

d·i·e

Deutsches Institut für
Entwicklungspolitik



German Development
Institute



Better Funding - Stronger multilateralism?

Arming multilateral development organizations for the Agenda 2030

Expert Workshop co-organized by Dag Hammarskjöld Foundation and German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

The funding of multilateral development organizations (MOs) has undergone a profound structural transformation over recent decades. Rather than funding an organization in its entirety, it has become common practice for contributors to restrict their resources to specific purposes and regions or countries. Earmarking thus allows contributors to preserve influence, attribution, and control while benefiting from the coordinated action, expertise, reputation and implementing capacity that MOs offer.

This practice of earmarking has had a profound impact on the multilateral development system. On the one hand, resources were mobilized that allowed organizations such as the World Bank or UN agencies to expand and broaden their activities at the country level and with regard to global public goods, and explore new partnership modalities. On the other hand, earmarking creates challenges concerning the effectiveness, efficiency and legitimacy of multilateral development cooperation. The fragmentation of earmarked contributions leads to challenges in terms of overall coherence and impact of allocations and increases administrative transaction costs. Moreover, MOs may be held accountable through bilateral relationships with individual contributors more than through multilateral governance. This is aggravated by the fact that it is a few OECD/DAC donors contribute the majority of earmarked funds.

The inflexibility and unpredictability of earmarked funding also has consequences for how international administrations can do their job. From the World Bank to the United Nations Development system, there is a perception that the detrimental effects of earmarking need to be effectively addressed – even more so in the age of the Agenda 2030 for Sustainable Development that stipulates an integrated approach towards sustainable development. Well-functioning, effective and efficient MOs are needed that can act as a guardian of the agenda and a catalyst for its implementation.

In this workshop, we want to discuss results and lessons learnt from recent and ongoing studies on the UN Funds and Programmes, specialized agencies, the World Bank as well as regional development banks to better understand and assess the practice of earmarking in multilateral development cooperation. The aim is also to discuss reform options for individual agencies and the multilateral development system more generally and take the debate on multilateral funding a step further.

When: 19 - 20 March 2019

Day 1: 12.30 pm – 8.30 pm

Day 2: 8.30 am – 4.15 pm

Where: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)
Tulpenfeld 6, 53113 Bonn

For further information, please contact [Silke Weinlich](#) or [Max-Otto Baumann](#).

By invitation only