

FOCUS SESSION 9:

Multi-stakeholder Approaches for Enhancing Multilateral Organisations' Contribution to Development Results

15.4. 3-4.15 pm, Room 1, Banamex Conference Center

Speakers/Panelists:

- Jean-Marc Châtaigner, Deputy Director-General, Ministry of Foreign Affairs and International Development of France (Panelist)
- Patrick Guillaumont, President of Fondation pour les Études et Recherches sur le Développement International – Ferdi (Facilitator)
- John Hendra, Deputy Executive Director UN Women (Panelist)
- Kyle Peters, Vice President for Operational and Country Services at World Bank Group (Panelist)
- Herisoa Razanadrakoto, Special Advisor to the President of the Republic of Madagascar (Panelist)
- Thomas Silberhorn, Parliamentary State Secretary, Ministry for Economic Cooperation and Development of Germany (Key Note Speaker)

Conclusions and key messages:

The Busan Partnership Document drew attention to the importance of providing an enabling environment for a well-functioning multilateral aid system. Specifically, it committed development partners to improve the coherence of their policies on multilateral institutions, global funds and programmes, and to make most effective use of multilateral channels, focusing on those that are performing well (§25b). Continuing efforts along these lines is of utmost importance, as in the post-2015 landscape multilateral institutions will be called upon to play a fundamental role in delivering sustainable development goals.

The session provided a timely opportunity for key stakeholders (bilateral donors, partner countries, multilateral organisations, etc) to take stock of efforts to make effective use of multilateral channels, and in particular to discuss openly: (i) the challenges and opportunities of earmarked funding to the multilateral aid system, and (ii) the way forward for providing and managing better quality earmarked funding that is conducive to more and better development results.

Key messages that emerged from the discussions were:

- Earmarked funding is an intricate issue entailing opportunities and challenges for all stakeholders involved. Therefore, in future discussions an inclusive approach, where all stakeholders are involved, will be key.

- Reforms in the UN and World Bank have similar objectives, aiming at alignment and a consolidated and more strategic dialogue on earmarked funding with funding partners. However, donor behavior has not yet fully aligned to these reforms and their full benefit is yet to materialise.
- The perspective of final beneficiaries should be more prominent. More transparency, co-ordination and communication with partner countries should be pursued. Partner countries should also be involved in the governance structure of earmarked funding.
- An important question is how to increase the quality of funding to multilateral organisations. This question calls for further empirical research and for broad dissemination and discussion of findings so that the behavior of providers and receivers of earmarked funding can reflect good practice.

Way forward and emerging principles:

In going forward, participants to the sessions showed support for the following **emerging principles**:

1. Donors' use of the multilateral system should maximize impact for partner countries and mitigate the systemic risks associated with earmarked funding. To this end, donors should:
 - continue support evidence-based analysis on the use of the multilateral system including costs and opportunities of earmarked funding.
 - agree on and apply principles for the effective use of the multilateral system, including management of earmarked funding.
2. Multilateral organizations should move to transparent and multi- year budget and strategy cycles that integrate all resources and allow for a transparent reporting and dialogue on results.

The focus session also encouraged the organizers to continue their work on earmarked funding in various fora like the Senior Level Donor Meeting on Multilateral Reform, the Development Assistance Committee, the Busan Building Block “Managing Diversity and Reducing Fragmentation”, the WBG Development Partners Forum, the MDBs Round Table, etc. In doing so, importance will need to be attached to an inclusive approach bringing in the voices of all stakeholders, particularly of partner countries.