

Evaluation of the Commission's External Co-operation through the Organisations of the UN family



Evaluation for the European Commission

Dissemination Seminar

1 July 2008

This document is designed as support to the oral presentation
and is not intended to be used separately

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the Evaluation Unit common to:
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This evaluation was carried out by:



Aide à la Décision Economique
Belgium

The opinions expressed in this document represent the authors' points of view
which are not necessarily shared by the European Commission.

Agenda

n **Introduction**

n **Context**

n **Evaluation approach**

n **Overall assessment**

n **Conclusions**



n **Recommendations**

Object, purpose and scope of the evaluation

Evaluation Object

Commission's channelling of funds through the UN family during the period 1999-2006

Evaluation Purpose

"To assess to what extent the Commission intervention through the UN system has been relevant, efficient and effective and visible in supporting sustainable impact for the development of partner countries" (ToR)

Scope

Period

1999 – 2006

Countries

All countries, except. under DG ENLARG / OECD

Institutions

All UN bodies receiving Commission funds

Funds

Commission's Budget and EDF, focus on the RELEX family (RELEX-DEV-AIDCO)

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n **Introduction**

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n **Evaluation approach**

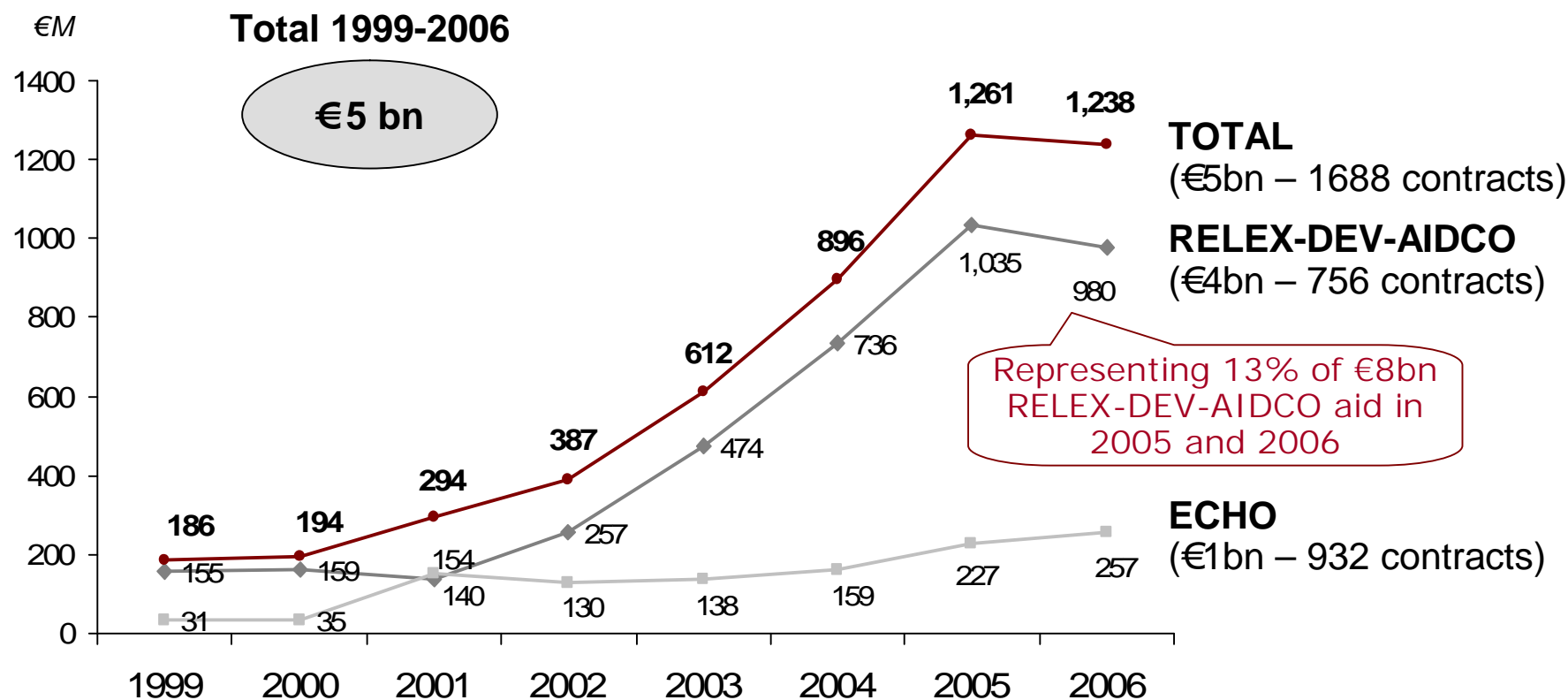
n **Overall assessment**

n **Conclusions**

n **Recommendations**

Substantial and continuous increase of funds channelled through UN over 1999-2006

Contracted amounts from RELEX-DEV-AIDCO and ECHO with UN bodies



Legal and Administrative Framework



Commission Communications

**COM(2001)
231: Building
an effective
partnership
with UN**

**COM(2003)
526 EU-UN:
the choice of
multilateralism**

SPAs

FAO, ILO,
UNDP, WHO

UNHCR,
WFP

UNRWA Conventions

10th Convention

11th Convention

Strategic Programming Dialogue (ECHO)

UNHCR,
WFP

OCHA,
UNICEF

WHO

Common
SPD

Operational Guidelines

Electoral
Assistance
(UNDP)

Administr. Framework

EC-UN Agreement on principles
applying to EC financing / co-financing
of UN programmes and projects

Grant Agreements

FAFA

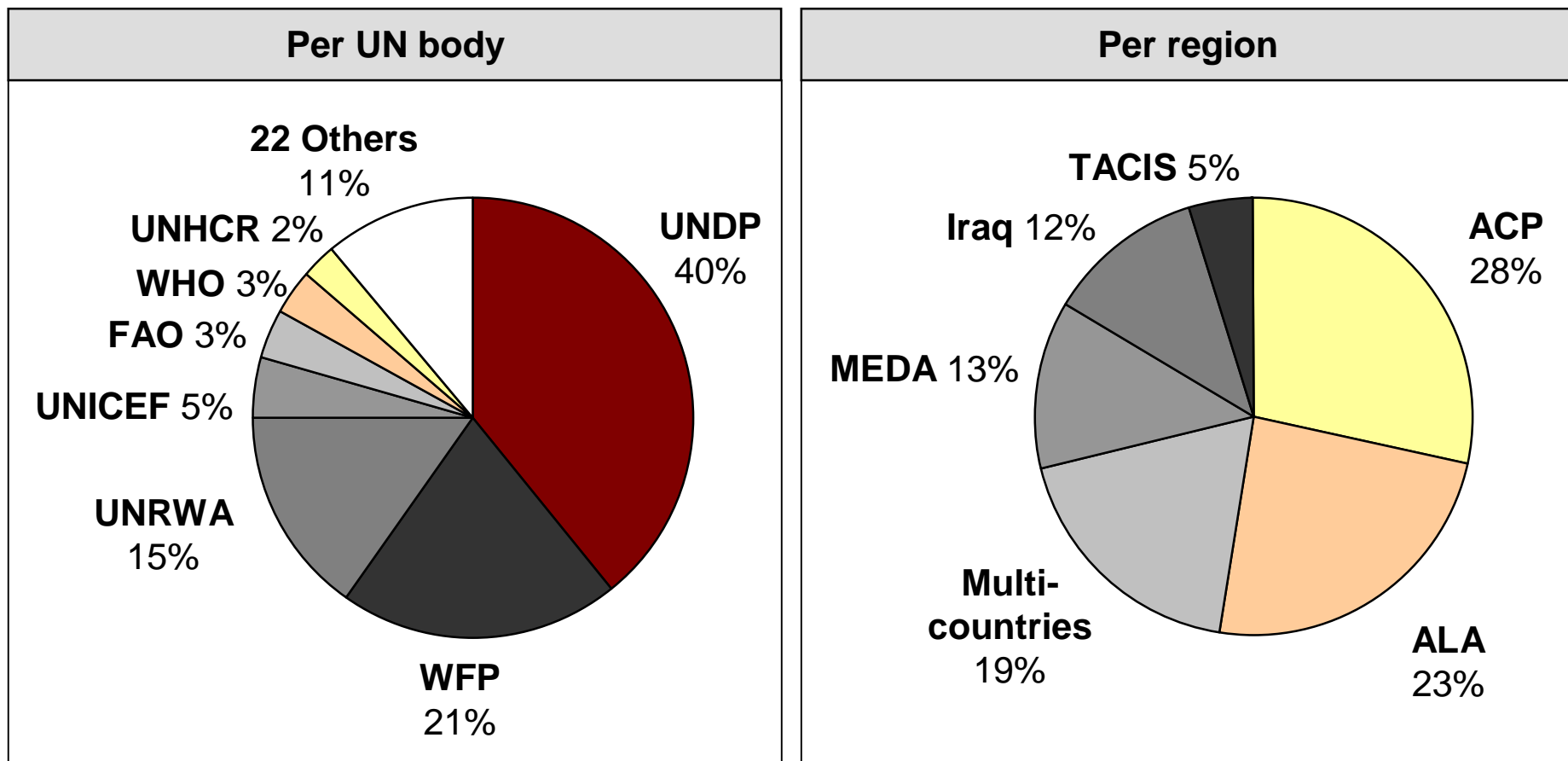
Contribution Agreements

The Commission channels funds to 29 UN bodies in the different regions

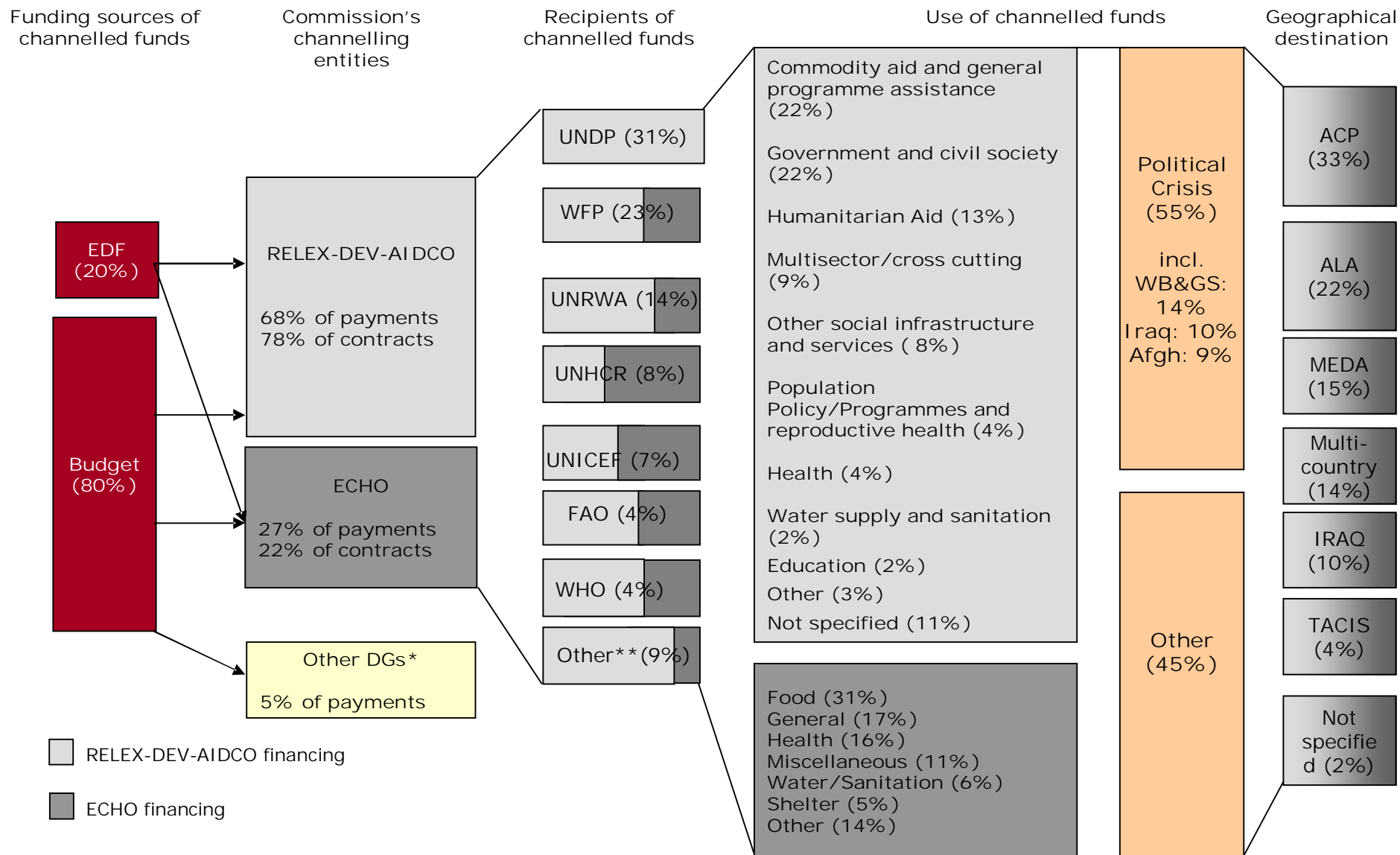
Contracted amounts from RELEX-DEV-AIDCO 1999-2006

Total 1999-2006

€4 B



Global overview of channelling through UN



Source: Commission databases (CRIS, OLAS, HOPE)

* Other DGs include: ELARG, ECFIN, ENV, JLS, &SANCO, RTD, EMPL, FISH, TRADE and TREN

** Other UN bodies include: UNOPS, UNODC, UN, UNITAR, UNIFEM, UNFPA, UNFCCC, UNESCO, UNCTAD, OHCHR, OCHA, ILO, UN-Habitat, ESCAP, ECLAC, PAHO, UNEP, UNIDO, UNOV, UNCHS

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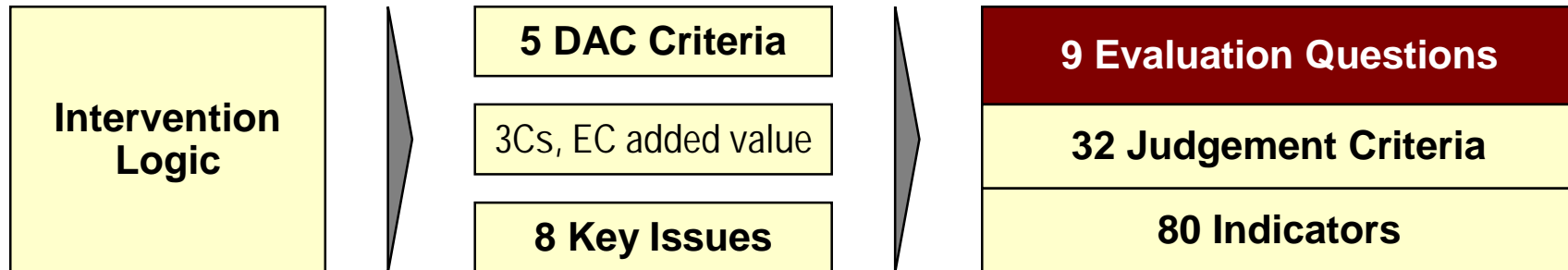
n Overall assessment

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A structured evaluation approach leading to evidence-based conclusions and recommendations

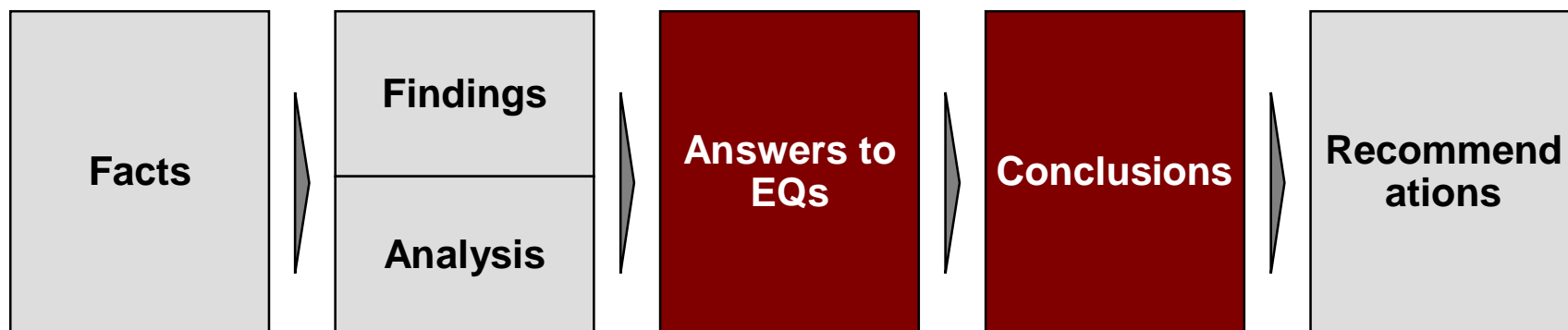
Definition of evaluation framework



Data Collection



Analysis



à Annex 5,6,7,8

à Ch 3

à Ch 3

à Ch 4

à Ch 5

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Evaluation approach aims at tackling main challenges

Main challenges

Specific approach to evaluation of an aid modality

Width and complexity of scope

Limited existing knowledge of details of channelling prior to the inventory

Limited access to accurate and readily-available information

Evaluation approach

Elements of evaluation approach	Number of interventions	Amount covered
Inventory and Typology	All interventions	All funding (€bn)
Desk study on selection of interventions	20 interventions	€500m
with Field visits (6 countries)	10 interventions	€275m
Working Groups at country level (8 per visit), in addition to interventions visited	50 interventions	€200m
Monitoring reports (164 ROM)	127 interventions	€400m
General study of transversal and strategic-level issues (372 documents used)		Overall
Commission and UN HQ interviews (297 persons)		Overall
Pyramidal Focus Groups at HQ level (EC & UN)		Overall

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Overall assessment

- n The Commission's political decision to become an effective partner for the UN has materialised in a **wide range of interventions** and in a substantial increase in the volume of funds channelled (€1bn or **13% of total aid** in 2005 and in 2006).
- n This has been achieved through a **pragmatic** rather than a structured strategic approach to channelling.
- n This aid modality brought **added value** to the Commission, UN, and partner countries mainly where:
 - it was the sole means of delivering aid (e.g. where Commission cooperation had been interrupted, there was a UN mandate, or global issues were involved);
 - it enhanced the Commission's participation in policy dialogue with partner countries
 - there were clear benefits from the UN's co-ordination role, experience in the field, and thematic expertise
- n While channelling, the Commission's **visibility** to the different stakeholders was preserved at partner country level.
- n The FAFA proved in general a **sound administrative framework**. However, the **Commission's organisational structure** and information systems were not adapted consistently with the increase in channelled funds.

Agenda

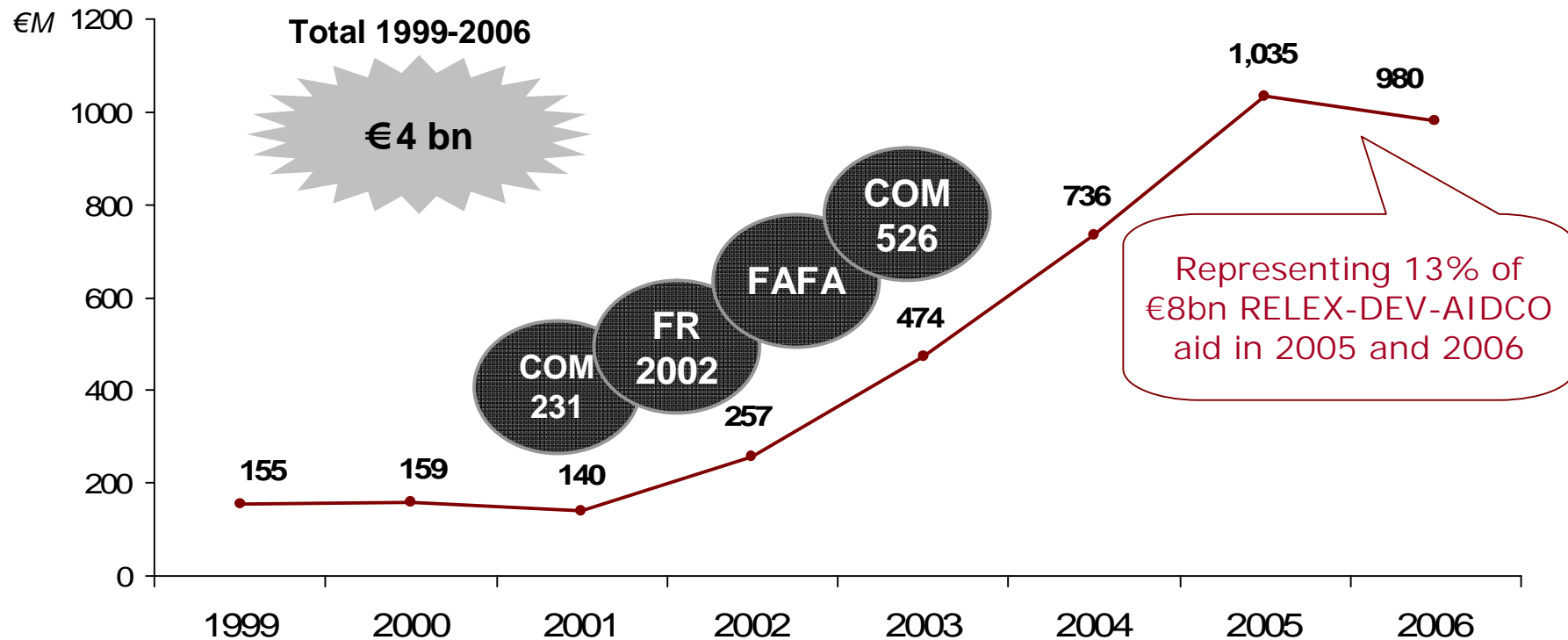
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12 Conclusions in six groups

Groups	Conclusions
<i>General Channelling Framework</i>	C 1: Increase in funding as intended
	C 2: Pragmatic approach
<i>Added Value</i>	C 3: Added value for Commission
	C 4: Added value for UN bodies
	C 5: Added value for partner countries
	C 6: Added value imparted by the Commission
<i>Results & Impact</i>	C 7: Results & Impact
<i>Efficiency of aid delivery & Administrative Framework</i>	C 8: Efficiency of aid delivery
	C 9: FAFA
<i>Visibility</i>	C 10: Visibility requirements
	C 11: Awareness of channelling
<i>Organisational Structure</i>	C 12: Organisational Structure

C1: The Commission's political decision to become an effective partner for the UN (as expressed in the 2001 and 2003 Communications) has materialised in particular in a substantial and continuous increase in the use of this modality and in the diversity of operations conducted

Contracted amounts from RELEX-DEV-AIDCO through UN bodies



Sources and details: See above and Inventory Note – This graph shows aid from RELEX-DEV-AIDCO (excl. ECHO)

C2: The Commission's channelling of funds through the UN has followed a pragmatic rather than a structured strategic approach

- n Considerable development of cooperation since COM 2001/2003**
- n But no systematic implementation of conditions enumerated in COM 2001/2003**
 - e.g. few “clear general policy guidelines” despite SPA, in particular for the six thematic areas identified in COM 2001; however, co-operation was structurally strengthened in certain areas;
 - e.g. analysis of UN bodies' mandates and capacities, training compatibility, coherence CSP-UNDAF...
- n The Commission's approach has been pragmatic with regard to channelling**
 - UN bodies treated as partners on “*ad hoc* basis”
 - Selection of UN bodies mainly for instrumental reasons, in particular when there is a lack of feasible alternative routes
 - Channelling decisions dictated more by large events (>50% of funds for cases of political crisis) than by the thematic areas postulated in COM(231) 2001
- n Decisions to channel generally considered justified**

Conclusions 3-6 : Added value of channelling

C3

For the European Commission

- **Possibility of intervention**
 - when cooperation had been interrupted
 - when UN has mandate from international community
 - in politically-sensitive situations
 - on global issues
 - **Specific UN characteristics**
 - Neutrality & legitimacy
 - Access to Governments
 - Experience in the field
 - Historical thematic expertise
- ...while **preserving Commission's visibility in partner countries** to Governments, EU MS, local organisations

C4

For UN Bodies

- **Substantial financial resources**
 - to deliver mandate
 - to strengthen capacities
 - to reach critical mass for interventions

C5

For Partner Countries

- **Commission's financial resources** when alternatives limited
- **UN experience in country**
- **UN specific expertise**
- **Donor coordination**
- **Single interlocutor**

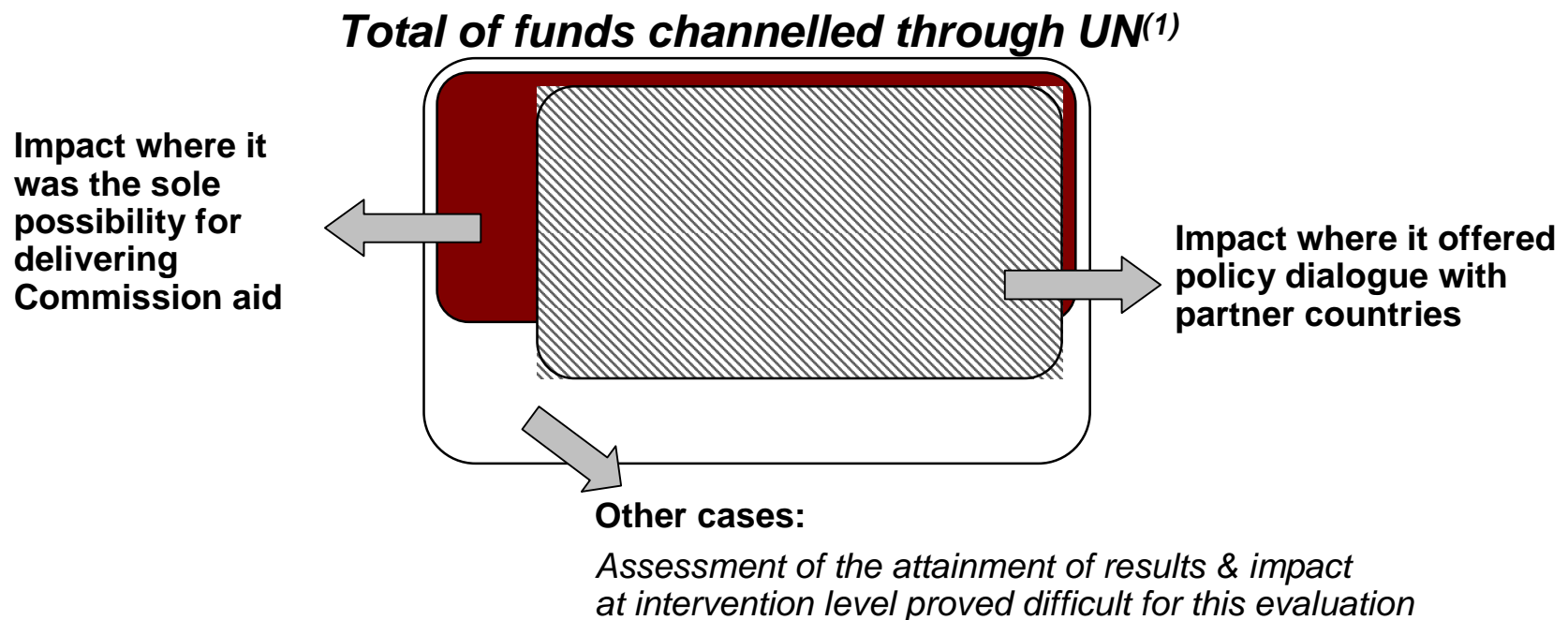
C6

Conveyed by the European Commission

- When there is a European political consensus:
- **Critical mass**
 - **Room to manoeuvre**
 - **Single and strong partner**
 - **Policy dialogue**

C7: There has been positive impact from the majority of the Commission's interventions funded through the UN, as it represented a unique possibility of delivering aid in difficult contexts and offered opportunities for policy dialogue with partner countries

Results and impact of channelled interventions – main areas



(1) Channelling through UN in 1999-2006 represented €5bn. Quantification of the specific cases illustrated is difficult though. Nevertheless, it can be assumed that the red and gray areas represent at least 55% each, corresponding to clear cases of political crisis (see Inventory Note). 20

C8: A number of positive and negative factors in terms of efficiency are identified. Nevertheless, a general assessment of the efficiency of channelling proved difficult for this evaluation.

- n A general assessment of the efficiency at intervention level proved difficult for this evaluation. Nevertheless one can note that...
- n ...**UN bodies have often been channels for interventions in difficult contexts**, which are obviously challenging in terms of efficiency for the implementing agency
- n ...**a number of factors can be differentiated which affect the efficiency of aid delivery through the UN :**

Negative factors of efficiency

Operational-level issues
in Commission-UN cooperation

Overstretching UN bodies'
capabilities in their standard
modi operandi

Positive factors of efficiency

Overall constructive
EC-UN cooperation

Single interlocutor,
increased donor harmonisation

UN's political legitimacy, logistics,
experience, adaptability

Fewer Project Implem. Units (PIU)

C9: The FAFA has proved an essential vehicle for the Commission for framing the contractual side of the co-operation

n FAFA = practical vehicle and sound administrative framework for the Commission.

- FAFA based on 2002 Financial Regulation makes possible:
 - increased degree of Commission **pre-financing**
 - use of **UN's own procedures** in Commission-funded interventions
 - clarification of **mutual obligations**



Main factor explaining the significant increase in funds channelled

n However:

- for the UN the requirements of the FAFA are more demanding than those of other donors, frequently entailing specific management of Commission funds
- there is insufficient common understanding of the FAFA
- there are still points on which interpretation has been contentious
 - e.g. calculation of overheads, justification of expenses, rules for reimbursement of residual funds, visibility provisions



Difficulties manifested in administrative hurdles and delays

C10: UN bodies have not always complied with contractually-agreed visibility requirements. They proved a source of difficulty and are also questioned by the outside world

- n **UN bodies have not always complied with contractually-agreed visibility requirements**
- n **Difficulties arose at operational level. Sources of problems included:**
 - **on the UN side:**
 - partial lack of management focus by the UN on this question
 - UN understanding that visibility requirements were met
 - **on the Commission side:**
 - requirements seldom detailed (e.g. on target groups, specificities of interventions)
 - responsibilities resting mostly with the UN
 - visibility requirements evolving over time
 - insufficiently clear and timely communications (internal & external)
- n **Visibility requirements challenge key principles:** pooling of donor funding, definition of ODA and project costs by DAC and Paris Declaration, neutrality of the UN system

C11: At partner country level national authorities, EU MS and local organisations are broadly aware of the Commission's channelling. At European level there are indications that the visibility to EU MS and taxpayers of the Commission's contributions through UN has remained poor

- n **At partner country level the Commission did not lose visibility** *vis-à-vis* national authorities, EU MS, other donors and local organisations, partially owing to:
 - **better access to and policy dialogue with government**
 - **Commission presence in highly-visible UN-managed multi-donor interventions**

- n **At European level** there are indications that the visibility to EU MS and taxpayers of the Commission's contributions through the UN has remained poor. But:
 - **few efforts were made by the Commission / EU MS** to communicate on the channelling
 - it is difficult to determine the impact of channelling on visibility to EU taxpayers because **the visibility of the Commission's aid is low whether it is channelled or not** (cf. Eurobarometers)

C12: The current organisational structure at Commission HQ level does not aim at centralising information on interventions funded through the UN and is not commensurate with the increased importance of this aid modality

- n No centralised structure or mechanism** within the Commission for gathering information at intervention or country level in such a way as **to allow a comprehensive view of the UN interventions financed** by the Commission
- n Organisational structure** within the Commission at HQ level is **not commensurate with the increased amounts at stake through the UN (13% of total aid** during recent years)
- n Little evidence of appropriate mechanisms for capitalising on joint cooperation** across the range of UN interventions
- n Complexity and compatibility problems of the Commission's information systems and databases** present problems for decision-makers in retrieval of the required information

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-
- n **Recommendations**

9 Recommendations

Groups

Recommendations

General Channelling Framework

R 1 – Redefine the general framework for channelling

R 2 – Capitalise on joint experience

R 3 – Develop partnership on focus areas through a pragmatic approach

Efficiency of aid delivery & Administrative Framework

R 4 – Conduct institutional capability assessments of partner UN bodies

R 5 – Clarify mutual obligations

R 6 – Clarify administrative issues

R 7 – Ensure common understanding

Visibility

R 8 – Focus on visibility of the partnership

Organisational Structure

R 9 – Ensure adequate Commission organisation

Recommendations 1, 2, 3: General Channelling Framework

Recommendation 1

Redefine clearly the general framework for channelling:

- Clarify the Commission's overall as well as operational objectives regarding channelling through UN
- Base these objectives on factors of added value
- Encourage capitalisation
- Update accordingly the COM from 2001 and 2003 and/or develop general guidelines

Recommendation 2

Where joint cooperation exists in practice, build on experience through "operational guidelines" :

- Extend capitalisation exercise into well-defined specific areas
- Build "operational guidelines" in these areas, which are:
 - a policy guide
 - operational
 - clear
- Avoid "one-size-fits-all" approach

Recommendation 3

Where willing to explore partnership with the UN, initiate or consolidate common practical experience:

- favour approach based on practical experience
- exert leverage on existing common experience in those or at least similar fields, *or*
- start by acquiring practical experience

Recommendations 4-7: Efficiency of aid delivery and Administrative Framework (1/2)

Recommendation 4

Conduct regular institutional capability assessments of partner UN bodies :

- **Undertake institutional assessments** of selected UN bodies at a general level
 - Capitalise on and cooperate with existing EU MS activities; *and/or*
 - Join multi-donor initiatives
- In the meantime, **create a tool** which enables Delegation staff **to assess quickly and easily** the capabilities of UN bodies in cases where there are alternative possibilities
- **Restrict** the use of channelling interventions that have the effect of **overstretching** UN bodies' standard *modi operandi*

Recommendations 4-7: Efficiency of aid delivery and Administrative Framework (2/2)

Recommendation 5

Clarify concrete mutual obligations necessary for compliance with respective accountability requirements:

- Clarify accounting and management **reporting** expectations, but consider impact on management of funds
- Clarify mutual obligations and the limitations they impose on the **management and control of operations**

Recommendation 6

Clarify administrative issues and specific requirements still posing problems, particularly in relation to:

- Overheads levels
- Justification of expenses
- Rules for reimbursement of residual funds
- Levels of Commission pre-financing

Recommendation 7

Provide common training at operational level to ensure shared understanding :

- **Joint EC-UN training:**
 - for the main staff involved
 - in particular at the start of high-funding interventions
 - joint clarification of grey areas
- **Internal training:** for all staff involved, existing and new
- Creation of a **platform for discussion of lessons learned**

Recommendations 8 on Visibility and 9 on Organisational Structure

Recommendation 8

Focus on the visibility of the partnership at general and country levels:

- Focus on the visibility of the **partnership** rather than on elements of 'static visibility' within the operations
- Ensure alignment with **principles** such as pooling of donor funding; DAC & Paris Declaration definitions of project costs; UN neutrality
- Consider visibility as part of a comprehensive **communication strategy** (at country and EU levels)
- Revise **visibility provisions** in such a way that they are specific, detailed and jointly-defined

Recommendation 9

Ensure that there exists an adequate organisational structure compatible with the amounts at stake, with:

- **organisational structure at EC HQ level**
 - **commensurate** with current flows (13% of total aid)
 - **centralised information** on UN interventions funded
- homogeneous and user-friendly **information systems** for decision-makers
- **institutional memory**