

EVAL- IEG seminar

Use of funds in the Multilateral system: Some evidence and the M&E implications

During the last decade the MDGs have provided a set of goals for donors and recipient countries alike and donors have shown commitment to increase aid to meet these goals. The UN system including the World Bank has been a major beneficiary from this scale-up in aid. Much of the financing underlying this “new multilateralism” has come in the form of non-core funding often through trust fund based mechanisms earmarked for realisation of specific objectives. Earmarked funds are essentially donor driven contributions and donors are supposed to have greater influence in decisions related to the use of these contributions. Donor participation along with the host multilateral in the governance arrangements for these funds is seen as a means for leveraging donor influence. Joint governance implies shared responsibility for use of funds and achievement of results. Donor agencies are facing increasing demand from their home constituencies to demonstrate their accountability for the use of the funds and results attained in the recipient countries

Purpose

- To present current evidence in the public domain concerning use of funds in the multilateral system.
- To identify the M&E challenges arising from shared governance of earmarked financing
- Stimulate discussion concerning donor responsibility in demonstrating accountability in the use of funds and achievement of results in the recipient countries

 12:00—
 12:05

Welcome Remarks

Marie M. Gaarder, Director, Evaluation Department, Norad

 12:05 –
 12:45

Activity Based Financial Flows in UN System: A Study of Select UN Organisations

Stefano Migliorisi, Lead Consultant, IDC SA , Paris

This study reviews financial flows and financial planning and budgeting processes of five UN entities that are important partners for Norway (UNDP, UNICEF, UNFPA, WFP and UNHCR). Over the decade 2001-2009, the five agencies mobilized almost US\$100 billion in resources of which nearly three quarters were non-core earmarked contributions. The increase in resources has led to increased activity levels, although for most of this period revenues have exceeded expenditures leading to a build-up of unspent funds which at the end of 2009 exceeded US\$12 billion. Much of the unspent funds were from non-core earmarked contributions. There are several reasons for the existence of unspent balances and the situation has been a subject of concern for the boards of some agencies. The study recommends various measures for a responsible build-down of these balances. Included herein is the need for the donors to review their earmarking practices which in addition

	<p>are also perceived by some as having a negative impact on the effectiveness of the organizations. Donors may also review their routines for monitoring the use of their earmarked contributions. Whether the build-up of unspent balances is indicative of absorptive capacity constraints facing the UN agencies is an issue that has not been addressed in this study and may deserve further attention. The study also sheds light on issues related to staffing and disclosure of comparable information across time and UN agencies.</p> <p><i>The study has been produced with assistance from Evaluation Department, Norwegian Agency for Development Cooperation Norad. Its contents are the sole responsibility of the authors and in no way be taken to reflect the views of Norad. The study is available from http://www.norad.no/no/resultater/publikasjoner/evalueringer/publikasjon?key=388710</i></p>	
<p>12:45– 13:15</p>	<p>Evidence from the World Bank’s Engagements with earmarked funding: The case of Global Funds</p> <p>Chris Gerrard, Lead Evaluation Officer, Independent Evaluation Group IEG, Wash. DC.</p> <p>The World Bank is currently involved in about 120 global and regional partnership programs (GRPPs) with shared governance arrangements. The Bank plays multiple roles in these programs including member of the governing body (in about 90 programs), trustee (about 70), host of the secretariat (about 50), and implementing agency (about 50). The Bank has not been a significant financial contributor to the programs.</p> <p>Although the World Bank has been involved in GRPPs for 40 years, the most significant change since 2000 has been the growing number of large programs that are financing country-level investments to help countries achieve the MDGs – programs that are potentially competing with or complementing the Bank’s own lending program.</p> <p>The Independent Evaluation Group has recently completed two major evaluations – on the Bank’s involvement in GRPPs and trust funds – as well as a review of the Bank’s engagement with the Global Fund to Fight AIDS, Tuberculosis and Malaria. These evaluations raise significant issues with respect to the governance of these programs, accountability for results, evaluation, and how the Bank engages with them.</p> <p><i>The evaluations have been conducted by the Independent Evaluation Group, which is an independent unit in the World Bank Group that reports directly to the Board of Executive Directors. The evaluations benefitted from financial support from Evaluation Department, Norwegian Agency for Development Cooperation Norad. The findings do not necessarily reflect the views of the World Bank Group Board or Management, or Norad.</i></p>	
<p>13:15-13:45</p>	<p>Governance of earmarked funding: Who is accountable and to whom?</p> <p>Discussion and conclusions</p>	

Directions from Oslo Gardermoen Airport:

Airport Express Train (www.flytoget.no) from the Airport to National Theatre Station, Oslo. Exit Ruseløkkvn. Walking distance to Norad, Ruseløkkveien 26.