.

In important ways, the MDG-F tapped into the ongoing processes of change in the UN development system. It empowered RCs and their country teams in helping to identify and develop project proposals, in consultation with the main stakeholders (including civil society and the private sector), in line with national priorities and in the general spirit of the MDGs. It encouraged inter-agency collaboration on substance and better understanding of comparative advantages; and it enriched projects through multi-disciplinary approaches while mobilizing a range of UN competencies. It also helped convergence by prescribing joint programming with a minimum number of UN organizations and by fostering harmonized procedures. For beneficiary countries, the MDG-F encouraged local ownership and promoted whole-of-government approaches. The elaborate oversight system helped to emphasize the importance of achieving results.

At the country level, more UNCTs are endorsing the principles of Delivering as One, which have spread from the original eight pilot countries. There is evidence of more joint programming. Across the system, newly agreed standard operating procedures seek to foster greater program harmonization. UN organizations continue to plead for more core resources, but they are resigned to the continuing—

and seemingly ever-growing—preference by donors for earmarking. In response, individual organizations are drawing up integrated program budgets, matching the totality of their programs with all available resources, core and non-core. In the name of "full-cost recovery," and in order to reduce the effective subsidies of non-core by core resources, organizations are moving to charge the same overhead rates. There are also attempts to encourage more pooling, and many multi-donor trust funds are being administered through the Multi-Partner Trust Fund Office. The MDG-F accompanied and helped to stimulate these changes.

A slowly reforming UN development system is occurring against the backdrop of a rapidly changing development landscape and aid realities. Key are:

- The manner in which countries manage development (through "inclusive" rather than "extractive" governance) is as important as the resources available; as a result, norms, principles, and standards are crucial.

- Development resources are being increasingly supplemented by alternatives to ODA, which is particularly the case in the growing number of middle-income developing countries.

- Within ODA the UN's share is decreasing, and within that sum the portion of untied resources also is declining as donors channel more resources to other non-UN mechanisms considered more transparent and responsive.

- As the financial commitments to multilateralism ebb—even if the rhetorical commitments remain unchanged—the UN's disjointed structure and programming, and perceived bureaucratic inefficiencies, are hardly assets.

- Most of the UN's traditional technical assistance activities have diminished relevance in middle-income

countries, but the system remains crucial for low-income countries and those in or emerging from armed conflict.

- From 2016, the member-states' SDG agenda is intended to shape future assistance under UN auspices.

- Within that agenda, the UN urgently needs to identify its comparative advantage; its own norms and standards continue to be highly relevant, especially to a universal development agenda, but its operational efforts do not have the same universal appeal.

These circumstances demonstrate the requirement for dramatic changes—even transformations—in the UN development system as a whole and its organizations individually.

A FOCUSED "MULTI-PARTNER FUNDING INITIATIVE"

The valuable lessons from the MDG-F must be interpreted in light of changing development realities amidst ongoing UN reform processes. Together, they constitute the practical boundaries that circumscribe proposals for future mechanisms of funding to sustain the post-2015 development agenda. Such proposals can best be framed around six key considerations:

- **Country ownership**, including emphasis on national plans to establish cross-sectoral priorities and sequencing of individual country SDGs;

- **Governance**, including the shape of structures from central steering committees to country teams in order to reflect priorities;

- **Partnerships**, including the involvement of the for-profit private sector and civil society;

- **Country eligibility**, including the need to emphasize the needs of the least developed and fragile or conflict-prone countries;

- **Next phase of DaO**, including joint programming and multi-sectoral projects with reduced transaction costs; and

- **Resources**, including management of resources at the country level through joint funding but with more oversight by agency HQs.

> The valuable lessons from the MDG-F must be interpreted in light of changing development realities amidst ongoing UN reform processes.

COUNTRY OWNERSHIP

The critical condition which underlies this "multi-partner funding initiative" is the alignment of country ownership of the development process with the new global member-states agenda, the Sustainable Development Goals. Thus, this proposed initiative's overriding purpose is to identify and define the requirements at national level for the achievement of the global goals, taking fully into account local realities and constraints. While the SDGs provide a general framework for the activities of the initiative, countries requesting support will begin with assistance to prioritize their own specific actions and sequencing of aid and investment in line with their own national planning frameworks. In essence, the initiative will facilitate the mediation of the UN development system in aligning global goals with local realities. Drawing on another of the positive features of the MDG-F, UNCTs will work together to identify, develop, and implement joint UN projects working in conjunction with counterparts and beneficiaries.

There are two specific objectives of the new fund. The first is to support requesting countries in the development of their own national strategies to accomplish the 2030 sustainable development agenda. The second objective is to draw up and mobilize funding for more specific operational plans through which the UN development system and its constituent organizations—acting together and drawing on operational comparative advantages—can contribute to their achievement.

These two objectives will determine the nature of the two windows of the new multi-partner initiative that we have proposed. Window One will provide direct support to countries for the development of appropriate national strategies and would:

- **Help member states introduce the details of the new SDG agenda in each country, and incorporate specific goals and targets into national planning mechanisms.**

- **Facilitate coming together by relevant national**

(government, parliament, civil organizations, and private sector representatives) to design and implement solutions to the challenges of the SDGs, including identifying the most appropriate partners and funding sources. The UN system should play the role of honest broker in, for example, protecting member-states from the potentially negative consequences of public-private partnerships and identifying potential bilateral and multilateral donors as well as investors.

- **Assist countries to build the capacity to measure, monitor, and report on progress in complying with universal norms and standards, including finding new ways to use IT and big data to empower civil society and parliaments.**

Window Two of the new fund would be concerned with UN support to implement national strategies designed to help meet the goals. Recognizing that the UN development system is just one among many domestic and external development partners, Window Two will be used to design and implement UN-wide programs of support to each country—in effect, new-style UN Development Assistance Frameworks (UNDAFs—drawing on the specific functions and expertise that the UN development system is best able to provide, including in particular compliance with its own universal norms and standards.

GOVERNANCE, PARTNERSHIPS, AND COUNTRY ELIGIBILITY

The MDG-F developed elaborate governance and oversight mechanisms, which entailed the costs of creating parallel guidelines, procedures, and administration. Any new funding mechanism should adapt the MDG-F guidelines while adhering as much as possible to those which the UN development system has already tested under the auspices of the UNDG.

A future "multi-partner funding initiative" should have a balanced representation of donors on a central Steering Committee composed of member-state governments (donors and program countries), civil society, the private sector, and UN organizations. A model is provided by the boards of the vertical funds—including the Global Fund and GAVI— whose memberships rotate around a workable number of

> The inspiration for the UN's support for the 2030 sustainable development agenda should reflect the SDG Outcome document whose preface proposes five clusters as a possible way to consolidate the many themes.

participants but remain representative of key stakeholders and constituencies. Experience has shown that these boards operate through consensus, with no individual members exerting undue influence on the workings of the funds.

The Steering Committee of the new multi-partner initiative would be responsible for signing off on projects and monitoring progress on the basis of clear results indicators. The new funding mechanism would be open to all countries requesting support. Country eligibility would also necessarily be aligned with results: beyond the initial support, additional funding would be provided to countries delivering positive results.

At the country level, the new initiative should emulate the MDG-F in building on the procedure of National Steering Committees that were co-chaired by the UN resident coordinator and a government counterpart but included other essential local stakeholders: beneficiaries, civil society, the private sector, and bilateral donors. The NSCs would be responsible for identifying and developing projects and overseeing their implementation, reporting to the central Steering Committee in line with pre-determined criteria.

THE NEXT PHASE OF DAO

The continuing process of change in the UN development system should better reflect the comparative operational advantages of individual organizations, including its unique breadth of functions and activities and its universality, as epitomized by the norms, principles, and standards that it has helped shape and codify. The inspiration for the UN's support for the 2030 sustainable development agenda should reflect the SDG Outcome document whose preface proposes five clusters as a possible way to consolidate the many themes.

These clusters should frame the support that the UNDS can provide to national strategies, funded by Window Two.

TABLE 5: POSSIBLE CLUSTERS AND THEMES FOR THE MULTI-PARTNER FUNDING INITIATIVE

Clusters	Themes
People	Overcoming multi-dimensional poverty, food security, equality, health, education
Planet	Sustainable development, climate change, natural resource management
Prosperity	Economic, social, and technological progress
Peace	Peaceful, just, and inclusive societies
Partnership	Mobilizing the resources and partners required to implement the new agenda

Thus, Window Two would foster the One UN programs anticipated by DaO and provide the One Funds to support them. The new multi-partner funding initiative would make a multi-year commitment to a respective country program and be a significant and integral part of that country's programming budget—genuine "One Funds" but within a uniform global envelope.

Another essential aspect of the MDG-F to be emulated by the new initiative would be joint programming to promote greater system coherence, drawing on the best available experience, and using multidimensional approaches that the MDG-F used to great effect. The new fund should require a minimum of two UN entities for each project. Of particular relevance would be the ability to take advantage of the expertise of smaller UN organizations, which typically do not have the same breadth of field presence or fund-raising wherewithal.

Being an integral part of each country program framework, individual projects should be coterminous with the respective programming cycles, normally implying a minimum of five years. To reduce the often high transaction costs associated with joint projects in the past, each project would be led by a UN "lead" organization that will take on full responsibility for the overall management of each project and hire or borrow staff and other resources from other UN organizations as needed. If such a system were in place, the number of UN organizations participating in a project could be increased, but with the addition of expertise and not of administrative oversight and reporting. There should be no parallel management arrangements within each project. UN organizations would be paid for their services through the existing "pass-through"

mechanism managed by the MPTF Office. However, the overall aim of the new fund should be the devolution of funding authority to RC offices in each country.

Again, taking a leaf from the MDG-F experience, the multi-partner initiative should encourage inter-agency networking and knowledge management during and after project implementation. This process would be assisted by a comprehensive progress monitoring mechanism and independent evaluations of impact and lessons learned. The findings should be banked and, along with the existing MDG-F library, should be built into a UN-wide knowledge-sharing system to guide and inform ongoing and future UN technical assistance.

RESOURCES

The structure of the new multi-partner funding initiative, with its two windows and five themes described above, could be depicted as shown in Figure 13. Any new funding mechanism should, like the MDG-F, be substantial in size if it is to have an impact. Both for reasons of size, as well as multilateral practice, the new fund should attract as many donors as possible. Annex 2 contains profiles of the main OECD/DAC donors and their respective multilateral proclivities, intended to identify those potentially the most amenable to considering a new funding mechanism that could better satisfy their continuing interest in multilateral activities under conditions that satisfy not only their taxpayers and parliaments but also the needs of target countries and UN organizations.

The new initiative should aim to attract resources from the seven largest sources of ODA among non-DAC countries (Brazil, China, India, Saudi Arabia, South Africa, Turkey, and United Arab Emirates) as well as other donors, including private sources and foundations. While funds would be pooled, individual donors could earmark allocations to one of the five development domains (People, Planet, Prosperity, Peace, Partnership) in which they would like their funds to be disbursed. But an essential component would be no designation of specific target countries. The UNDP or UNDG—in their dialogues with donors—would be responsible for trying to ensure that each of the five "P" funding windows be adequately resourced. Pledges to the fund would ideally be multi-year to ensure continuity and facilitate medium- to longer-term projects.

The resources of the fund should be administered by the Multi-Partner Trust Fund Office. An additional incentive for donors is

FIGURE 12: PROPOSED STRUCTURE FOR THE MULTI-PARTNER FUNDING INITIATIVE
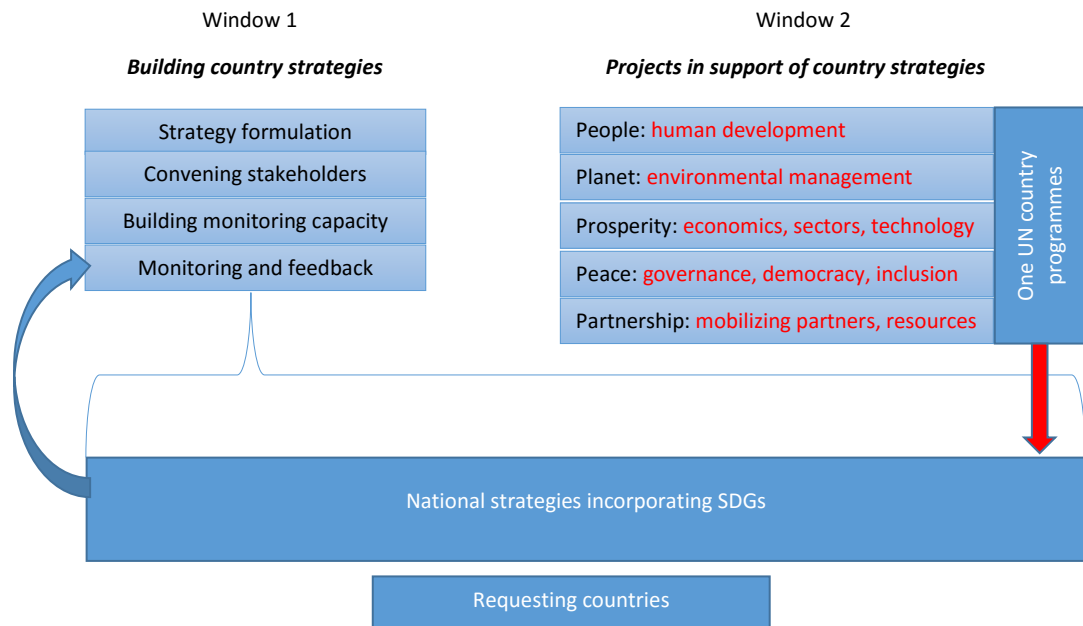
that the new fund would be expected to contribute to a further rationalization and consolidation of trust funds, including the existing One Funds and Delivering Results Together Fund. The incentive for donors to contribute to the new mechanism would be the attraction of the two-part agenda: encouraging the development of SDG-compatible country strategies; and financing system-wide country programming. Those activities financed would exclude those covered by other sources, including the GEF, GF, GAVI, and the Green Fund. Day-to-day management of the resources assigned to each country would be the responsibility of the RC and the UNCT. The RC would therefore be held accountable for the use of the funds and the results engendered.

As a universal entity, with no geographical restrictions and conforming to agreed norms, the new initiative would thus constitute "soft earmarking" (see Figure 14). Eligibility for financing would be based on requests emanating from countries and their UNCTs, and signed off by the steering committee. As with the MDG-F, a small percentage of Window Two of the fund could be set aside to finance UN program development work in individual countries. Donors wishing to foster the 2030 sustainable development agenda or the reform of the UN development system could find the new mechanism of potential interest even to reluctant parliaments.

FIGURE 13: EARMARKING PATTERNS
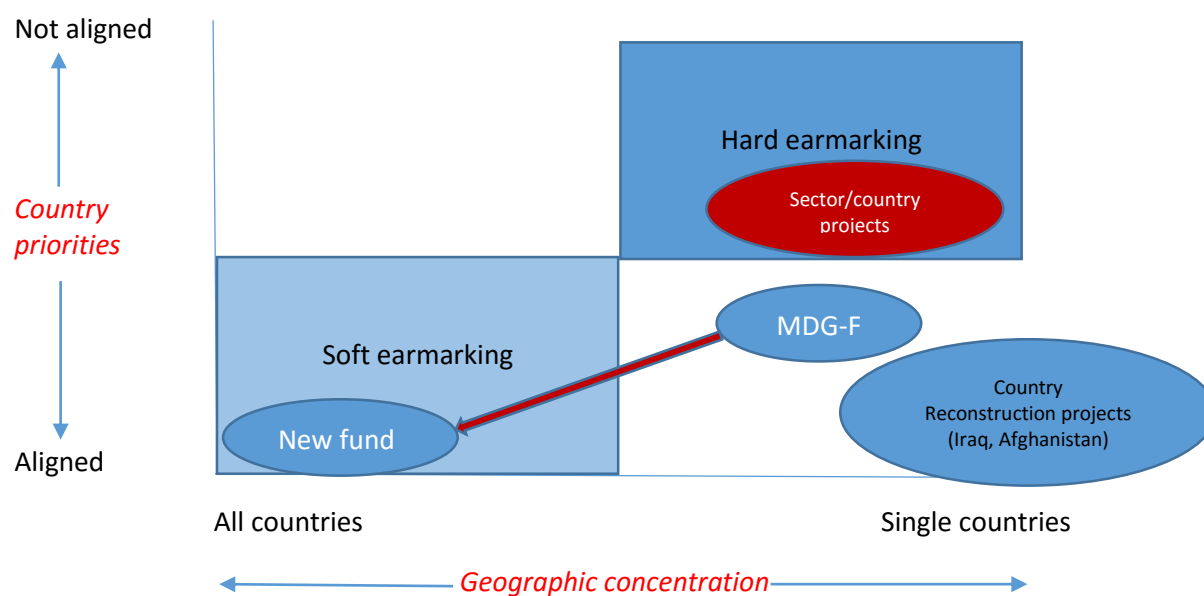
OUR RECOMMENDATION, IN BRIEF

Several features of the MDG-F should be adopted in the design of a new funding mechanism to sustain the UN development system in the post-2015 era. These include large size, empowerment of the UN field system under the resident coordinator, local identification and oversight of projects, joint programming principles, and effective monitoring, evaluation, and knowledge capture.

We recommend that a new and substantial multi-partner fund be established under the auspices of the UNDP or UNDG, consistent with the spirit and principles of the SDGs, to undergird the UN development system in two of its most important, and unrivalled, functions: Window One would assist individual countries to formulate national development strategies and monitor arrangements that are compatible with the SDGs; and Window Two would help UN country teams to assist individual countries drawing on the specific comparative advantages of the UN development system.

The new mechanism should be resourced by several partners making multi-year pledges. It should subsume several existing One Funds, be financially managed by the MPTF Office, and governed by a multi-stakeholder steering committee on the basis of adapting existing UN procedural guidelines.

> We recommend that a new and substantial multi-partner fund be established under the auspices of the UNDP or UNDG, consistent with the spirit and principles of the SDGs, to undergird the UN development system in two of its most important, and unrivalled, functions.

Following the One Fund example, contributions (and the individual projects so funded) should be coterminous with each country program. They would be expected to amount to a significant proportion of the total funding for such programs. Individual projects under Window Two should normally be for a minimum duration of five years, include a minimum of two UN organizations, and be fully managed by a lead UN agency. The services of each organization should be compensated by a pass-through mechanism. Comprehensive monitoring and independent impact evaluations should yield information and lessons learned to be banked in a comprehensive UN-wide knowledge management system modelled on the MDG-F library.

Annex 1

UNDP

MDG-F/SDG-F: 4

UNDP/BERA: 1 (besides the SDG-F)

Other UNDP: 2

Former UNDP: 2

Other UN

UNICEF: 2

UNFPA: 1

UN Women: 1

UNESCO: 5

WHO: 2

UNIDO: 2

UNODC: 3

FAO: 11

UN DOCO: 2

OECD

DAC secretariat: 1

Donors

Spain: 2

UK/DfID: 1

Norway: 3

Switzerland: 2

Netherlands: 2

Denmark: 2

Annex 2: Selected Donor Profiles*

Total Official Development Assistance ($ millions)						
	2009	2010	2011	2012	2013	2014
Australia	2761.61	3826.1	4982.91	5402.7	4845.55	4203.42
Canada	4000.07	5214.12	5458.56	5650.26	4947.24	4196.45
Denmark	2809.88	2871.24	2931.13	2692.59	2927.46	2995.97
Finland	1290.18	1332.95	1406.04	1319.71	1435.36	1634.58
France	12601.55	12915.1	12997.24	12028.27	11338.93	10370.87
Germany	12079.15	12985.36	14092.94	12939.49	14228.26	16248.67
Ireland	1005.78	895.15	913.56	808.36	845.85	808.8
Italy	3297.49	2996.39	4325.97	2737.13	3430.07	3342.05
Japan	9466.58	11057.74	10831.4	10604.51	11581.59	9188.29
Korea	816.04	1173.79	1324.59	1597.45	1755.38	1850.67
Netherlands	6426.08	6357.31	6343.96	5522.84	5435.45	5572.03
Norway	4081.23	4371.56	4755.59	4752.99	5581.36	5024.28
Spain	6584.11	5949.46	4173.11	2037.33	2374.57	1893.28
Sweden	4548.23	4533.49	5603.12	5239.79	5827.29	6222.55
Switzerland	2310.07	2299.95	3050.95	3052.13	3200.12	3547.59
United Kingdom	11282.61	13052.97	13832.36	13891.44	17870.71	19386.5
United States	28831.34	30353.16	30919.61	30686.96	31496.57	32728.62

Detailed profiles for all donors will be available on the websites of both FUNDS and the SDG-F.

DAC donors: multilateral scores
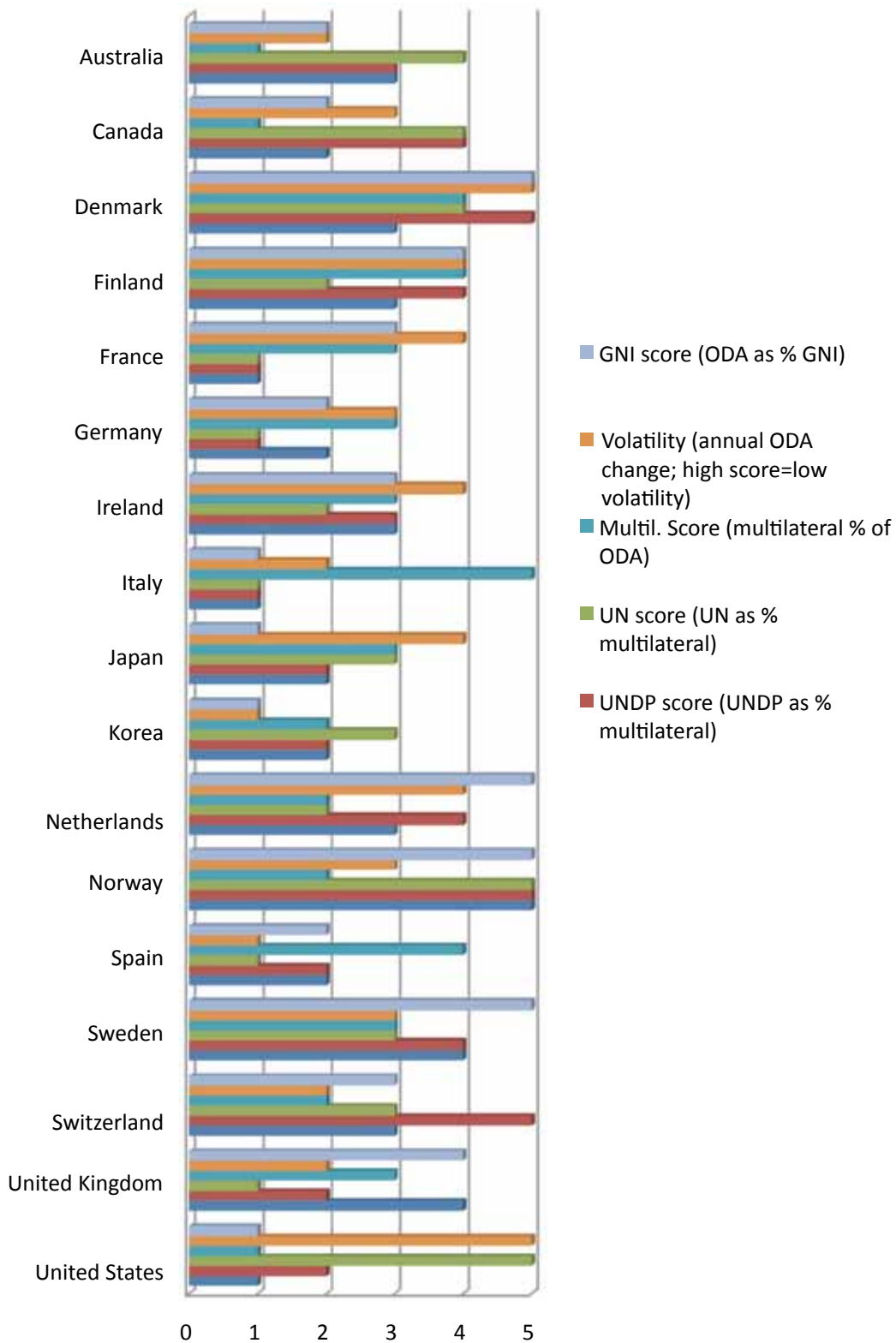
MULTILATERAL "SCORES" FOR MAJOR DONORS

	GNI score	Average %GNI 2009–14	Multilateral Spending score	average % multilateral	UN spending score	UN funds and programs/multi 2013	UNDP Score	average UNDP % of multilateral	Geographic Scope Score	Number of partner countries	Volatility	coefficient of variation, total ODA (standard deviation/average)	Support for UN reform	ONE Funds commitments 2008–2011
Australia	2	0.32	1	14	4	52	3	3.3	3	33+	2	0.22	2	16.1
Canada	2	0.3	1	25	4	53	4	4.8	3	38	3	0.14	4	77.6
Denmark	5	0.86	4	40	4	50	5	7.9	1	19	5	0.04	1	0
Finland	4	0.55	4	40	2	35	4	5	1	12	4	0.09	2	16.3
France	3	0.44	3	38	1	2	1	0.5	1	16?	4	0.09	2	1
Germany	2	0.38	3	36	1	8	1	0.7	4	66	3	0.11	1	0
Ireland	3	0.48	3	34	2	37	3	4	1	15	4	0.06	2	13.6
Italy	1	0.16	5	73	1	3	1	0.1	2	20	2	0.16	1	0
Japan	1	0.19	3	34	3	43	2	2.2	5	~100	4	0.09	1	0
Korea	1	0.12	2	26	3	28	2	1.5	2	26	1	0.28	1	0
Netherlands	5	0.74	2	29	2	37	4	6	1	15	4	0.08	3	46.5
Norway	5	1.01	2	24	5	70	5	11.6	3	37	3	0.11	5	125.7
Spain	2	0.28	4	49	1	1	2	1.9	2	23	1	0.54	5	155.7
Sweden	5	1.03	3	33	3	42	4	5.7	3	34	3	0.13	2	26.4
Switzerland	3	0.43	2	23	3	43	5	9.1	4	60+	2	0.17	2	1.7
United Kingdom	4	0.6	3	39	1	24	2	1.6	2	28	2	0.21	4	81.8
United States	1	0.2	1	15	5	67	2	2.3	5	~150	5	0.04	1	0

METHODOLOGY

The scores above (in black) are based on the corresponding data in the following column (in gray), and are calculated as follows:

Gross National Income	calculation of total ODA spending as a percentage of GNI
Score of 5	greater than or equal to 0.7
4	between 5.5 and 0.7
3	between 4.0 and 5.4
2	between 2.5 and 3.9
1	less than 2.5
Multilateral Spending	calculation of multilateral spending as a percentage of total ODA
Score of 5	greater than or equal to 50%
4	between 40% and 50%
3	between 30% and 40%
2	between 20% and 30%
1	less than 20%
UN Spending	calculation of UN allocation as a percentage of multilateral ODA
Score of 5	greater than or equal to 60%
4	between 50% and 60%
3	between 40% and 50%
2	between 25% and 40%
1	less than 25%
UNDP Spending	calculation of UNDP allocation as a percentage of multilateral ODA
Score of 5	greater than or equal to 6%
4	between 4.5% and 6%
3	between 2.5% and 4.5%
2	between 1.5% and 2.5%
1	less than 1.5%
Volatility	coefficient of variation of total ODA, calculated by dividing standard deviation by average
Score of 5	less than or equal to 0.05
4	between 0.05 and 0.10 (inclusive)
3	between 0.10 and 0.15 (inclusive)
2	between 0.15 and 0.25 (inclusive)
1	greater than 0.25 (exclusive)
Support for UN Reform	number of Multi-Donor Trust Funds affiliations
Score of 5	greater than 30
4	between 20 and 29
3	between 10 and 19
2	between 5 and 9
1	less than 5

Notes

1   Capra International, *Global and Thematic Evaluation of the Millennium Development Goals Achievement Fund* (Ottawa: CAPRA International, 2014), available at http://www.mdgfund.org/sites/default/files/UNDP_MDG-F_Evaluation_Final_Report_20140929.pdf.

2   In this report, the term "project" is preferred to "program" because in the authors' view it more accurately describes the nature of the operational activities funded by the MDG-F. The term "programming" is used to describe the process by which projects were identified and formulated.

3   Craig N. Murphy and Stephen Browne, "UNDP: Reviving a Practical Human Development Organization," *FUNDS Briefing* No. 6, June 2013, available at http://www.futureun.org/media/archive1/briefings/FUNDS_Brief6_June2013.pdf

4   *Transforming Our World: The 2030 Agenda for Sustainable Development*, United Nations General Assembly resolution 70/1, 25 September 2015, available at https://sustainabledevelopment.un.org/post2015/transformingourworld.

5   *The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet, Synthesis report of the Secretary-General on the post-2015 sustainable development agenda* (General Assembly document A/69/700), 4 December 2014, available at http://www.un.org/ga/search/view_doc.asp?symbol=A/69/700&Lang=E.

6   See Richard Jolly, Louis Emmerij, and Thomas G. Weiss, *UN Ideas That Changed the World* (Bloomington: Indiana University Press, 2009), chapter 11.

7   A term coined by John Williamson, ed., *Latin American Readjustment: How Much has Happened* (Washington, DC: Institute for International Economics, 1989).

8   United Nations Millenium Declaration, General Assembly resolution 55/2, 18 September 2000, available at www.un.org/millennium/declaration/ares552e.pdf.

9   United Nations, Millenium Development Goals and Beyond 2015, available at www.un.org/millenniumgoals/.

10 United Nations Department of Economic and Social Affairs, Financing for Development, Monterrey Conference, available at www.un.org/esa/ffd/overview/monterrey-conference.html.

11 OECD, *The Paris Declaration on Aid Effectiveness and The Accra Agenda for Action* (Paris: OECD, 2008). available at http://www.oecd.org/dac/effectiveness/34428351.pdf. See also *Busan Partnership for Effective Development Co-operation* (Paris: OECD, 2011), available at http://www.oecd.org/dac/effectiveness/49650173.pdf.

12 UNDP, *A Study of the Capacity of the United Nations Development System* (Geneva: United Nations, 1969).

13 UN, *Delivering as One, Report of the Secretary-General's High-Level Panel on UN System-wide Coherence* (New York: UN, 2006).

14 "While the world could easily be divided into poor and non-poor countries and aid-donors and recipients when the MDGs were introduced, such a distinction is no longer feasible. High and persistent growth in almost all developing countries led to a considerable increase in average per-capita incomes. Since 2000, 13 countries graduated from "low-income" to "middle-income countries" (from LICs to MICs), among those some of the most populous countries of the world like Bhutan, India, Indonesia, Pakistan, Lesotho, Nicaragua, Nigeria, São Tomé and Principe, Sudan, Timor-Leste, Tuvalu, Vietnam, and Yemen. Whereas in 1990, 79 percent of the poor lived in stable LICs, the percentage decreased to merely 13 percent in 2010. Instead, the majority of the world's poor today live in stable MICs (59 percent), only 14 percent live in fragile LICs or fragile MICs, respectively. In other words, poverty is no longer an issue of poor countries but rather of poor people and poverty today exists in many countries that are donors themselves." Nicole Rippin, *Progress, Prospects and Lessons from the MDGs. Background Research Paper for the Report of the High Level Panel on the Post-2015 Development Agenda* (Bonn: German Development Institute/ University of Gottingen, May 2013), 24-5, available at www.post2015hlp.org/wp-content/uploads/2013/05/Rippin.

15 Capra International, *Global and Thematic Evaluation*.

16 UN, *Delivering as One*.

17 Capra International, *Global and Thematic Evaluation*.

18 OECD/DAC, *The Paris Declaration on Aid Effectiveness* (Paris: OECD, 2005), available at www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm.

19 Capra International, *Global and Thematic Evaluation*.

20 Ibid., viii.

21 For instance, see the November 2013 *Joint Evaluation of Joint Programmes on Gender Equality in the United Nations System*, written collectively by the MDG-F, UNFPA, UN Women, UNDP, and UNICEF, available at http://www.unfpa.org/sites/default/files/admin-resource/JGP%20Evaluation%20Synthesis%20Report.pdf.

22 UNDG, *Guidance note on developing the Business Operations Strategy*, August 2012, available at https://undg.org/wp-content/uploads/2014/07/Guidance-Note_Business_Operations_Strategy_18_10_2012_-Final-Draft.pdf.

23 In one of the original pilot DaO countries visited by one of the authors in 2013, the lack of interoperability of IT systems was described as the single greatest obstacle to closer cooperation within the UNCT. After UNICEF and the World Food Programme had adopted the SAP platform, the UNDP then opted for a different platform. Given the considerable additional development and adaptation costs that the UNDP had to undertake on its own, the choice was arguably one of the more expensive and wasteful judgments in its history.

24 UN, *Independent Evaluation of Delivering as One, Main Report* (New York: UN, September 2012), available at www.un.org/en/ga/deliveringasone/mainreport.shtml.

25 UN, *Implementation of General Assembly Resolution 67/226 on the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System, Report of the Secretary-General* (New York: UN, January 2015).

26 Capra International, *Global and Thematic Evaluation*. x.

27 Ibid., 72.

28 See, for example, Hollis Chenery and Alan M. Strout, "Foreign Assistance and Economic Development," *American Economic Review* 56, no. 4 (1966): 679–733; Walt W. Rostow, *The Stages of Economic Growth* (Cambridge: Cambridge University Press, 1960).

29 Commission on International Development, *Partners in Development* (London: Pall Mall Press, 1969).

30 Angus Deaton, *The Great Escape: Health, Wealth, and the Origins of Inequality* (Princeton, NJ: Princeton University Press, 2013), 273.

31 Max Weber, *Economy and Society* (Berkeley: University of California Press, 1978).

32 Daron Acemoglu and James A. Robinson, *Why Nations Fail : The Origins of Power, Prosperity and Poverty* (London: Profile Books, 2012), 430.

33 Francis Fukuyama, *Political Order and Political Decay* (London: Profile Books, 2014).

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35 Kishore Mahbubani, *The Great Convergence: Asia, the West and the Logic of One World* (New York: Public Affairs, 2013); and Deepak Nayyar, *Catch Up: Developing Countries in the World Economy* (Oxford: Oxford University Press, 2013).

36 UNDP, *Human Development Report 2013—The Rise of the South: Human Progress in a Diverse World* (New York: UNDP, 2013).

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38 Bruce Jenks and Bruce Jones, *United Nations Development at a Crossroads* (New York: New York University Center in International Cooperation, August 2013).

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40 Michael G. Schechter, *United Nations Global Conferences* (London: Routledge, 2005).

41 United Nations, *Addis Adaba Action Agenda of the Third International Conference on Financing for Development*, (New York: United Nations, 2015), available at http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf.

42　Department for International Development, UK Government, "International Development Secretary Justine Greening hails the new agreements struck this week in Ethiopia," 15 July 2015, available at https://www.gov.uk/government/news/greening-ffd-outcome-is-historic.

43　OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris: OECD, July 2015).

44　Stephen Browne and Roberto Cordon, "Vertical Funds: lessons for multilateralism and the UN," FUNDS Briefing no. 25, January 2015, available at www.futureun.org/media/archive1/briefings/FUNDS_Brief25_Jan2015_WHO_GAVI_GF.pdf.

45　According to the OECD/DAC, the UN receives just 13.6 percent of ODA (2013 data). The difference is due to the OECD/DAC's method of calculating donor contributions to the UN and other multilateral agencies.

46　OECD/DAC, *Multilateral Aid 2015*, 32.

47　Ibid.

48　Stephen Browne and Thomas G. Weiss, eds., *Peacebuilding Challenges for the UN Development System* (New York: FUNDS, 2015).

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1 NO POVERTY

2 NO HUNGER

3 GOOD HEALTH

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 RENEWABLE ENERGY

8 GOOD JOBS AND ECONOMIC GROWTH

9 INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE AND JUSTICE

17 PARTNERSHIPS FOR THE GOALS

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