

## INFORMATION NOTE

### Lords debate on 'UK participation in UN specialized agencies' – 22 November 2011

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This note includes:

- 1) Information on three 'priority' UN agencies
- 2) Comments on the DFID Multilateral Aid Review (MAR)
- 3) Short summary of the MAR outcomes
- 4) Specialized agencies overview and selected statistics

#### 1) THREE 'PRIORITY' AGENCIES

The following information pertains to three UN agencies facing actual and potential shortfalls in funding. UNA-UK believes that these agencies would particularly benefit from strong UK support – financial and political – at this time. The UK is on the governing board of all three agencies.

##### A. UN Educational, Scientific and Cultural Organization (UNESCO)

*UNESCO is currently facing a shortfall of at least \$65m and has been forced to temporarily halt some activities as a result of the US decision to withhold dues following the acceptance of Palestine as a UNESCO member. In October, the UNESCO Executive Board, which consists of 58 states, approved Palestine's application in principle. The decision was subsequently approved by a vote put to the entire membership (194 states).*

*Two US laws enacted in the 1990s prohibit the funding of any UN entities that admit Palestine as a member. Therefore, the US is not paying the dues it owes for this year (\$65m) and has suspended future funding. The US normally contributes 22% of UNESCO's budget. Israel has also frozen its contributions and Canada has indicated that while it will continue to pay its regular dues, it will not provide any additional funding. (Israel is also reportedly refusing to transfer more than \$100m in tax and customs revenues owed to the Palestinian Authority as a result of the UNESCO decision.)*

*The move sets two dangerous precedents: penalising UN agencies for decisions taken not by their staff but by the states on their governing boards, and exacerbating the politicisation of funding for UN agencies.*

**The UK, which has just been elected to UNESCO's Executive Board and has indicated it will not cease funding, could play a significant role in supporting UNESCO during this period. The agency scored poorly in the March 2011 DFID Multilateral Aid Review but its funding was not cut as the review affirmed its unique contribution to education, development, science, culture and heritage. The agency has since undergone a reform process that has seen, inter alia, a stronger focus on girls' education. The UK should work closely with other Executive Board members to ensure that UNESCO improves its performance and to encourage other states to plug the funding gap.**

##### B. UN Population Fund (UNFPA)

*UNFPA – the UN's lead agency for population matters, reproductive rights and family planning – is also coming under fire in the US. Pro-life Republican Representatives have blocked the Senate appropriations bill which contains the US's (voluntary) contribution to the agency.*

*UNFPA categorically states that it does not promote abortion, nor does it espouse coercive policies such as China's one-child policy – a claim made by the agency's critics in the Senate. (The agency had its funding frozen during the G.W. Bush era, even though a 2002 State Department investigation absolved it of these charges.) President Obama reversed the decision in 2009. Over 90% of the agency's funding is voluntary.*

*This year, the global population breached seven billion; an estimated 215m women who wanted to delay or avoid pregnancy were unable to afford or access contraception; and half a million women and girls died from childbirth-related complications. UNFPA's work to support family planning and safe motherhood, and provide essential information on population trends, has never been needed more.*

**Given the UK's strong focus on women's and girls' health, it is imperative that it does all it can to support UNFPA's work both financially and politically. As with UNESCO, the UK is a member of the agency's Executive Board.**

### C. UN Women

*UN Women, the new UN agency for gender equality and women's empowerment, began work this year. In the past, the four main UN bodies working on gender issues (one of which was UNIFEM) lacked the cash, clout and coordination to effectively champion equality and empowerment. UN Women consolidates these bodies, absorbing their mandates and acting as a voice and focal point for gender issues within and outside the UN system.*

*In 2010, the UN General Assembly agreed a budget of \$500m for UN Women – significantly more than the combined budgets of the four previous gender entities but still far less than e.g. UNICEF's \$3bn budget. However, UN Women has faced a severe shortfall in funding from the outset. Just 1.4% of its budget comes from the UN's regular budget and six months into operation, it had received just over a fifth of its budget from member state contributions.*

**UNA-UK welcomed the UK's decision to provide UN Women with £10m a year for the next two years but urges the UK – which is on its Executive Board – to review whether there is more it can do, both financially and politically, to support this new agency. DFID used to provide a similar sum (£9.55m in 2009) for UNIFEM, one of the UN bodies that UN Women has absorbed, but the new agency has a much broader remit. It also carries with it great expectations, not only as a vital tool to further the UK's gender and development priorities but also as a flagbearer for improved UN coordination and reform.**

In addition to the information above, UNA-UK:

- Urges the UK government to convey its stance on the agencies above to the US government
- Urges the UK government to press the US not to act counter-productively on so many valuable international development areas, which would only damage the US's international image
- Encourages the UK to reaffirm its support more generally for the work of the UN agencies – such support serves to reinforce the need and utility of collective international action on development. The UK's efforts to push for efficiency and accountability should be anchored in strong support for collective approaches.

## **2. THE DFID MULTILATERAL AID REVIEW (MAR)**

In 2010, UNA-UK welcomed new UK government's decision to protect DFID's aid budget and the decision to reach the long-standing aid pledge of 0.7% GDP for ODA by 2013.

UNA-UK also welcomed the announcement of the Multilateral Aid Review (MAR) and its stated aim of providing a comprehensive overview of the strengths and weaknesses of the multilateral system. In March 2011, DFID announced the outcomes of two aid reviews – the Bilateral Aid Review and the Multilateral Aid Review – and how the UK would be taking findings forward.

It is right that the UK seeks to make funding decisions on the basis on value for money and reform priorities. UNA-UK was concerned, however, that the criteria used in the MAR might not reflect the remit and mandate of some the UN agencies under scrutiny. For instance, the criteria appeared to give more weight to shorter-term interventions in the poorest and most fragile states. Many of the agencies (e.g. the Food & Agriculture Organization) place more emphasis on medium- to long-

term development. Others have wide-ranging programmes that cannot be classified as 'aid' and mandates to operate in industrialised nations too (UNESCO is an example of both).

Following the review, UNA-UK was pleased to see the majority of agencies – 25 out of 43 – classified as 'very good' or 'good', and to note funding increases for some agencies as a result e.g. the near-doubling of contributions to UNICEF. (See section 3 below a summary.)

UNA-UK was also keen that the findings be pro-actively shared with other countries and donors. For the review to be, as DFID has said, "an opportunity to help to shape an international reform agenda", the findings must be discussed with others.

Therefore, UNA-UK is calling on the UK government to:

- Work closely with the four agencies placed under 'special measures' to improve their performance – **what update can the government provide on work to date?**
- Review after a suitable period the decision to end funding to four further agencies
- Use the MAR findings to stimulate a wider discussion with countries and donors. DFID's paper on taking forward the MAR states that the "UK is building a strong alliance with other countries to press for reform" – **what update can the government provide?**
- Begin next year discussions on a post-MDG framework for development
- Ensure that UK aid supports both long- and short-term development initiatives

### 3. MULTILATERAL AID REVIEW OUTCOMES SUMMARY

Released in March 2011, the MAR assessed 43 multilateral organisations currently funded by DFID against criteria ranging from control of costs to delivery of outcomes. 34 agencies were deemed to provide 'very good', 'good' or 'adequate' value for money.

Of the nine others, the following four were placed under "special measures": UNESCO, Food & Agriculture Organization, International Organization for Migration and the Commonwealth Secretariat's development programmes. DFID has identified areas for improvement, and has stated that it will work with the agencies in question on addressing these areas. If after two years, progress is insufficient, it will consider whether it continues its membership/funding of these organisations.

A further four organisations will have their funding reduced or discontinued:

- **International Labour Organization (ILO):** The UK will remain a member of the ILO and its dues will continue to be paid by the Department for Work and Pensions. However, DFID will no longer provide additional voluntary funding, which averaged £6.6m in 2006-10. DFID will consider funding for specific in-country projects on a case-by-case basis.
- **UN Human Settlements Programme (UN-HABITAT):** The UK will continue to be a member of UN-HABITAT (a proportion of the UK's contribution to the UN's regular budget are allocated by the UN towards this agency) but will stop providing additional voluntary funding, which averaged £0.8m in 2002-10. DFID will consider funding for in-country projects on a case-by-case basis.
- **UN Industrial Development Organization (UNIDO):** The UK will withdraw its membership of UNIDO. DFID will pay the UK's assessed contribution (£7m) for the next two years to serve out its notice period. DFID will consider funding for specific in-country projects on a case-by-case basis.
- **UN International Strategy for Disaster Reduction (UNISDR):** The UK will continue supporting UNISDR (a proportion of the UK's contributions to the UN's regular budget are allocated by the UN towards this agency) but DFID will stop providing additional voluntary funding, which averaged £0.9m in 2002-10.

The ninth agency that was deemed to provide 'poor' value for money was the **UN Development Fund for Women (UNIFEM)**. As UNIFEM has now been subsumed by UN Women, DFID has stated that it will work with UN Women to address the weaknesses identified.

#### 4. SPECIALIZED AGENCIES OVERVIEW AND SELECTED STATISTICS

The UN has 13 'specialized agencies' and the term is often applied to programmes, funds, and research and training institutes as well. The IMF and World Bank are sometimes also grouped under this umbrella. (See [www.un.org/docs/ecosoc/unagencies.html](http://www.un.org/docs/ecosoc/unagencies.html) for a list - note it has not been updated include UN Women, which has subsumed UNIFEM and INSTRAW.)

Together, the agencies deliver much of the UN's high-impact, high-visibility work on the ground (e.g. the life-saving frontline work carried out by the World Food Programme – WFP) as well as a significant proportion of the UN's vital coordination functions, from the World Health Organization's monitoring of communicable diseases to the coordination services performed by agencies such as the Universal Postal Union and Civil Aviation Organization.

The agencies also play a unique role in creating 'humanitarian' space – often operating in countries where others cannot or will not. Increasingly, they work with local partners, helping to better direct aid and support civil society (the majority of the WFP's food deliveries, for example, are made by such partners).

The agencies budgets, programmes and priorities are governed by states. Some agencies (e.g. ILO) have 'member states'. Others (e.g. UNICEF) have 'executive' or 'governing' boards made up of states – often reflecting the UN's five regional groups.

Some agencies receive a proportion of their funding through the UN's regular budget funding (e.g. UN-HABITAT). This proportion can be very small – it is just 1.4% of UN Women's budget – and therefore needs to be supplemented with voluntary contributions. Others, like WFP, are entirely funded by voluntary contributions.

UN agencies generally enjoy much higher public and governmental support than the UN system as a whole. Even ardent UN critics find it difficult to argue against the value of the World Food Programme, for instance. However, there is certainly room for improvement.

The agencies have evolved in a piecemeal fashion. Some have roots that pre-date the UN (e.g. the ILO), whilst others have been set up to address needs that were not anticipated in 1945 (e.g. the UN Environment Programme). This means that they have not traditionally functioned as a 'system', which, in some instances, has led to duplication of effort and other inefficiencies.

Strengthening interagency coordination and improving operational coherence across is a key challenge, one which several reform efforts have tackled – including the 2006 report of the UN High-level Panel on System-wide Coherence. The report led to the piloting of 'One UN' teams (all agencies working in a country under one leader, with one programme, one budget and, where appropriate, one office) and the cluster approach (where agencies, including NGOs working on a particular crisis, are designated as 'leads' for a specific need, e.g. shelter, sanitation).

Selected statistics:

- The World Food Programme provides food aid to over 90m people a year.
- The World Health Organization oversaw the successful eradication of small pox and the virtual elimination of polio (which now exists in just four countries). In 2003, its quick response helped stop the spread of SARS.
- UNAIDS provide access to HIV prevention/treatment services in over 80 countries.
- The UN Refugee Agency has helped some 50m people to re-start their lives.
- UNFPA runs safe motherhood initiatives in 89 countries.
- UNDP provides over \$30bn worth of assistance a year, from microfinance to technical support.
- Disaster response: when a tsunami wreaked devastation in Asia in December 2004, the UN was on the ground within 24 hours. After six months, it had distributed food to more than 1.7 million individuals, provided shelter for 1.1 million of the homeless and given 1 million people access to safe drinking water.