



# THE UN HAS LOST THE AID-EFFECTIVENESS RACE: WHAT IS TO BE DONE?

Robert Picciotto

Recent events have confirmed that the United Nations has a deep reservoir of goodwill worldwide. But its reputation is undermined by the ineffectiveness of its development assistance. UN agencies could improve their performance by implementing effective evaluations. However, the UN cannot be judged solely on the basis of its development assistance because the organization plays a key role in ensuring security, operating humanitarian missions, and setting global norms.

The current focus on aid results came to the center stage of development cooperation when the first High Level Forum on Aid Effectiveness was held in Rome in 2003. By then the optimism of the “can do” post-war era had evaporated, and the international community of states was searching for a new consensus to sustain public support for development assistance. The Millennium Development Goals (MDGs) were unveiled in Monterrey in 2002. They provided a fresh vision for global poverty reduction.

In parallel throughout the past decade, effectiveness in aid delivery remained a dominant policy concern. The Paris Declaration of 2005 issued in the wake of the Second High Level Forum on Aid Effectiveness addressed the donor side of the aid-partnership compact. It focused on high transaction costs, lack of coordination, misalignment, and neglect of results orientation that had prevented aid from achieving its full development potential.

The Fourth High Level Forum on Aid Effectiveness was held in Busan in 2011 and reaffirmed the need to maximize the impact of aid. For the first time, ministers of industrialized countries reached out to non-traditional donors, the BRICS (Brazil, Russia, India, China, and South Africa), civil society organizations, and private funders to endorse an agreed framework for development cooperation. Some 100 countries endorsed “The Busan Partnership,”<sup>1</sup> which was designed to sustain the relevance of the aid effectiveness agenda in the context of a transformed development landscape.

A new post-2015 development agenda is currently in the works. The landmark report by the High Level Panel of Eminent Persons was delivered to UN Secretary-General Ban Ki-moon in May 2013, which again calls on donors to increase official development assistance to 0.7% of their gross national products (GNP).<sup>2</sup> This increase will force donor countries to demonstrate to their hard-pressed taxpayers that aid produces results. In particular, the bar set for the replenishment of aid resources channeled through multilateral development assistance organizations will be raised and the competition for core contributions to UN organizations will become even tougher.

On the one hand, the transformative shift towards a spirit of solidarity and cooperation should favor the United Nations because it can still tap a deep reservoir of goodwill among peoples worldwide. On the other hand, mutual accountability, transparency, and results will underpin the post-2015 agenda; and increased scrutiny of actual performance by the world organization is unavoidable. How then will the UN development system fare in the post-2015 aid environment?

## THE UN’S CORE MISSION IS SECURITY

Development assistance has never been the UN’s core business. Charter Article 1 specifies the maintenance of international peace and security as the overarching purpose. Since the pioneering days, however, globalization has transformed the international system.

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**FUNDS** supports and helps accelerate change in the UN development system to increase effective responses to global development challenges—especially after 2015, the target date for the Millennium Development Goals. Recognizing the many frustrations that have accompanied UN reform efforts, FUNDS envisages a multi-year process designed to help build consensus around necessary changes. Financial support currently comes from the governments of Denmark, Norway, Sweden, and Switzerland.

Emerging markets have become the engine of the international economy. Trade, migration, and foreign direct investment flows have become major vehicles of resource transfer. Aid no longer holds sway except in fragile states. In parallel, security threats have evolved and multiplied due to the marginalization of the poorest countries, the ascent of regional powers, the advent of transnational terrorism, and the proliferation of arms.

Threats to human well-being are interconnected. They include malnutrition, disease, pollution, climate change, and financial instability as well as trafficking, international crime, and terrorism. They cannot be solved solely through the use of defense and diplomacy instruments. They need to be tackled through international development cooperation and the production of global and regional public goods. As in the post-war era, security and development will remain two sides of the same coin, but the nature of the peace and prosperity challenge has changed and the United Nations will need to adapt.

Short of a cataclysmic world war, the United Nations will only change gradually. But even if reform materializes, security will always come first. To be sure, *freedom from want* will continue to be visualized as complementary to *freedom from fear*. But the United Nations will never be mandated to oversee the world economic system.

The Bretton Woods institutions rather than the United Nations will continue to dominate the economic aspect of the multilateral agenda. The United Nations will find it increasingly hard to compete given its decentralized structure and focus on specific, rather than holistic, policies. This functional, disaggregated organizational model is a major hindrance to aid effectiveness. Economies of scale cannot be tapped either. While the United Nations has played a major role in peacekeeping and peacebuilding, it has never been a major actor on the international aid stage. Official Development Assistance (ODA) from the UN development system was only \$6 billion in 2012 (core resources, without humanitarian

assistance), less than 5 percent of the total, and its effectiveness has long been hampered by fragmentation, high transaction costs, and poor coordination.<sup>3</sup>

### THE UN COMPARES POORLY TO OTHER AGENCIES

In terms of aid delivery at country level, the United Nations has proven too fragmented and short of financial resources to compete effectively. The evidence from available aid effectiveness tables is sobering. For example, the *2008 Survey on Monitoring the Paris Declaration* confirmed that the multilateral development banks and the European Commission enjoy a significant edge over UN organizations, especially regarding an agency's alignment with the Paris Declaration and its predictability (see Table 1).

The same dismal message is found in a well-documented Brookings Center for Global Development report (see Table 2). It shows that the United Nations ranks last for most criteria of aid quality among multilateral organizations. Fragmentation is high and efficiency low. The administrative burden imposed on partner countries is heavy. Unless the world organization reforms, its the share of resources will continue to decline. In time, it could lose its role as a platform for global and regional goods delivery and as a norm-setter.

Another paper, this one by the World Bank, synthesizes the findings of major aid-quality studies and puts forward an overall index for 11 multilateral and 27 bilateral institutions. Once again, the United Nations was found to trail behind other donors.<sup>6</sup> And a fourth report, this one by the UK Department for International Development,<sup>7</sup> showed UN agencies in an unfavorable light. Out of 21 agencies, only UNICEF was rated as very good, while 7 were rated as good, 6 as adequate, and 9 as poor.

### THE EVALUATION CHALLENGE

Credible evaluation systems would help the United Nations to realign its assets and achieve verifiable results. But here too, it has been lagging behind the multilateral development banks.

Table 1: Paris Declaration Indicators (Donor Performance)<sup>4</sup>

Agency Name	Harmonization	Alignment	Predictability	Aid Untying	Total
AfDB	94	76	86	133	97
AsDB	97	102	134	133	117
IDB	126	90	118	133	117
WB	137	132	123	133	131
MDBs	114	100	115	133	116
EC	142	74	120	133	117
IFAD	163	144	64	133	126
UN	129	54	59	133	94
All Multilaterals	127	96	101	133	114
All Donors	100	100	100	100	100

Table 2: Aid Agency Rankings<sup>5</sup>

Agency Name	Efficiency	Institutions	Administrative Burden	Transparency	Average
AfDB	2	4	12	25	10.8
AsDB	3	3	10	29	11.3
IDB	5	8	3	31	11.8
World Bank (IDA)	9	2	2	5	4.5
EC	11	12	9	2	8.5
IFAD	4	20	1	23	12
UN	15	28	24	16	20.8

*Note: Agencies are ranked; 1 is the best rank*

Even though the UNDP's Evaluation Office designed an evaluation system based on peer review and independence, the system has not been implemented across other UN organizations. Only the UNDP and the International Fund for Agricultural Development (IFAD) are exceptions.

The United Nations Evaluation Group (UNEG) is a loose professional network that brings together evaluation units of the system, including the specialized agencies, funds, programs, and affiliated entities. The UNEG currently has 45 members, but there is no requirement that evaluation functions report to governing bodies (instead of the head of an organization); and the lack of genuine independence constitutes a weakness of evaluation mechanisms within individual organizations. Peer reviews in the evaluation system are not mandatory and tend to be undertaken where the evaluation system is already strong. Only nine peer reviews have been carried out over the past eight years.

While the quality of evaluation systems and processes varies across the system, recurring themes nonetheless are striking: lack of structural independence; failure to adopt explicit evaluation policies; inadequate budgets; spotty quality assurance; and limited use of evaluation findings. Another pervasive weakness has been the lack of reliable self-evaluation information at the level of individual efforts. System-wide evaluations are clearly needed.

### INDEPENDENT SYSTEM-WIDE EVALUATION

Recommendations to carry out system-wide evaluations on a regular basis have been repeatedly put forward. For example, in 2006 the High-level Panel of the Secretary-General on System-wide Coherence recommended that a system-wide independent evaluation mechanism be established by 2008 to monitor how system-wide goals are being delivered.<sup>8</sup>

This panel recommended that peer reviews across all UN organizations should be carried out using a common methodology. Such a system should have been in place by 2010 to permit benchmarking, inter-agency comparisons, and exchanges of best practices. No concrete action, however, has taken place—a continuation of a long-standing record of foot-dragging.

The panel also recommended that standardized information about UN activities, program delivery, budgets, staffing, and cost-effectiveness should be publicly available. The panelists stressed that harmonizing systems and methodologies would provide member states with a transparent overview of results from the UN development system and financial figures by area of interest and type of activity. Once again, virtually nothing has been done.

In another example, the 2010 General Assembly resolution 64/289 requested the secretary-general to commission a review of the UN's capacity to conduct system-wide evaluations of UN development activities. The secretary-general was to submit a report to the 2011 General Assembly.

In response, he contracted two independent consultants to conduct a comprehensive review, which proposed that the president of the General Assembly set up a working group to explore the specific function of independent system-wide evaluations, and in this context to identify a specific role for the Joint Inspection Unit (JIU). The review also recommended that the secretary-general establish a process for strengthening coordination of existing ad hoc system-wide evaluation activities in the UN system through an interim coordination mechanism in the form of a steering group. The review suggested that the JIU should be independently reviewed with a view to improving its effectiveness. Finally, the review suggested that the evaluative role of the Department of Economic and Social Affairs (DESA) should be revisited through another independent evaluation. In parallel, the UNEG should prepare guidelines for independent system-wide evaluations.

Whether these useful recommendations will be implemented and get the issue out of the politicized rut in which it has been mired for years remains to be seen.

### FINAL THOUGHTS ON THE UN'S COMPARATIVE ADVANTAGE

Reform of the United Nations is imperative. Past efforts have yielded disappointing outcomes. Not only have they relied on exhortation and process adjustments without tackling systemic issues, past reform efforts have also not focused on the comparative advantage of the organization.

We must keep in mind that the UN's primary focus is not development. While it is true that the organization has lost the aid effectiveness race, it is against aid-quality standards that ignore its key role in security operations, humanitarian assistance, and global norm building. In these realms, the UN is peerless. As long as it is judged as an aid delivery mechanism, the United Nations will continue to be viewed as a poorer performer than it actually is.

Future evaluation functions should focus not only on the performance of individual organizations but also on their combined impact in terms of opinion-making, advocacy, norm-setting, knowledge dissemination, consensus-building, and peacebuilding. Current evaluations, which ignore these dimensions, have sold the organization short and deprived it of the learning benefits yielded by formative evaluations.

Reform of the UN should bear this in mind. Intensified efforts to ensure that the United Nations acts *as one* are of course required, but they should not be directed exclusively or even principally

towards improved aid delivery. They should instead be designed to enhance the development benefits of international conflict prevention, peacebuilding, and the creation of global and regional public goods.

In this context more effective multilateral action is needed to overcome policy incoherence and fill the global public goods deficit associated with a complex, interconnected, and volatile world. The *Delivering as One* initiative should transcend the country-based aid dimension. Strategic repositioning of the organization should help reorient donor funding towards horizontal programs cutting across organizational boundaries.

Well beyond its traditional technical assistance and aid delivery functions, the United Nations could and should play a far more influential role. Member states should recognize that the UN's future lies in making full use of its convening power and its legitimacy at the intersection of governments, private sector institutions, and civil society organizations.

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This contribution draws on his "Evaluating the UN Development System," in *Post-2015 UN Development: Making Change Happen?* edited by Stephen Browne and Thomas G. Weiss (London: Routledge, 2014 forthcoming).

## NOTES

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