

UNITED NATIONS Agencies

1) QUANTITY OF AID

1.1. Current/Recent Quantity Performance:

The size of each of the UN agencies disbursements taken individually may seem quite small, but taken together, they form a significant contribution to overall multilateral aid.

UN Agency	Net Disbursements \$US mn
United Nations Development Program (UNDP)	439
United Nations Population Fund (UNFPA)	216
United Nations High Commissioner for Refugees (UNHCR)	289
United Nations International Children's Emergency Fund (UNICEF)	984
UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	700
United Nations Transitional Authorities (UNTA)	462
World Food Program (WFP)	233
TOTAL UN DISBURSEMENTS (7 agencies)	3,323

Source: OECD/DAC, 2007 data.

The total net UN (not including UNAIDS and IFAD) ODA disbursements in 2007 for these 7 UN agencies were US\$ 3.3 billion. The recent history of UN agency disbursements is mixed. UNDP, UNICEF and UNRWA have all increased disbursements by more than 50% in nominal terms since 2001; UNHCR, UNFPA and WFP have seen a decrease of 25-50% since 2001.

1.2. Future Quantity Intent

Much of the volatility in UN disbursements is due to the uncertainty of UN funding. While bilateral ODA has reached an all-time high in recent years, bilateral funding of UN agencies is only just again reaching levels comparable to 10 years ago. In addition, most of the new funding is provided on a "multi-bi" basis, where donors earmark "non-core" funding for specific themes, programmes or activities, often even with a specific geographical focus, rather than as core funds for the agency. Most UN agencies also remain highly dependent for core funding on a few donors.

Taking the UNDP as an example, after seven years of decline, UNDP's core resources began to grow again in 2001, and only reached 1994 levels in 2005. UNDP received 80% of core contributions for 2007 from only 10 countries, but its non-core resources have grown very rapidly since 2000, showing growing confidence in UNDP's effectiveness (UNDP, 2008). The UNDP's core funding is expected to grow by only 2.5% in nominal terms over the 2008-2011 funding cycle, a decrease in real terms. However non-core funding will increase by approximately 21% in real terms over the same period (UNDP, 2007).

Non-core resources are increasingly vital to UN agencies, and each agency's ability to mobilize and manage these resources (especially through partnerships with international financial institutions, regional development banks and the European Commission) is increasingly crucial to its long-term financial sustainability.

2) KEY AGENCIES/MECHANISMS

2.1 Agencies and Structures

The United Nations (UN, 2007a)

The United Nations (UN) was founded as an international organization in 1945. It is divided into administrative bodies including the General Assembly (GA), the Security Council, the Economic and Social Council (ECOSOC), the Trusteeship Council, the Secretariat, and the International Court of Justice (ICJ). Aside from the Trusteeship Council, each of these has a number of subsidiary organizations, programmes, funds, and other entities which carry out work throughout the world.

The UN Development Group (UNDG, 2006)

The UNDG is an entity, created in 1997, to enhance the effectiveness of development activities at the country level. The UNDG consists of 28 full member organizations and 5 observer organizations. Of these, the four "founding members" who report directly to the Secretary-General, make up the executive committee of UNDG. They are the (i) UN Development Programme (UNDP), (ii) UN Children's Fund (UNICEF), (iii) UN Population Fund (UNFPA), and (iv) World Food Programme (WFP).

The other full-member organizations are:

- (v) Office of the High Commissioner for Human Rights (OHCHR);
- (vi) UN Development Fund for Women (UNIFEM);
- (vii) UN Office for Project Services (UNOPS);
- (viii) Joint UN Programme on HIV/AIDS (UNAIDS);
- (ix) UN Human Settlements Programme (UN Habitat);
- (x) UN Office on Drugs and Crime (UNODC);
- (xi) World Health Organization (WHO);
- (xii) Department of Economic and Social Affairs (DESA);
- (xiii) International Fund for Agricultural Development (IFAD);
- (xiv) UN Conference on Trade and Development (UNCTAD);
- (xv) UN Educational, Scientific and Cultural Organization (UNESCO);
- (xvi) Food and Agriculture Organization of the United Nations (FAO);
- (xvii) UN Industrial Development Organization (UNIDO);
- (xviii) International Labour Organization (ILO);
- (xix) UN Department of Public Information (UNDPI);

Regional Commissions

- (xx) Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries & Small Island Developing Countries (OHRLLS);
- (xxi) Special Representative of the Secretary-General for Children in Armed Conflict (SRSGCAC);
- (xxii) UN Environment Programme (UNEP);
- (xxiii) UN High Commissioner for Refugees (UNHCR);

- (xxiv) Office of USG - Special Advisor on Africa;
- (xxv) UN World Tourism Organization (UNWTO);
- (xxvi) World Meteorological Organization (WMO); and
- (xxvii) International Telecommunications Union (ITU).

There are 5 Observer Organizations:

- (1) Director of Office of Deputy Secretary General
- (2) Office for Coordination of Humanitarian Affairs (OCHA);
- (3) Spokesman for Secretary-General;
- (4) United Nations Fund for International Partnerships (UNFIP); and
- (5) World Bank;

Other temporary agencies such as the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and UN Transitional Authorities (UNTA) are not part of the UNDG.

To overcome criticisms of bureaucracy and duplication, the UN has instituted the “One UN” reform programme, under which UN assistance to each country is guided by a UN Development Assistance Framework (UNDAF) – already in place for most countries. In addition, in 8 pilot countries (Albania, Cape Verde and Vietnam in 2006; Mozambique, Tanzania and Uruguay in 2007; Rwanda in 2008; and Pakistan in 2011), UN coordination will be deeper, with one representative, one budget, and one office (UN, 2007b).

2.2 Key Policies and Documents

UN Development Assistance Framework (UNDAF)

UNDAs are frameworks which outline the priority commitments for the UN and its agencies in a country. Where applicable, they are formulated around the government’s PRSP. Most countries have now completed UNDAFs, and the second generation are being finalised through a participatory process, through which the various UN agencies are to be held accountable to UNDAF outcome goals, including human-rights based development goals (see UN, 2005; and for an example UN–Tanzania 2006).

3) RECIPIENT COUNTRIES AND ALLOCATION CRITERIA

3.1. Recipient Countries

The following tables show the top 10 recipient countries aggregated for the 7 UN agencies for which such data is readily available.

Top 10 recipient countries	US\$m.	%
1. Palestinian adm. Areas*	472.2	14.2%
2. Jordan	116.7	3.5%
3. Lebanon	90.5	2.7%
4. India	85.7	2.6%
5. Ethiopia	83.4	2.5%
6. DR of Congo	69.9	2.1%
7. Pakistan	63.4	1.9%
8. Nigeria	61.4	1.8%

Top 10 recipient countries	US\$m.	%
9. Bangladesh	58.2	1.8%
10. Syria	54.0	1.6%
Total	1155.4	34.7%

Note: Total % calculated on the basis of total country-allocable net ODA.

*US\$ 463 million is allocated through the UNRWA

Source: OECD/DAC database, data for 2007.

3.2. Allocation Criteria

3.2.1. Pre-selection criteria

The different UN agencies have different pre-selection criteria for allocating aid. The UNDP, for example, offers grants depending on the level of income of the recipient countries. In theory, the beneficiary countries should not have an income per capita higher than 750 US dollars.

3.2.2. Allocation criteria:

Allocation criteria also vary greatly by UN agency. As seen above, no one country receives more than 4% of the assistance provided by UNDP, while regionally focussed agencies, such as UNRWA have just a few core recipient countries. UN ODA allocations are based on a variety of criteria including the contribution of the programmes to the national priorities, the engagement of the recipient State, the capacity of the programs to be geared down, and their reproducibility in other countries.

4) AID POLICIES

4.1. Concessionalality

UN agencies' aid is all in the form of grants or technical assistance (apart from specialised agencies such as IFAD, the IMF and the World Bank, who provide loans).

4.2. Types of Assistance

UN Agencies provide programme, project, TA and emergency assistance, not including budget support.

The UN has a relatively low level of programme-based support. Paris indicator 9, which measures the percentage of programme-based arrangements (PBAs) in a donor's total aid portfolio, reports best practice in Niger (88%), Cape Verde (75%) and Togo (74%). However, it is likely that this is an overestimate springing from a confusion between the fact that the UN "programmes" all of its aid, but does not participate 100% in country-coordinated budget support or sectoral programmes. As a result, HIPC evaluations indicate that only 33-50% of UN support is in programme approaches.

Technical assistance is a very high proportion of UN aid, provided via visiting consultants and training events. The UN aims to base TA provision on country requirements, and to build capacity of recipient country government institutions and NGOs. In general (according to Paris survey indicator 4), UN TA is highly aligned to partner countries' development (100% in Nigeria, Mongolia and Indonesia). The

Gambia and Guyana among HIPCs also indicate that 100% of UN TA is a government priority and included in its strategic plans. However, assessments of whether UN TA builds national capacity vary considerably.

4.3. Channels of Assistance

In principle, most UN support should be provided via the budget, but many specialised agency vertical programmes do not report expenditures via the budget or provide aid directly to the relevant ministry, and some support is provided directly to NGOs and Civil Society Organisations by the UN Resident Coordinator's Fund. As a result, most HIPCs indicate that between 25% and 50% of UN assistance is off-budget.

4.4. Sectors and Projects

In line with their mandates, UN agencies focus on different sectors, in spite of an overall focus on good governance, the fight against poverty and building capacities.

HIPCs see UN aid as highly aligned with PRS priority sectors, with one third of countries indicating that more than 75% of aid is to fund priority sectors and projects, and two-thirds indicating 50%+. Best practice is found in Ethiopia, the Gambia, Guyana, Mali, Malawi, Rwanda and Sierra Leone.

4.5. Flexibility

UN agencies do not finance budget or balance of payments deficits when a country is hit by economic exogenous shocks. As a result, HIPCs assess the UN as relatively inflexible. However, UN support to respond to natural disasters (most recently through the Central Emergency Response Fund) is highly valued.

4.6. Predictability

The predictability of UN funding varies with the predictability of its own resources. One aim of the One UN reform is to provide predictable multi-year financing arrangements (UN, 2006), but this will depend on whether agencies reach their own funding goals (especially multi-year funding frameworks for core resources). The Country Cooperation Framework (CCF) has a time-frame of 5 years, but its financial commitments are not always firm, and agencies are forced to commit firmly on an annual basis (see also 5.1). As a result, HIPC evaluations of UN multi-year financing vary: Chad, Ethiopia, Gambia, Ghana, Guyana, Mali, Malawi, Sierra Leone and Uganda indicate that more than 75% of UN funds are part of multi-year programming frameworks.

According to Paris indicator 7, which measures disbursements recorded by Government compared to aid scheduled by the donor, best practice for UN aid predictability can be found in Vietnam (99%), Cambodia (97%), Cape Verde (86%) and Bangladesh (80%). Among HIPCs, Ethiopia, Guyana, Mali and Malawi indicate that the UN disburses more than 75% of its aid in the intended fiscal year.

4.7. Conditionality

No macroeconomic or sectoral policy conditionality is attached to UN aid. HIPCs confirm that UN aid is highly valued for its lack of conditionality, which therefore results in no delays to disbursements.

4.8. Policy Dialogue

On the other hand, UN agencies (especially those represented at country level) are highly active in macro and sectoral policy dialogues, providing vital support for government positions, notably on means to achieve the MDGs. HIPCs highly value UN involvement, especially in Bolivia, Gambia, Guyana, Malawi and Sao Tome & Principe.

UN agencies are also valued for their independence of the Bretton Woods Institutions. Almost all HIPCs see UN disbursement links with the BWIs as non-existent.

5) AID PROCEDURES

5.1 Conditions Precedent

The basis for UN aid within-country is the joint Development Assistance Framework (UNDAF). The Country Cooperation Framework (CCF) is the operational document of each agency and is derived from the UNDAF. Recently, this terminology has changed and the agency-specific operational document is now called Country Program Action Plan (CPAP) instead of CCF. The CPAP is more detailed than the CCF was, and includes fairly detailed activities and estimated costs. There are separate Annual workplans derived again from the CPAP for the various components (usually organized by partner institution).

Disbursements begin only after project implementing units and separate bank accounts are established. Separate PIUs are not necessary: the government is only required to ensure that structures devote full attention to project implementation (if this is not feasible, UN agencies can implement projects and programmes with a nominated local counterpart). Nevertheless, PIUs are common: Paris Survey indicator 6 indicates PIUs in 51 of 55 countries (exceptions being Jordan, Mali, Mozambique and Sierra Leone).

HIPCs indicate variable behaviour on counterpart funding. For core-funded programmes, no counterpart funds are demanded, but specialised agencies often demand counterpart funds for programme-specific funding. The government usually provides personnel, premises and supplies necessary for execution, but UN agencies sometimes fund these.

Overall, HIPCs do not assess UN procedural conditions to be cumbersome. Most indicate that the UN is flexible in establishing project implementation structures and that legal opinion and establishing separate bank accounts do not delay aid significantly.

5.2 Disbursement Methods

UN disbursement methods include a number of options (advance payment, reimbursement and payment direct to suppliers). However, the most commonly used procedure is to request funds in advance, on a quarterly basis, with prior approval by the local representative (if applicable). In spite of considerable payments direct to suppliers by agencies which are not represented in-country, HIPCs such as Burkina Faso, Burundi and Gambia indicate that close to 100% is paid cash-in-advance to

Government. Delays linked to disbursement methods are kept to less than 3 months in Guyana, Malawi and Sierra Leone, but are generally less than 6 months.

5.3 Disbursement Procedures

While in principle the UN prefers to use partner country Public Financial Management (PFM) systems (accounts, reporting and auditing), the degree to which this occurs depends on their reliability. The Paris Survey indicator 5a indicates that all UN aid for the Government sector is going through partner country PFM systems in Jordan, followed by Bangladesh (75%) and Bolivia (38%). HIPCs indicate that the UN generally insists on at least one additional financial procedure, but often two or three.

5.4 Procurement Procedures (for UNDP's procurement procedures: see UNDP, 2006)

UN procurement is 100% untied and most contracting is in consultation with the partner government. Procurement procedures depend on the amount of the contract. Under USD 2,500, Direct Single Source Procurement can be used, not requiring competitive bidding. Between USD 2,500 and 100,000, a Request for Quotation process can be used for procuring goods and services, based on price and quality. Over USD 100,000, an Invitation to Bid or Request for Proposal is used depending on the complexity of the goods or services.

The Paris Survey indicates a high degree of variation in the UN utilising partner country procurement systems (Paris indicator 5b) with best practice in Nicaragua (56% of UN aid for the Government sector going through country procurement systems), Bolivia (46%) and Tanzania (46%). HIPCs indicate moderate delay in UN procurement, with around one-third suffering delay of less than 3 months, and best practice in Guyana and Sierra Leone.

5.5 Coordination

The UN is very active within the donor community, especially through resident agencies. In many countries, UNDP plays a major role in donor coordination, initiating roundtables or advisory committees; though in others, the World Bank has the leading role. UNDP also plays a leading role in managing in-country trust funds for pooling donor funding in support of sectoral and TA/capacity-building activities. UNDP also plays the key role in coordinating the UN development system (MOPAN, 2005, p7), and is playing the lead role in working with partner governments and coordinating other donors to participate in the Paris Declaration surveys.

According to the Paris survey (indicator 10a), the UN conducts most of its missions jointly with other donors, notably in the Philippines and Jordan (100%). The same can be said of its analytical work (Paris indicator 10b), which is done jointly with other donors in Burundi, Cape Verde, Cameroon, Kenya, Liberia and Papua New Guinea.

In Cote d'Ivoire and Benin, all missions and all analytical work are done jointly.

Key Sources (*All internet sources were accessed in October 2008*)

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