

The Reform of the UN Development System and its implications for multilateral aid channels

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A Critical Analysis of Multilateral Aid of Middle Power States*

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Abstract

In development cooperation, there has been a long-standing debate on the effectiveness of multilateral versus bilateral aid. Many middle-power countries have utilized multilateral approaches strategically to overcome geopolitical restrictions and advance their national causes in the world powers-centered order. This study aims to identify the key characteristics of middle power countries' multilateral aid, including the case of South Korea. By doing so, we attempt to discover whether, and to what extent, a middle power prefers the multilateral approach of ODA to a bilateral one. This study will also analyze the emerging pattern of multi-bi aid of middle powers. The multi-bi aid tends to blur the clear distinction between multilateral and bilateral assistance. At the moment of a big transformation in the international development paradigm from Millennium Development Goals (MDGs) to Sustainable Development Goals (SDGs), this study attempts to show that the middle power countries have made substantial efforts to enhance their influence in the world through the means of multilateral aid support.

Key words: Multilateral Aid, Multi-bi Aid, Middle Power, ODA, International Development



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Make the village better: An evaluation of the Saemaul Zero Hunger Communities Project in Tanzania and Bangladesh

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ABSTRACT

A majority of people in developing countries suffer from chronic hunger due to food crises and poverty. This has attracted humanitarian organizations specializing in addressing hunger, food security and poverty to set up efforts aimed at reducing hunger and poverty among vulnerable communities. This study aims to evaluate the achievements of the Saemaul Zero Hunger Communities Project (SZHCP) of the World Food Program (WFP) implemented by Good Neighbors International (GNI) in partnership with Tanzanian and Bangladesh local governments, which ran from 2014 to 2018 in selected local communities in Tanzania and Bangladesh. The project targeted the most vulnerable communities to improve their livelihood and rural development programs in terms of food security, income generation, education, and infrastructure improvement through community-based activities. To collect information and data for evaluation, we conducted field research such as in-depth interviews, focus group discussions, and household surveys in the target villages of the SZHCP in Tanzania and Bangladesh. Using qualitative analysis, difference-in-difference estimation, and linear regression on surveys of 1142 respondents, we show that the SZHCP significantly improved the livelihoods of beneficiaries in relation to zero hunger, and also increased income generation and promoted positive social changes. It has also helped to strengthen the capacity of communities to run development projects themselves. This study provides evidence-based analysis that could allow stakeholders and researchers to more fully engage with future community-based projects.

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1. The Multilateral Aid Channels and Financing
2. The New United Nations Development System (UNDS)
3. New Challenges

1. The Multilateral Aid Channels and Financing-1

According to the OECD/DAC CRS statistics, the total amount of ODA supported by 29 DAC members to developing countries in 2016 was US\$157.7 billion, of which bilateral aid and multilateral aid accounted for \$115.5 billion and \$42.2 billion, respectively, achieving a ratio of approximately 7:3.

Table 1: List of ODA-Eligible International Organizations (40000)

Channel code	Type	Examples
41000	UN Agency, Fund or Commission	WFP, UNICEF, UNHCR, UNDP, WHO, UNOCHA, FAO, UNFPA, IFAD, ILO, UN ESCO
42000	European Union Institution	EC, EDF, EIB
43000	International Monetary Fund, IMF	IMF-CCRT, IMF-PCDR, IMF-PRG-HIPC
44000	World Bank Group, WBG	IBRD, IDA, IFC, MIGA
45000	World Trade Organization, WTO	WTO-DDAGTF, WTO-ITC
46000	Regional Development Bank	AfDB, AsDB, AIIB, EBRD, IDB, IsDB
47000	Other Multilateral Institution	GAVI, GEF, Global Fund, GGGI, GPE, GCF

1. The Multilateral Aid Channels and Financing-2

Multilateral Aid is also defines as a concessional loan; including contribution and loan, to the ODA–eligible international organizations selected by the OECD/DAC annually by reassessing their eligibility for each organization

Table 2: The UN Multilateral ODA Coefficient for Core Contribution

ODA Coefficient (%)	Examples
100	ESCAP, IFAD, UNAIDS, UNICEF, UNDP, UNWOMEN, UNEP, UN-Habitat, UNIDO, UNOCHA, UNHCR, UNFPA, UNRWA, UNV, WFP, WHO-CVCA
Over 76 under 100	UNECE(89), OHCHR(88), WHO-Assessed(76), UNISDR(75)
Over 51 under 75	UNFCCC(61), ILO-Assessed(60), UNESCO(60), FAO(51)
Over 26 under 50	IAEA-Assessed(33)
Over 1 under 25	UN (18), UNDPKO(15), ITU(18)

1. The Multilateral Aid Channels and Financing-3

The recent transformed UNDS's classification of financial aid measures are as below table:

Table 3: Major Financial Aid Measures of UNDS

Category	Definition	Characteristic of financing	Burden allocation	Resources Allocation	Allocation decision
Assessed Contributions	Payments as an obligation that UN member states undertake upon signing a treaty	Price of membership	Based on a formula that puts different levels of sharing in proportion to the GNI of each country	Established in budget	UN member states
Core Contributions	Voluntary united contributions	Voluntary, usually annual pledges (no earmarking)	Voluntary decision solely by a donor Country	Established in budget	UN member states
Negotiated Pledges	Legally binding pledges by member states	Allocation of responsibilities of participating member states is defined	Details of allocating responsibilities are specified in the evidence clause	Established in budget	UN member states under a specific treaty
Earmarked Funding	Voluntary contributions that are tied to a theme or country	The fund is earmarked to theme, country or project	No institutionalized burden-sharing Formula	Allocated in negotiations between donor, UN entity and recipient	Various
Fees	Payments that are charged for services	Collection of separate knowledge management and product fees from both state and non-state actors	Flat or negotiated fees	Various	Various

1. The Multilateral Aid Channels and Financing-4

Figure 1: Total revenue status of 34 UN agencies by means of financial support (2016)

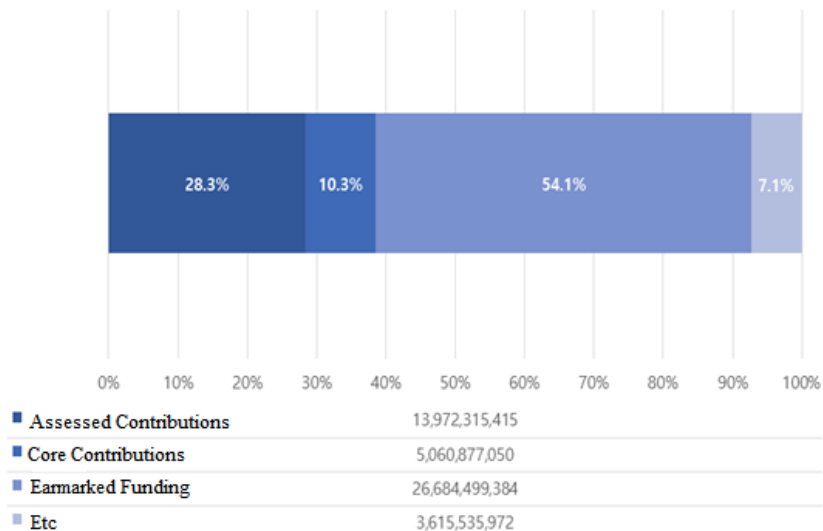
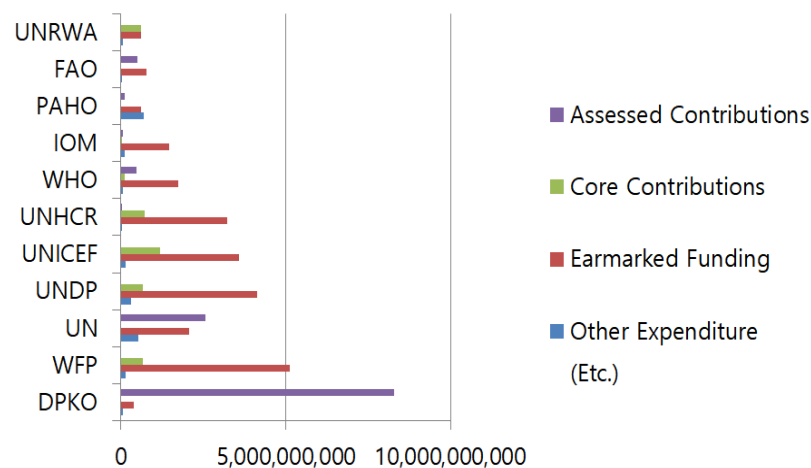


Figure 2: Top 10 among 34 UN agencies' income by means of financial support (2016)



1. The Multilateral Aid Channels and Financing-5

Figure 3: Top 30 countries' contribution to the UN (2016)

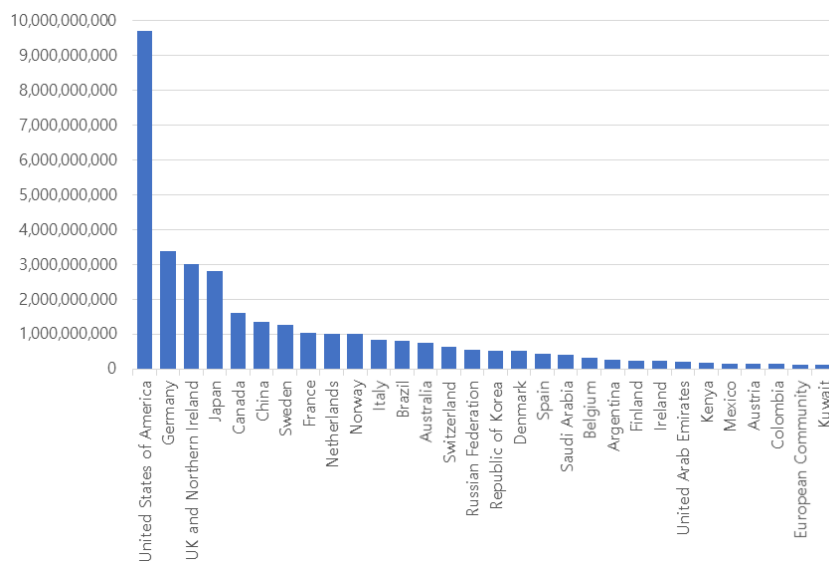


Figure 4: Accumulation of contributions by means of financial support for the five major UN agencies (2010-2016)



A: Assessed Contributions, B: Core Contributions, C: Earmarked Funding, D: Other Expenditure (Etc.)

1. The Multilateral Aid Channels and Financing-6

Figure 5: Total expenditure of 34 UN agencies by business area (2016)

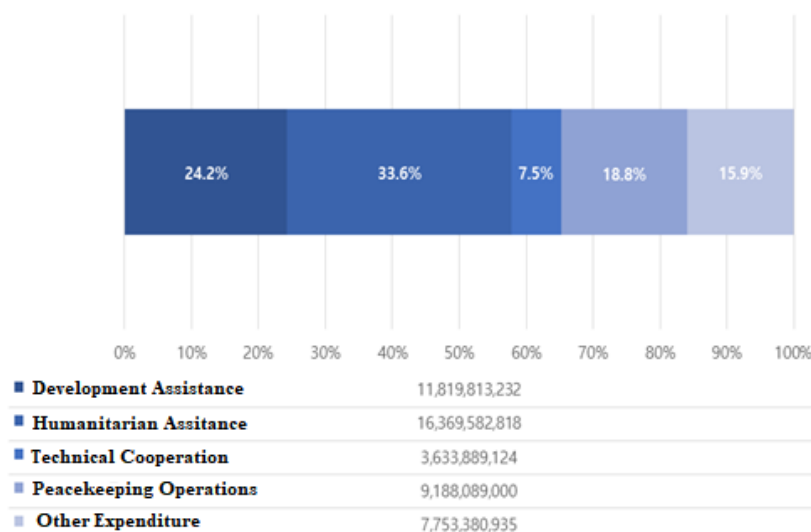
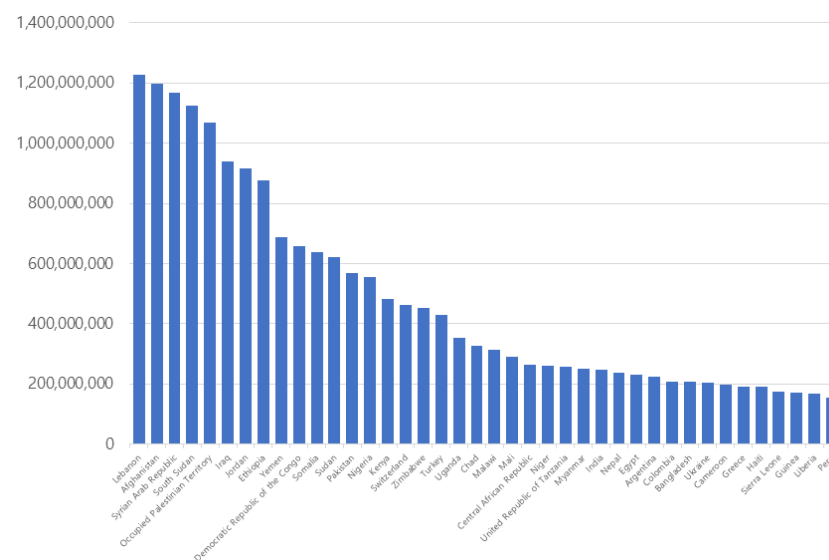
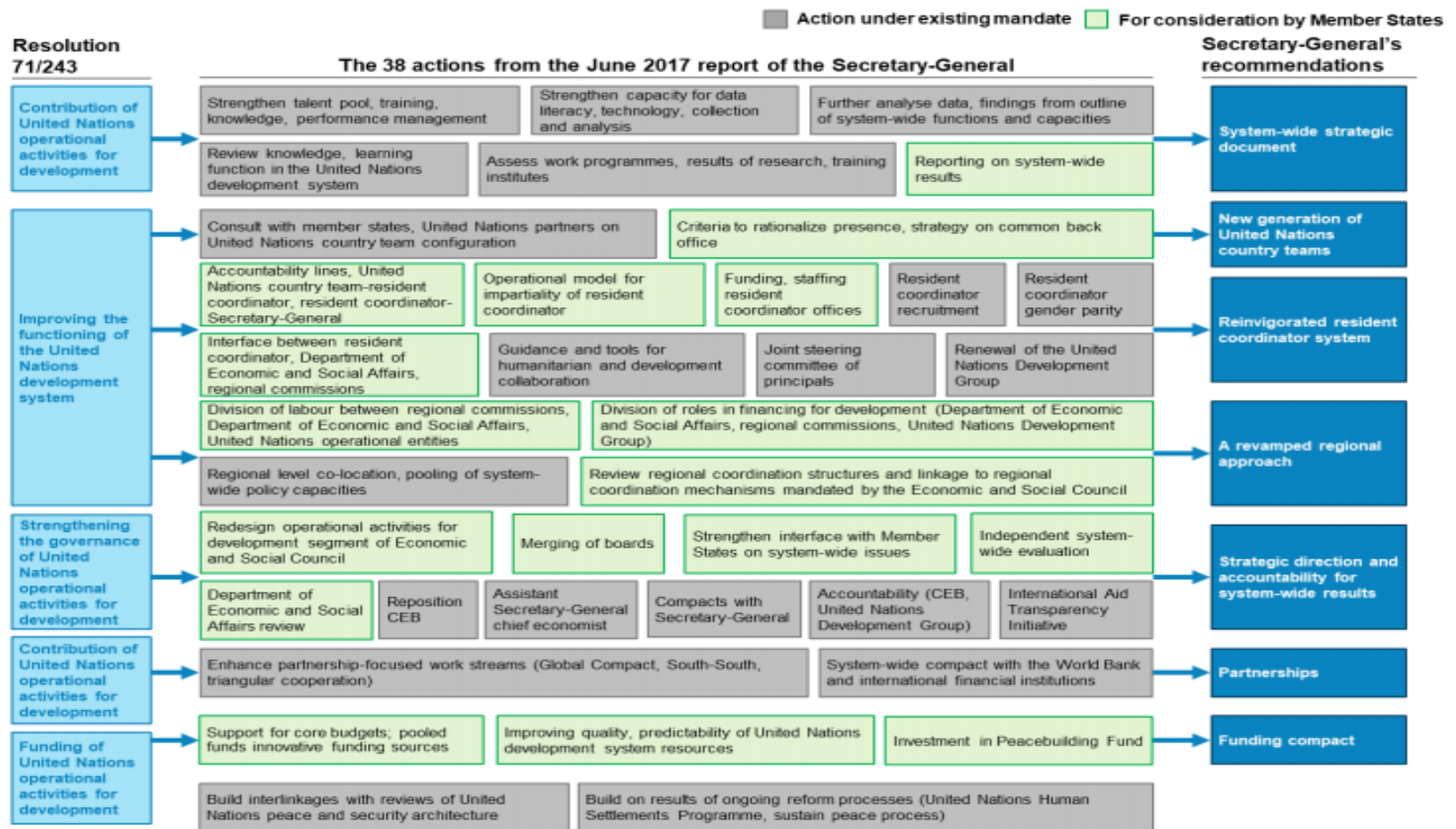


Figure 6: Developing countries in the top 40 of the spending scale of 34 UN agencies (2016)



2. The New UNDS -1

Figure 7: Process of repositioning the UNDS



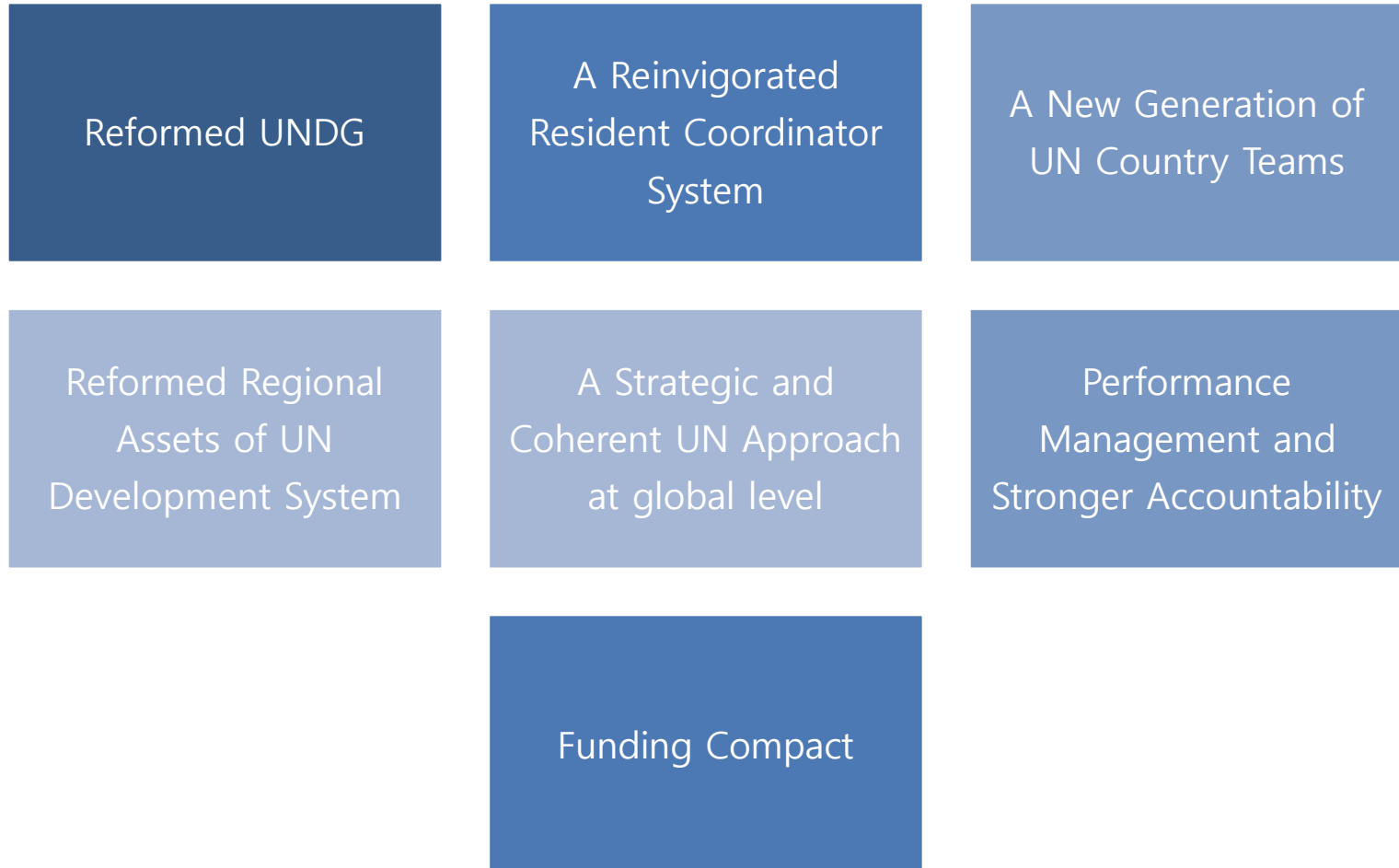
2. The New UNDS -2

Figure 8: Changes requested for the UNDS from the Member States



2. The New UNDS -3

Figure 9: Changes made for the new UNDS



2. The New UNDS -4

Table 4: New UNSDG's priorities and approaches

Category	Details
Strategic priorities	<ul style="list-style-type: none"> • Support countries in accelerating the achievement of the SDGs and implementation of the 2030 Agenda • Support national partners in implementing human rights obligations and integrate human rights principles and international standards into the work of the UN • Help build resilient societies and deliver effective support for a sustainable recovery in crisis and post-crisis countries
Strategic approaches	<ul style="list-style-type: none"> • Promote coherent development results across the entire UN development system to improve transparency and accountability • Functioning of the Resident Coordinator System as participatory, collegial and mutually accountable • Accelerate simplification and harmonization of business practices • Development effective partnerships and multi-stakeholder engagement • Strengthen capacity development as a core function of the UN development system • Enhance integrate planning, programming, and policy

Table 5: Four (4) core functions of UNDG

Category	Details
The Regional UNDG Team's four core functions	<ul style="list-style-type: none"> • Provision of coherent technical support to RCs and UNCTs • Quality assurance of UNDAF/UN joint programs • Performance management • "Troubleshooting" in difficult country situations and dispute resolution

2. The New UNDS -5

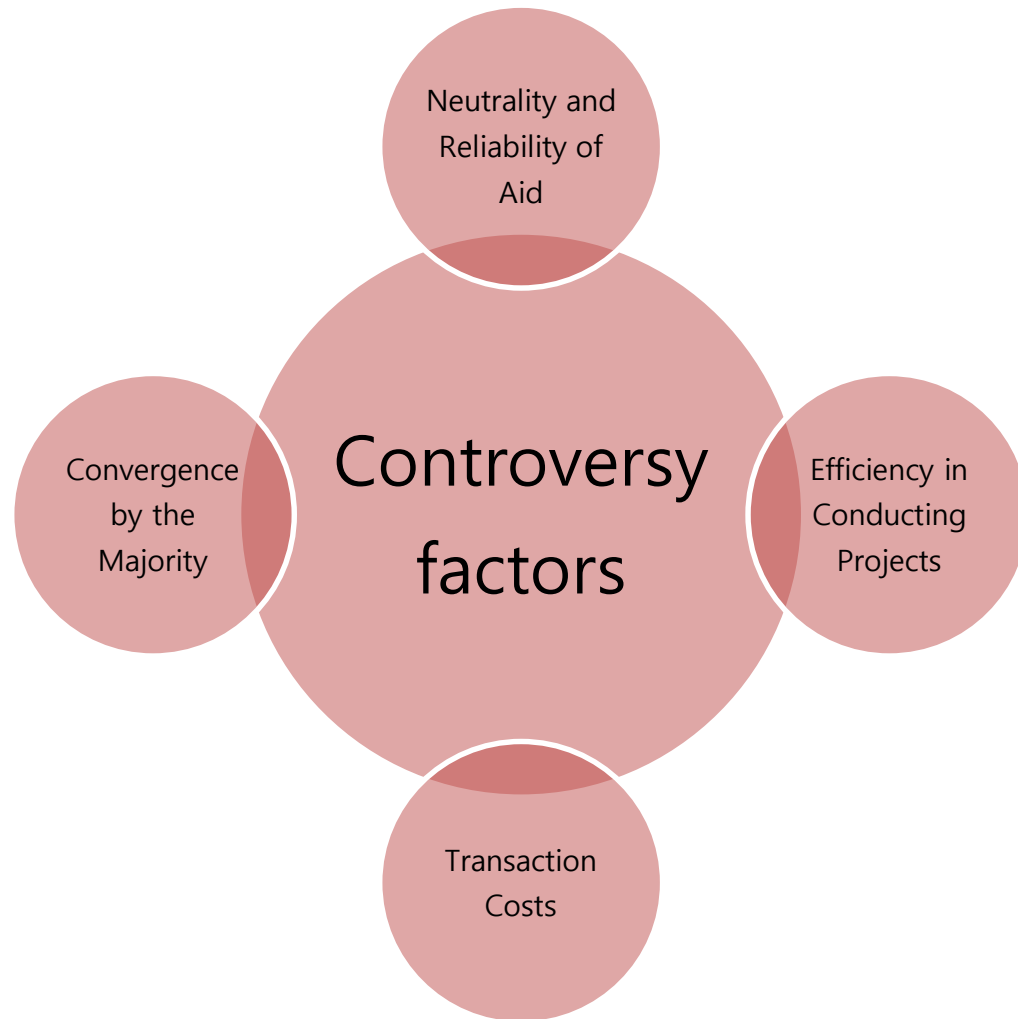
Figure 8: Mutual Commitment to the funding compact

Proposed parameters for a funding compact



3. New Challenges -1

1. Debate on Effectiveness of Bilateral and Multilateral Aid



3. New Challenges -2

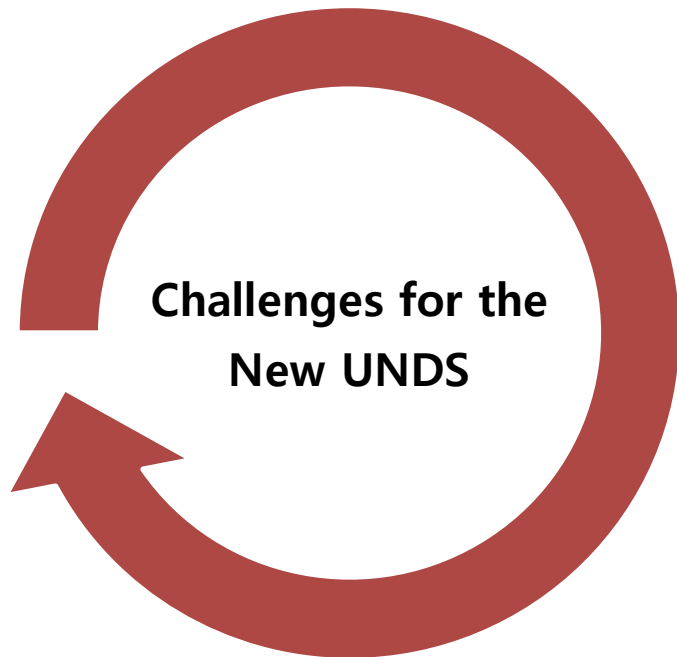
2. Expansion of UN Pooled Financing

Table 6: Advantages and Potential Drawbacks of UN Pooled Fund

Advantages	<ul style="list-style-type: none">• Coordination and coherence (resolution of aid fragmentation)• Improving risk management with several options• Broadening the donor base• Financing transformative change since pooled fund itself is one of Theory of Change(ToC)• Bridging the silos between humanitarian, peace and security and development assistance
Drawbacks	<ul style="list-style-type: none">• An increase in UN pooled funds could lead to a decline in the fundraising activity of each agency and serve as a competitive factor• Increased coordination in the course of fund management may result in higher transaction costs

3. New Challenges -2

3. Challenges for the New UNDS



- Fragmentation of UN Agencies
- Multitude of Operation Practices Among Un agencies
- Accountability of Results and Transparency of the Multilateral ODA
- Asymmetric Multilateral ODA between the Core Contributions and Earmarked Funding

Thank You

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