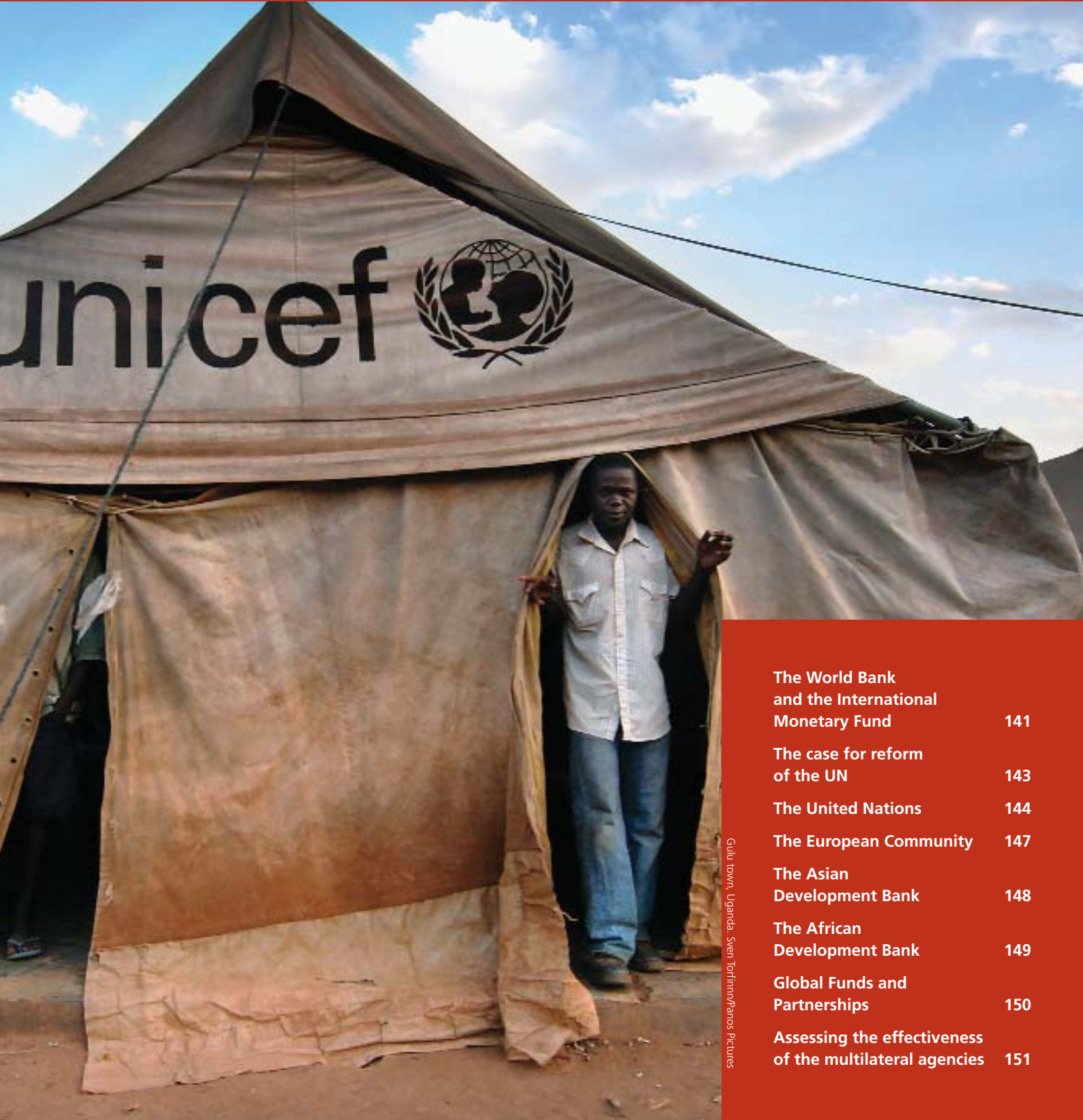


# Making the multilateral system more effective

# 6



|  |     |
|--|-----|
| The World Bank and the International Monetary Fund       | 141 |
| The case for reform of the UN                            | 143 |
| The United Nations                                       | 144 |
| The European Community                                   | 147 |
| The Asian Development Bank                               | 148 |
| The African Development Bank                             | 149 |
| Global Funds and Partnerships                            | 150 |
| Assessing the effectiveness of the multilateral agencies | 151 |

Gulu town, Uganda. Sven Torfinn/Panos Pictures

# Making the multilateral system more effective

# 6

*“The true measure of success for the United Nations is not how much we promise, but how much we deliver for those who need us most.”*

## **UN Secretary General Ban Ki-moon in his acceptance speech to the General Assembly**

### **Highlights**

- DFID successfully influenced the World Bank to improve its use of **conditionality** in 2006, further strengthening country ownership.
- Eight countries are piloting the ‘**One UN**’ approach at country level in 2007. The success of these pilots is one of our top priorities.
- DFID has assessed how effective our key multilateral partners are. These **Multilateral Effectiveness Summaries** will be published later in 2007.
- In 2006/07, the UK successfully advocated for the major UN agencies and the World Bank to develop plans to improve their support to **gender equality and women’s empowerment**.
- **Central Emergency Response Fund** – The first year since its launch in March 2006 has seen a good response, with over \$399 million (£217 million) being provided to the CERF by 73 donors. The UK is currently the largest contributor, providing £40 million in 2006 and £43 million in 2007. We have pledged to give £40 million a year in 2008 and 2009 which will bring the total UK contribution to £163 million.

- 6.1** International organisations play a major role in delivering aid. Three institutions – the European Commission (EC), the World Bank and the United Nations (UN) – already account for around 30% of global aid. In 2005/06, the UK channelled 38% of our aid through multilateral organisations.
- 6.2** Much of today’s multilateral system – including the UN, the World Bank, the International Monetary Fund (IMF) and the European Union (EU) – was created after the Second World War. These

institutions have served the world well, but the challenges we face in the 21st century are very different to those of 60 years ago. The UK government's 2006 White Paper on international development set out the need for an international development system that:

- delivers increasing levels of development assistance effectively and shows results;
- reflects the interests of developing countries and allows them to lead their own development;
- holds countries (whether donors or recipients) to account for the commitments they have made to each other;
- upholds human rights and other international standards, and takes action where these are not being met; and
- monitors progress against targets agreed to reduce poverty.

**6.3** Significant change is needed to achieve all this. The UN's role in development needs to be radically reformed in keeping with its unique political mandate. It should focus on providing strong political leadership in conflict and fragile states, on setting global standards, and on helping countries agree solutions to climate change and other threats to development. The World Bank, IMF and regional development banks should help developing countries finance investments for sustainable and equitable growth and public services; and help their members manage economic shocks. The EU also needs to ensure its aid is effective, and that its wider policies also support development.

**6.4** The UK is strongly committed to working through the international system to reduce poverty in developing countries. We are using our resources and influence to improve the effectiveness of the multilateral agencies and thereby strengthen the international system for this purpose.

**6.5** This chapter outlines our work with our multilateral partners to improve the international system and assist with UN reform. It also discusses the effectiveness of multilateral aid and of the multilateral organisations in line with the International Development (Reporting and Transparency) Act 2006.

## The World Bank and the International Monetary Fund

**6.6** The **World Bank** (the Bank) is the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The World Bank plays a central and effective role in global efforts to reduce poverty. The evidence suggests it is one of the most effective multilateral agencies. Its expertise in global debates on development issues and the high quality of its staff are well known. The Bank's strengths mean it is well placed to finance efforts to tackle the global challenges currently slowing progress towards the MDGs, such as climate change. But the Bank needs to improve its performance and focus on results, continue to implement its approach to conditionality (see boxes 6.9 and 6.10), and ensure more developing countries have more say in its decision-making, including by increasing its presence in countries.

### **Box 6.1: How DFID is working with the World Bank to change policy on conditionality**

Many bilateral and multilateral donors attach conditions to the funding they provide. The conditions tend to be focused on measures to enhance aid effectiveness, tackle corruption and improve accountability. But conditions such as privatisation (e.g. of government owned enterprises) or trade liberalisation can be more controversial. During the IDA 14 replenishment in 2005, the UK agreed to provide an additional £100 million to IDA. This funding was, in part, dependent on the World Bank improving co-ordination with other donors and improving its practice on conditionality.

We released the first £50 million after the Bank carried out a thorough review of its policy and practice on conditionality and agreed some related Good Practice Principles. In September 2006, we told the Bank that we would only release our second contribution of £50 million once we saw clear evidence that the principles were being applied.

In December, we received a thorough and candid report that provided evidence that real progress had been made. The report also reiterated the Bank management's strong commitment to make further improvements in its use of conditionality, including avoiding the use of sensitive economic policy conditions such as privatisation.

We therefore released the second £50 million contribution. The Bank has agreed to our request to provide a further progress report on conditionality in 2007.

- 6.7** The IDA 14 replenishment covers the period from July 2005 to June 2008. Donors will contribute around £11 billion to IDA during this time. The UK will provide 13.18% of that amount. IDA donors and representatives of borrowing countries met in Washington in November 2006 for the IDA 14 Mid-Term Review meeting.
- 6.8** Further details of our work are provided in DFID's annual report to parliament on the UK and the World Bank. This is available from DFID's public enquiry point or from our website. Please see annex 9 for a list of useful websites.

**Box 6.2: How the World Bank is contributing to the MDGs in Ethiopia**

In Ethiopia, the World Bank is helping to lower the risk of vulnerable populations facing serious food shortage and famine. In response to a request from the Government of Ethiopia for the international community to help reduce the chronic dependency of part of the population on international food aid, the World Bank has helped devise and finance a sustainable solution – the Productive Safety Net Programme (PSNP).

The programme targets households which are unable to secure enough food year after year. In 2006, it reached over seven million people. The PSNP supports a large-scale public works initiative which pays wages to food-insecure but able-bodied citizens. For those physically unable to work, the PSNP provides direct grants. The first phase of the PSNP has dramatically lowered dependence on emergency food aid. In the second phase, the government will introduce a contingency fund to be triggered in the event of a drought.

In 2004, IDA committed \$70 million (£38 million) for the first phase of the PSNP. In January 2007, a further \$175 million (£95 million) was approved for the second phase. Several donors are co-financing this next phase, including the UK and the EU.

- 6.9** The main role of the **IMF** is to ensure stability in the global economy. HM Treasury co-ordinates UK policy on the IMF, working closely with DFID on issues that affect poor countries. HM Treasury produces an annual report to Parliament on the UK and IMF which provides details of our work. This is available on HM Treasury's website ([www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)) or from their public enquiry point: 020 7270 4558 or [public.enquiries@hm-treasury.gov.uk](mailto:public.enquiries@hm-treasury.gov.uk).

## The case for reform of the UN

- 6.10** The **UN** has played a key role in promoting development, peace and security and human rights globally. Over the years, however, the UN operational system has become increasingly fragmented, leading to multiple UN agencies competing for donor funds and different agencies overlapping and duplicating work at both the headquarters and country levels. Countries have not received the best and most coherent support from the UN to deliver on their own plans to reduce poverty, secure peace and fulfil their human rights obligations.
- 6.11** A wide range of reforms have been proposed or are already underway within the UN system. In November 2006, the UN Secretary General's High Level Panel on System-Wide Coherence recommended the establishment of 'One UN' in different countries. The UK was represented on the panel by the Rt Hon Gordon Brown. The 'One UN' initiative seeks to put in place four 'Ones': one leader, one programme or plan, one budget, one office. Eight 'One UN' country pilots will be set up by the end of 2007 and, subject to satisfactory review, twenty by 2009, forty by 2010 and all other appropriate programmes by 2012. We will work closely with our country offices, regional divisions and other donors to put the necessary finances into one place in each country, and to take forward other elements of implementing 'One UN'.

- 6.12** Some other key recommendations were for the establishment of a UN Sustainable Development Board to oversee the 'One UN' Country Programmes, of a Task Force to look at reducing duplication and joining up the work of UN agencies, and of an MDG Funding Mechanism to provide year-on-year funding for 'One UN'. We will work across Whitehall and with Member States to ensure that these key recommendations for UN central level reforms are agreed and implemented.

## The United Nations

### UNDP

- 6.13** UNDP is integral to UN reform given its role in UN system-wide coherence, where it has been leading efforts to create joint UN offices, strengthen the role of the UN representative in-country (the Resident Co-ordinator), make the work of the UN country teams more coherent, and identify what works best and learn from it across the wider UN system. These issues have been addressed by the High Level Panel on UN System-Wide Coherence (HLP). The Panel also recommends that UNDP scale back significantly on its country programme work.

#### Box 6.3: How UNDP is changing to deliver reform

The High-Level Panel report recommends that UNDP:

- focus its operational work to support the UN country team delivering the One Country Programme and set a clear target by 2008 to withdraw from sector-focused policy and capacity work;
- establish an institutional firewall between the management of its programmatic role and management of the Resident Coordinator system;
- develop a code of conduct in consultation with all relevant organisations.

We are working with other donors and member states to ensure that UNDP reflects the necessary actions for delivering this in its new Strategic Plan for 2008-2011.

### UNICEF

- 6.14** UNICEF is undergoing widespread change: first, as it moves from work on projects to an approach more focused on supporting national programmes and increasing their capacity to do more, and second, to respond to UNICEF's growing humanitarian responsibilities which currently account for 40% of its budget. This is being done in the context of the broader UN reform programme which requires UNICEF to improve its co-ordination with other UN agencies to ensure a consistent and coherent approach to its work. UNICEF recognises that operating more strategically and improving partnerships will bring about greater and more sustainable results for children.

**Box 6.4: How UNICEF is contributing to the MDGs on HIV/AIDS and child health**

UNICEF is providing global leadership to increase international and government commitment and funds for children affected by HIV/AIDS. In Africa, 20 countries now have National Plans of Action and, in Latin America and Asia, assessments are underway which will lead to the development of national policies and strategies for children affected by HIV/AIDS. In 2005, UNICEF and UNAIDS launched a major international campaign, *Unite for Children, Unite against AIDS* to raise \$1 billion (£543 million) for children affected by HIV/AIDS by 2010 and improve partnership between UN agencies to support the scale-up of services.

UNICEF, in partnership with other UN agencies and civil society, launched the Measles Initiative in 2001 to support governments' efforts to tackle measles deaths. The initiative is on track to see a 90% reduction in measles deaths globally by 2010 compared with 2000 estimates. Deaths have fallen by 60% worldwide since 1999, largely due to an unprecedented decline in measles deaths in Africa. UNICEF's role is to use its logistical and procurement capacity to procure and deliver the vaccine and other commodities and promote communication and public demand in support of national health plans

Other examples of results that UNICEF has contributed towards include:

- In **Botswana**, a programme to prevent mother-to-child transmission of HIV in 24 health districts resulted in an increase from 36% in 2003 to 73% in 2005 of pregnant women using these services.
- In **Burkina Faso**, the incidence of female genital mutilation decreased from 66% in 1996 to 40% in 2005.
- In **India**, the number of cases of wild polio virus decreased from 1,600 cases in 159 districts in 2002 to 45 cases in 26 districts in 2005. In four states, a programme for disadvantaged children reduced the number of out-of-school children from 958,000 in 2001 to 162,100 in 2005.
- During the **South East Asia earthquake** in 2005, over 500,000 people were provided with safe drinking water and over 57,000 children resumed learning.

## UNAIDS

**6.15** **UNAIDS** supports responses around four key goals: to prevent the spread of HIV; to provide care and support for those infected and affected by the disease; to reduce the vulnerability of individuals and communities to HIV/AIDS; and to alleviate the socio-economic and human impact of the epidemic.

**6.16** As the lead authority on HIV/AIDS in the world UNAIDS has been successful in winning political and financial commitment to fight the pandemic. UNAIDS works closely with WHO to give countries the policy guidance and technical capacity they need to provide HIV/AIDS treatment and prevention. In 2006, UNAIDS reported that 84 of the worst-affected countries had established national treatment plans and targets as part of the scale-up to universal access to antiretroviral treatment. UNAIDS sees itself as a pathfinder for UN reform. It is trying out innovative ways to support national leadership, joint programming and coordination of efforts to fight HIV/AIDS.

## UNFPA

- 6.17 UNFPA** is the leader on population issues and sexual and reproductive rights. Despite working on many sensitive and controversial issues, UNFPA has maintained a global profile and progress on sexual and reproductive health rights as well as achieving the proposal of a new reproductive health MDG. UNFPA is publicly committed to UN reform and to supporting countries' own policies. In line with UN reform, UNFPA's new multi-year plan (Multi Year Funding Framework) is explicitly focussed at country level on seeking country level effectiveness.

### Box 6.5: How UNFPA is contributing to the health MDGs

UNFPA has been successful as a global advocate for sexual and reproductive health through the creation of a new reproductive health target under MDG5 and its role in the new global partnership for maternal, newborn and child health.

In Africa, UNFPA, the World Bank, donor governments and others are supporting countries to implement their national plans for achieving the MDGs relating to maternal and newborn health. The overall goal is to ensure universal access to family planning, skilled birth attendants and comprehensive medical care during pregnancy and childbirth. Plans are well underway in Tanzania, Malawi and Ethiopia, and are under preparation in many other countries. These contain clear targets and costings, and methods to carry expanding services.

## World Health Organization

- 6.18** Health is at the heart of the MDGs – recognition that health is central to the global agenda of reducing poverty as well as an important measure of human well-being.
- WHO's Country Focus Initiative targets its work to help countries develop their own strong health systems;
  - WHO wants everyone to benefit from better health and gives priority to helping countries include vulnerable and deprived people in their plans; and
  - WHO encourages wealthy, developed countries to fulfil their promises to form a Global Partnership for Development (MDG8) to work with developing countries in a fair and helpful way.
- 6.19** *At country level*, WHO is helping Ghana to develop a new mental health law to ensure patients are treated with respect for their human rights. It is expected to become a model for other African countries.
- 6.20** *At a global level*, the WHO Framework Convention on Tobacco Control has attracted a high number of parties since its entry into force in February 2005, and has become one of the most widely embraced treaties in the history of the United Nations.

**6.21** Through the development and negotiation of the International Health Regulations, which come into effect during 2007, WHO has developed a mechanism to strengthen the organisation's and member states capacity to respond to epidemics and risks to public health, including global pandemics. In the last few years WHO has played a key role in tackling infectious diseases such as measles and polio, and recently demonstrated the importance of coordination and strong leadership in response to the outbreak of severe acute respiratory syndrome (SARS).

## The European Community

**6.22** Because of the size of its aid and the leadership role it plays with its Members, **the EC** is a major contributor to the attainment of the MDGs. The EU provides 55% of the world's overseas aid and two-thirds of grant aid, amounting to €54 billion (£37 billion) in 2005. One-fifth of this – €10.8 billion (£7.4 billion) – was managed by the European Commission (the Commission). The rest is managed by the 27 Member States. This assistance went to more than 160 countries, territories or organisations. In 2005/06, the UK provided £934 million to the Commission for development assistance.

**6.23** The Commission is not a development institution like other multilateral agencies, but the executive of a political and economic union of 27 Member States, with a range of objectives in its external relations. It provides grant aid and humanitarian aid to developing countries, in addition to managing commercial and diplomatic relations with them. Its impact on poverty is not limited to spending in the poorest countries. Its decisions on further enlargement of the European Union and on the countries in its neighbourhood areas are also very important. In addition, the impact of trade, agricultural and fisheries policies on poverty is very high (this is discussed further in chapter 9 of this report).

**6.24** Significant reforms, started in 2000, are now bearing fruit, with substantial devolution to 123 country offices. The Commission's country strategies and programmes have improved their learning from past lessons, and the quality of aid (as assessed independently by external consultants) is improving. There is, however, room for further reform, including more financial management at the country level to enable faster decision-making on projects and programmes, simplifying the cumbersome system of checks and balances that hinders decision-making and boosting the technical capacity and number of professional staff.

### Box 6.6: How the EU is delivering more, better and faster EU aid

In 2006, Europe took positive steps to deliver more, better and faster aid. The EU's medium-term budget for 2007-13 (the "financial perspectives") was agreed, with a simpler budget for development co-operation, more flexibility in the ways that support is provided, and more money for poor countries.

€36 billion (£24.6 billion) has been allocated for spending in Asia, Latin America, the Middle East, South Africa and the European Neighbourhood by 2013. The new Development Co-operation Instrument, European Neighbourhood Partnership Instrument and Instrument for Pre-Accession will also fund spending on issues that contribute to poverty reduction, including environment, energy, climate change, migration, health and education.

For the European Instrument for Democracy and Human Rights, €1.1 billion (£750 million) is budgeted to enable the promotion of democracy and human rights globally. This includes election monitoring, supporting the role of civil society, and supporting international agreements.

At the same time, the European Development Fund (which does not form part of the European Commission's main budget), which provides support to Africa, Caribbean and Pacific countries, has been renewed. Its budget is now €24 billion (£16.4 billion) for 2008-13. Of this, €2.7 billion (£1.5 billion) is intended to promote good governance by making more support available to those countries that are ready to commit themselves to ambitious and credible steps to improve their accountability and responsiveness. The regulations for all of the new instruments have been simplified to make aid more effective. Member States and the EC are now increasingly joining up.

## The Asian Development Bank

- 6.25** The **AsDB's** mission is to help its developing member countries in Asia and the Pacific to reduce poverty and improve the quality of life of their citizens. The Bank is represented through 19 resident missions in Asia and three sub-regional offices in the Pacific. The Asian Development Fund (ADF) is its main source of funds available to borrowers. It is the second largest donor in Asia and the Pacific after the World Bank. In 2006/07, the UK provided £31.4 million to the ADF for development assistance.
- 6.26** The AsDB is at an important juncture as the major reforms it has put in place in the last few years start showing results. The AsDB has outlined a wide-ranging plan for reform during its latest ADF IX replenishment, which aims to improve its organisational and development effectiveness. AsDB management have been told that effectiveness and results on the ground will determine the level of donor contributions to the next ADF IX replenishment.

**Box 6.7: How the AsDB is contributing to the MDGs in Cambodia**

The Tonle Sap (South East Asia's largest freshwater lake, for food and water) supports one of the most productive fisheries in the world and provides most Cambodians with their main source of protein, its resources directly benefiting 40% of the population of provinces. AsDB is helping the Cambodian government through its Tonle Sap initiative to put in place a plan to protect the rich natural resource that sustains so much of the nation.

In 2005, AsDB approved a grant of \$18 million (£9.8 million) to help provide safe drinking water to over one million people living around the Tonle Sap River Basin, provide water supply and sanitation facilities to 1,760 villages and also improve sanitation for about 720,000 rural people.

*Source: Asian Development Bank Annual Report, 2005*

## The African Development Bank

**6.27** The **AfDB** is part of the African Development Bank Group which also comprises the African Development Fund (ADF) and the Nigerian Trust Fund (NTF). The AfDB's shareholders are 53 African countries and 24 non-African countries. The AfDB Group's primary objective is to promote sustainable economic growth and social development to reduce poverty in Africa. In 2006/07 the UK provided £57.2 million to the AfDB for development assistance.

**6.28** For the AfDB, 2006/07 was an eventful year. A presidential election took place, a new senior management team was selected, and an agenda was developed for institutional reform to turn the AfDB into an organisation focused on results and development effectiveness. The AfDB's reform programme for the next few years includes priorities such as further decentralisation to the country level. Overall, good work is being undertaken to take forward the reforms, though many reforms remain to be completed.

**Box 6.8: How the AfDB is contributing to MDGs in Burkina Faso**

Only 35% of the population in Burkina Faso has access to basic health care. There are, on average, 600,000 malaria cases per year and acute respiratory and diarrhoeal diseases are endemic. High maternal and infant mortality rates and the AIDS pandemic remain critical problems.

In May 2005, the AfDB Group approved a \$35.7 million (£19.4 million) loan to finance the Health Care Development Support Project in Burkina Faso. The overall objective is to help improve the health and well-being of the Burkinabe population. The project is expected to do this by setting up regional hospitals and other health facilities, supplying essential and generic drugs, establishing HIV screening centres, and training health personnel and counsellors.

These measures are designed to help reduce the mortality rate by 50%, the infant mortality rate by 50%, the number of cases of HIV from 2.7% in 2004 to about 1.5% in 2010, the number of cases of malaria by 16% and deaths from malaria by 25%.

*Source: African Development Bank Annual Report, 2005*

## Global Funds and Partnerships

- 6.29** The **Global Fund to fight Aids, TB and Malaria** (GFATM or the Global Fund) was created to increase significantly the resources available to fight three of the world's most devastating diseases, and to direct those resources to areas of greatest need. It is a partnership between governments, civil society, the private sector and affected communities, and represents an innovative approach to international health financing.
- 6.30** According to its own principles, the Global Fund's purpose is to attract, manage and disburse resources to fight AIDS, TB and malaria. It is a financing mechanism rather than an implementing agency, and works closely with other multilateral and bilateral organisations involved in health and development issues to ensure that newly funded programmes are co-ordinated with existing ones. To date, the Global Fund has raised over \$10 billion (£5.4 billion) and has committed \$7.6 billion (£4.1 billion) in 136 countries to support interventions against all three diseases.
- 6.31** The Global Fund is still a relatively young institution and has been working hard to address some of the issues that have been raised about how it operates. For example, it is gradually relaxing the constraints that its funding system imposes, and is working with countries to improve the quality of their proposals in order to reduce the bureaucratic burden placed upon them. It also recognises that it could do more to work with existing country systems, and is the first Global Fund or Programme to measure itself against the Paris Declaration and report on its performance. One of its key challenges is to make sure that its longer-term financing is more secure and predictable. This is particularly important for HIV/AIDS sufferers, who can live long and fulfilling lives if they have access to appropriate treatment over their whole lifetime.

### Box 6.9: How GFATM is contributing to the health MDGs

The Global Fund's interventions are directly related to MDG4 (to reduce child mortality), MDG5 (to improve maternal health) and MDG6 (to combat HIV/AIDS, malaria and other diseases). As of December 2006, its activities had resulted in:

- 770,000 people receiving antiretroviral (ARV) treatment;
- reaching two million people with tuberculosis (TB) treatment under directly observed treatment, short course (DOTS);
- distributing 18 million insecticide-treated bed nets (ITNs) to protect families from malaria;
- reaching 9.4 million people with HIV counselling and testing;
- reaching 23 million people with community outreach for HIV prevention;
- providing 1.2 million orphans with basic care and support;
- delivering 23 million malaria treatments; and
- training three million additional service deliverers to fight HIV, TB or malaria.

Source: 'Partners in Impact' Results Report 2007, [www.theglobalfund.org](http://www.theglobalfund.org)

**Box 6.10: Gender Action Plans – ensuring equitable outcomes for all**

Multilateral agencies have a key role in ensuring that the attainment of the MDGs is reflected in equitable outcomes for women, men, girls and boys. As such, a focus on achieving gender equality and women's empowerment is a key and urgent goal for our work in support of the leadership role of the multilateral agencies in gender equality.

In 2006/07, the UK successfully advocated for the major UN agencies and the World Bank to develop plans to improve their support to gender equality and women's empowerment. In the year ahead, DFID will support the UN, the World Bank and the EC to implement reforms that will support practically the achievement of gender equality and women's empowerment in country-led development plans. For example, DFID is supporting efforts to consolidate the UN's central structures, agency strategies and country-level programming to deliver better results for gender equality and women's empowerment.

## Assessing the effectiveness of the multilateral agencies

- 6.32** The International Development (Reporting and Transparency) Act 2006 requires the Secretary of State to assess “the effectiveness in pursuing Millennium Development Goals (MDGs) one to seven of the multilateral aid generally to which the United Kingdom contributes...”

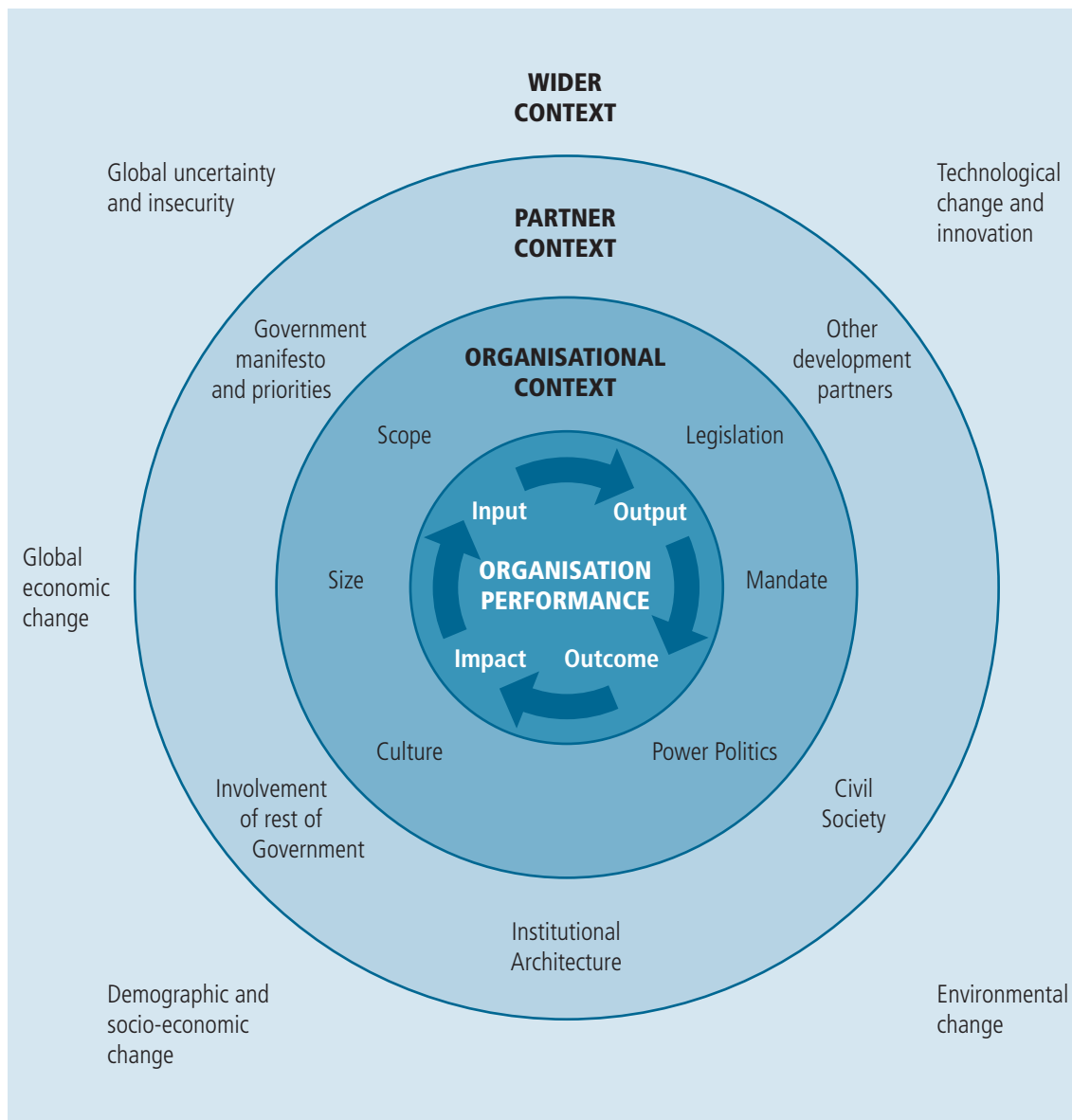
**Box 6.11: How DFID is assessing multilateral effectiveness**

As part of the UK government's Comprehensive Spending Review 2007 (CSR), we are assessing the effectiveness of multilateral agencies in contributing towards the achievement of the MDGs. This is the overall basis for our decisions on how we allocate aid.

In 2004, DFID assessed the internal systems of our 23 key multilateral partners using a Multilateral Effectiveness Framework (MEFF). This has helped us better understand how well they are organised to deliver their business. DFID is using the results of the MEFF, together with the large amount of information on multilateral effectiveness that already exists in the public domain, to inform the CSR process. This information includes surveys carried out by the Multilateral Organisations Performance Assessment Network (MOPAN), a group of nine donors assessing effectiveness at the country level, as well as the performance reporting of the multilateral agencies themselves and findings from the Paris Declaration Indicators on Aid Effectiveness (12 indicators of aid effectiveness to monitor progress in achieving results – see chapter 5) monitoring exercise.

By making better operational use of this information we can already draw conclusions about how well individual organisations manage their resources, contribute to results on the ground, build for the future and work with others. But this information needs to be made more accessible. We are therefore preparing Multilateral Effectiveness Summaries for our key multilateral partners to distil the information that is available on their effectiveness. The organisations covered include the EC, UNDP, World Bank, AsDB, AfDB, UNICEF, UNAIDS, UNFPA, WHO and GFATM. These summaries will be published in September 2007.

**Figure 6.1: Context in which multilateral organisations function**



**6.33** The **effectiveness of an individual multilateral agency** depends on the context in which it works (see figure 6.1). As each multilateral agency has a different scope and mandate, comparisons between multilateral agencies are difficult to make. However, by analysing the information available on each multilateral agency, we can assess its overall effectiveness (see box 6.11).

**Table 6.1: The key multilateral agencies... at a glance**

| Organisation   | Budget (US\$ or € and GBP)                             | Number of staff | Number of countries worked in | DFID's annual contribution   |
|--|--|-----------------|-------------------------------|--|
| <b>UN agencies</b>   |  |                 |                               |  |
| <b>United Nations Development Programme (UNDP)</b>             | \$4.8bn (\$914m core) in 2005 [£2.6bn]                 | 7,000           | 166                           | £140 million in 2005 (latest figures available)  |
| <b>United Nations Children's Fund (UNICEF)</b>                 | \$2.7bn in 2006 [£1.5bn]                               | 9,300           | 156                           | £100.9 million in 2006 (latest figures available)  |
| <b>United Nations Population Fund (UNFPA)</b>                  | \$565m in 2005 [£307m]                                 | 972             | 125                           | <u>2005 UK contribution</u><br>Regular resources: £20 million<br>Non-regular resources (e.g. funding at the country level): £16.4 million<br><b>2005 total: £36.4 million</b><br><br><u>2006 UK contribution</u><br>Regular resources: £20 million<br>Other UK resources: £3.1 million<br><b>2006 total: £23.1 million</b> |
| <b>The Joint United Nations Programme on HIV/AIDS (UNAIDS)</b> | \$320m in 2006/07 [£173.9m]                            | 400             | 130                           | Total contributions to UNAIDS in <u>2005</u> : £21.7 million<br><br>Total contributions to UNAIDS in <u>2006</u> : £15.6 million<br><br>(Fiscal year is Jan -Dec)  |
| <b>World Health Organization (WHO)</b>                         | \$3.3bn in 2006/07 [£1.8bn]                            | 8,000           | 147                           | £135.3 million in 2004/2005  |
| <b>The EC</b>  |  |                 |                               |  |
| <b>European Commission (EC)</b>                                | €10.8bn overseas assistance disbursed in 2005 [£8.6bn] | 3,500           | 160                           | £934 million in 2005/06  |

| Organisation   | Budget (US\$ or € and GBP)   | Number of staff | Number of countries worked in | DFID's annual contribution |
|--|--|-----------------|-------------------------------|----------------------------|
| <b>The World Bank and the regional development banks</b>               |  |                 |                               |                            |
| World Bank   | International Bank for Reconstruction and Development (IBRD): \$14.1bn in 2006 [£7.7bn]<br>International Development Association (IDA): \$9.5bn in 2006 [£5.2bn] | 10,000          | 100                           | £493 million in 2006/07    |
| <b>Asian Development Bank (AsDB)</b>                                   | \$7.4bn in 2005 [£4bn]   | 2,000           | 27                            | £31.7 million in 2006/07   |
| <b>African Development Bank (AfDB)</b>                                 | \$3.3bn in 2005 [£1.8bn]   | 1,000           | 25                            | £57.2 million in 2006/07   |
| <b>Global Funds</b>  |  |                 |                               |                            |
| <b>The Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM)</b> | Since the creation of the Fund in 2002, it has raised \$10bn either paid in or in firm pledges [£5.4bn]  | 200             | 136                           | £100 million in 2006/07    |