

Portfolio Overview

Sida's Multi-Bi Support 2012

Sweden is one of the largest funders to the United Nations (UN) and International Financial Institutions (IFI). In recent years, Swedish development assistance channelled through multilateral organisations has increased to more than 60% of the total budget. Sida's Multi-Bi support has increased from about 20% to 40% of the total portfolio between 2005 and 2012. By region, Africa is clearly the largest recipient. Thematically, Sida's multilateral cooperation mainly focuses on democracy, human rights, gender equality, humanitarian assistance and sustainable infrastructure.

Scope

This overview intends to give a brief aggregated overview of the multilateral support managed by Sida, so called Multi-Bi. Separate overviews for the 10 largest recipient organisations of Sida's Multi-Bi support are also available through Sida. To put Sida's support to multilateral organisations in its right context, the overview also includes references to the total multilateral aid volume (which includes core support and possible Multi-Bi support provided by the Ministry for Foreign Affairs (MFA) and other ministries) as well as to overall priorities and work carried out jointly by Sida and concerned Government Offices.

A limitation of the overview is that Sida's available statistics provide only an annual overview of disbursements. For some organisations, such as the World Bank, disbursements covering several years are made at one occasion which implies that a review of one year's disbursement does not cover all

active programmes that are co-financed by Sida. Furthermore, the statistical classification of sectors has changed over time, which affects the information on thematic distribution. There have also been shifts in aid modalities towards programmatic approaches with less or no earmarking of funds which also impact on the sector classification. Possible discrepancies in figures between Sida and MFA are mainly due to the fact that MFA's statistics also include refunded unspent balances from previous years.

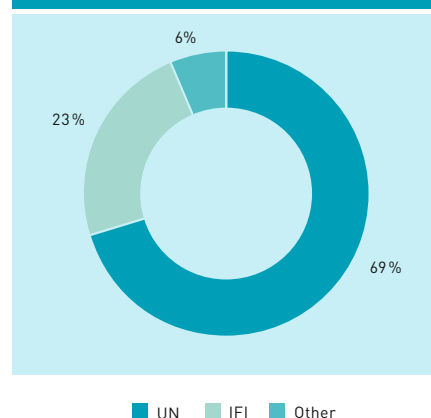
Introduction

Sweden's Strategy for Multilateral Development Cooperation (2007) is the policy document that guides Swedish multilateral support. The strategy stipulates that global challenges need global solutions. One aim of Sweden's multilateral development cooperation is to make a greater impact on the contributions to common development goals, such as the Millennium Development Goals (MDGs).

Defining Multilateral and Multi-Bi Support

Contributions from Sida (as well as from Sweden's Government Offices) to multilateral organisations for specific purposes, such as programmes and projects, are often entitled "Multi-Bi" (multilateral bilateral) support or earmarked, non-core contributions. These should be distinguished from non-earmarked contributions to the regular budget of multilateral institutions, usually called core-support and also labelled "multilateral aid". The latter type of support is processed and decided upon by the Government Offices. In a few exceptional cases, the core support is delegated to and managed by Sida (WHO, ITC, OHCHR).

Chart 1:
Distribution of Multi-Bi Support 2012



Sweden's Strategy for Multilateral Development Cooperation stresses the importance of multilateral cooperation based on relevance and effectiveness, e.g.:

- Cooperation through multilateral organisations that decreases the administrative burden on both recipient countries and donor countries.
- Common work that gives access to a greater knowledge base.
- Joint efforts to influence on Swedish concerns, not least, Human Rights, Democracy, Gender Equality, SRHR, inclusive growth and environmental sustainability.
- Multilateral organisations, and in particular the UN, are considered to have a comparative advantage to operate in fragile and weak states.

Sweden is among the largest donors to the multilateral systems and actively promotes reform and efficiency in the governing bodies. Sida contributes to efforts promoting greater coherence by close cooperation with the MFA and other relevant government offices, often referred to as "Team Sweden". As an example, Sida contributes to the Swedish multilateral dialogue by gathering and systematizing evidence from the field level on how the multilateral agencies perform in countries and regions as well as in global cooperation.

Cooperation through the United Nations

The UN plays an important role in international development cooperation with a focus on poverty reduction, including achieving the Millennium Development Goals and advancing human rights.

Within the UN system, the largest recipients of Sida's Multi-Bi support are UNDP, UNICEF, UNFPA, UNOPS, UNHCR, UNOCHA, FAO, WHO and IOM. Sweden actively promotes the UN-reform Delivering as One, at headquarters as well as at country-level, aiming at increased coordination, transparency and effectiveness.

Cooperation through International Financial Institutions

International Financial Institutions, such as the World Bank Group and the African, Asian and Inter-American Development Banks, also represent important channels for promoting the Swedish development policy with a focus on poverty reduction. The World Bank Group works to reduce poverty and promote economically sustainable development by providing credits and expertise. Sida's Multi-Bi contributions to the World Bank Group are primarily provided to IDA, IBRD and IFC, where IDA is the main beneficiary. The support is channeled through the World Bank's so called Trust Funds for different development programmes and projects.

Overall Trends

The statistics in Chart 2 below show a significant increase in multilateral cooperation (core contributions and Multi-Bi combined) – from 47 to 63% of total Swedish development assistance during the past seven years. If we look at Sida's total portfolio, the trend is even clearer, with multilateral contributions increasing from about 20% to 40% during the same period.

Overall (Multi-Bi and core support), Sweden is often among the top 3-5 contributors to the multilateral agencies (e.g. UNDP, UNICEF, UN Women, UNFPA).

In some cases, the Multi-Bi proportion is as large as the core support. In 2012, Sida's Multi-Bi support to the World Bank Group alone amounted to about 8% (1.5 Billion SEK) of the total aid managed by Sida. The total amount of Swedish assistance through the World Bank Group was 5.5 billion or 19% of Sweden's development assistance as illustrated in Table 1.

Chart 2: Overview - Trends for Share of Multilateral Support in Swedish Aid and Multi-Bi as Share of Sida's Budget (%)

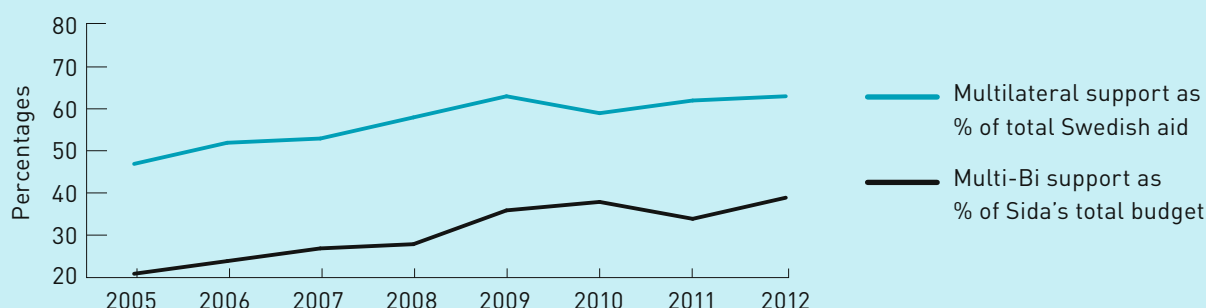
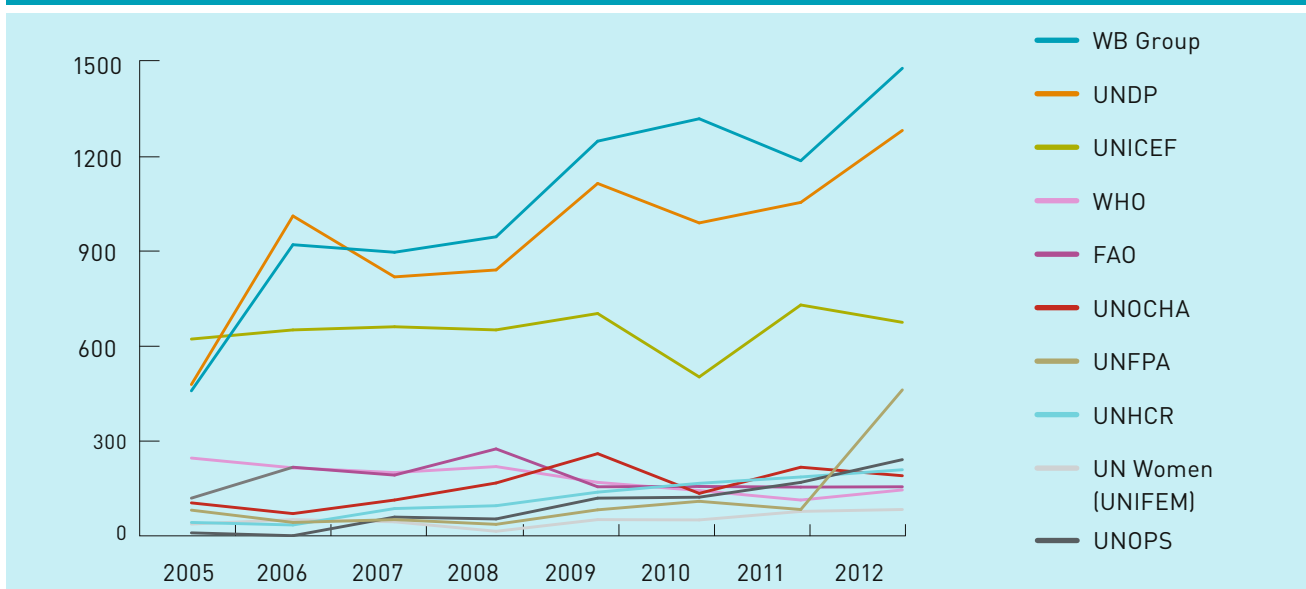


Table 1: Multi-Bi and Core Support for Selected UN Agencies and the WB Group 2012, (disbursed, MSEK)

Organisation	UNDP	UNICEF	UNFPA	UNHCR	UN Women	WB Group
Multi-Bi Sida	1284	676	462	209	83	1481
Multi-Bi MFA*	112					1750**
Core support	689	480	445,5	613	50	2220
Total	2085	1156	907,5	822	133	5451

*) Multi-Bi support is sometimes also provided by the MFA (and other Government Offices)

**) Figures provided by the MFA

Chart 3: Trend Sida's support to most important UN organisations and the World Bank Group (MSEK)

The chart above illustrates Sida's support to nine UN agencies and the World Bank Group over time. Since 2005, a substantial increase in support to the WB, UNDP, UNFPA and UNOPS can be noted – peaking further in 2011 and onwards.

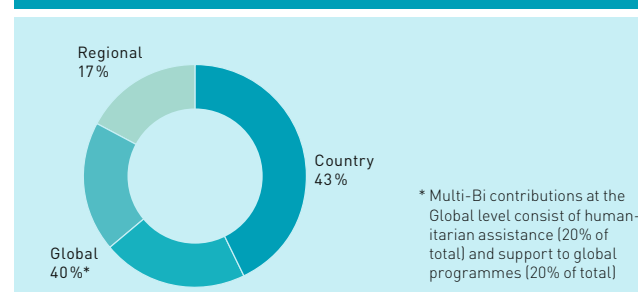
There are several possible explanations for this development:

- It reflects political priorities on global funding (in particular the World Bank).
- Support to Multi Donor Trust Funds (UNDP and WB) and joint programming have increased as well as support to One UN, administered by the UNDP.
- There has been a shift in aid modalities in line with the Paris agenda on aid effectiveness. The Multilaterals have a capacity to absorb large volumes of aid and they provide donor coordination mechanisms.
- This increase is registered during the same period as Swedish general budget support and sector programme support have decreased and/or been phased out.
- UNOPS has in recent years assumed the project management and administration of former World Bank global funds for water and sanitation
- The support to UNFPA has increased as a plausible result of the political focus on MDG 5 (and to a lesser extent MDG 4).
- Furthermore, the trend also illustrates Sweden's position to recognize the comparative advantage of multilateral actors, especially in the context of fragile states and countries with weak institutional capacity.

A temporary, relatively large decrease in Sida's support to UNICEF in 2010 can also be noted, which is explained by the termination of large programmes in the education sector. Support to other UN agencies has remained more or less stable during the period.

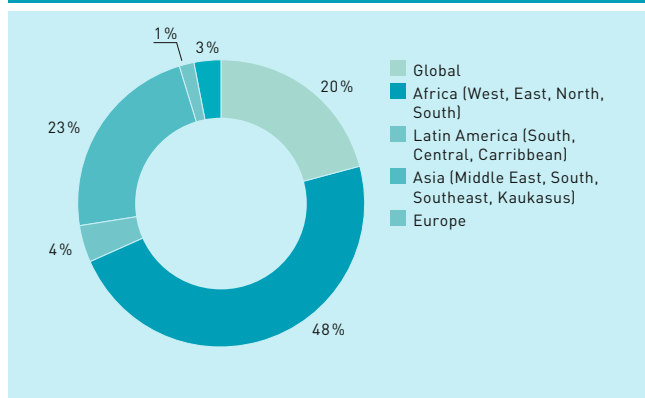
Geographical Distribution

Multi-Bi support is channelled to activities and through agreements at global, regional and country level. The pie charts below show this distribution.

Chart 4: Multi-Bi support by Geographical Levels 2012

As illustrated in chart 5, Africa is the predominant recipient of Sida's Multi-Bi support, with almost 50% of the contributions being allocated to that continent. Asia is the second largest recipient, followed by global programmes. This outcome is in line with Sweden's political priorities with regards to development cooperation, emphasizing a strong focus on Africa.

Chart 5: Multi-Bi Support by Continent 2012



At country level as illustrated in Table 2, the largest recipient of Sida's Multi-Bi contributions is Afghanistan, followed by DRC, Kenya and the West Bank and Gaza. In Afghanistan, Multi-Bi support constitutes around 74% of the total Sida contribution and the corresponding figure for DRC is 60%. This distribution illustrates Sweden's focus on post-conflict countries and difficult contexts in which multilateral actors are considered to have comparative advantages for delivering effectively.

Thematic Distribution

The thematic spread of Multi-Bi has a clear focus on Democracy, Human Rights and Gender Equality, Humanitarian Assistance and Sustainable Infrastructure. This is in line with thematic priorities laid down by the government.

Looking over time, this thematic focus has remained quite stable over the past seven years. There has however been a significant increase in support for sustainable infrastructure, which is partly explained by increased funding to the World Bank and increased focus on inclusive growth and poverty reduction through socially and environmentally sustainable solutions.

Table 2: Largest Recipients of Sida's Multi-Bi Support, by Country 2012 (MSEK)

Afghanistan	448
Congo, (DRC)	308
Kenya	239
West Bank and Gaza	193
South Sudan	180
Somalia	178
Bangladesh	160
Zimbabwe	158
Liberia	149
Sudan	146
Ukraine	129
Iraq	102
Mali	102
Mozambique	99
Guatemala	86
Colombia	85
Bosnia-Herzegovina	84

Chart 6: Multi-Bi Support by Thematic Distribution 2012

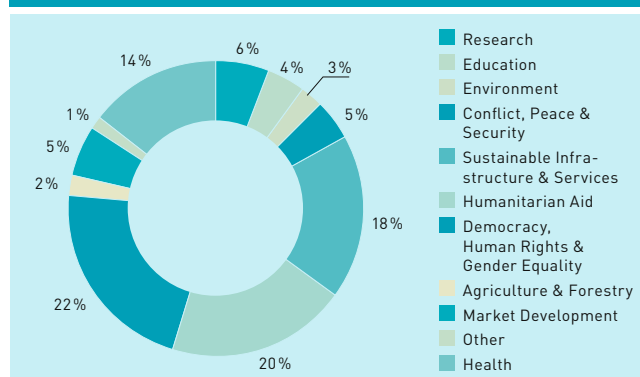


Table 3: Sida's Multi-Bi Disbursements 2005–2012 by Sector (percentage per year)

Sida main sectors	2005	2006	2007	2008	2009	2010	2011	2012
Health	16	12	15	13	11	11	7	14
Research	2	2	2	2	3	4	5	6
Democracy, Human Rights & Gender Equality	19	17	20	17	20	21	20	22
Conflict, Peace and Security	3	5	3	3	4	4	6	5
Humanitarian Assistance	24	24	23	28	21	23	25	20
Sustainable Infrastructure & Services	9	13	7	8	11	10	11	18
Market Development	5	5	6	3	7	4	6	5
Environment	6	9	11	11	5	5	4	3
Education	8	9	6	11	7	10	11	4
Agriculture & Forestry	-	-	-	1	2	2	2	2
Other	8	5	7	5	9	5	3	1
Total	100	100	100	100	100	100	100	100

Support to activities defined as environmental has decreased in relative terms, which could be explained by environmental issues increasingly being tackled within other sectors.

After a negative trend between 2005 and 2011, support to the health sector through multilateral channels shows a sharp increase in 2012. This development may be explained by a political priority for MDG 4 and 5, but also because health support is now, to a larger extent, being channeled as Multi-Bi contributions – a possible consequence of the general termination of sector programme support in the health sector.

Support to humanitarian assistance as a percentage of multilateral aid has remained constant. The absolute volume has been continuously growing, reflecting the increased humanitarian needs around the world. The final financial outcome of humanitarian multilateral support by year-end, as well as its geographical and thematic distributions, depend on the location and nature of crises, as well as the needs of people affected.

Looking Ahead

The multilateral systems have been criticised for weak coordination and limited harmonisation, causing projectification and fragmentation of its activities. This tendency risks impacting negatively on the comparative advantages of channelling bilateral support through the multilateral cooperation partners.

The UN reform process towards increased coordination and division of labour among agencies, Delivering as One (DaO), therefore has strong Swedish support. For instance, Sida has contributed financially to the implementation of DaO and its change management plans in pilot countries. Sweden also underlines the importance of flexible funding of multilaterals' core mandates, e.g. softer earmarking with regards to programmatic/thematic support. This was one of Sweden's main positions in the quadrennial follow-up on UN reforms, the QCPR, carried out in 2012, and to which Sida contributed actively.

Sweden has always given high priority to the policy work of the World Bank Group. IDA financing remains high and the Swedish thematic dialogue with the World Bank continue to focus on gender equality, governance and growth/job creation with strong Sida support. Sweden contributes to about 120 World Bank Trust Funds. The strategic orientation and focusing of Trust Fund operations is an important topic for Sweden's dialogue with the Bank.

Closely related to the call towards more programmatic/thematic support and core support is the issue of accountability of multilateral systems. Sida contributes continuously to Swedish cooperation and dialogue with likeminded donors and multilateral organisations aiming at increased transparency, enhanced results orientation and improved risk management. Examples of this work include the new strategic results frameworks for the main UN bodies and the trust fund reform in the World Bank.

Overall, the rights perspective and gender equality remain at the core in the dialogue between Sweden and our multilateral partners. This is equally important for the UN as well as for the World Bank Group.

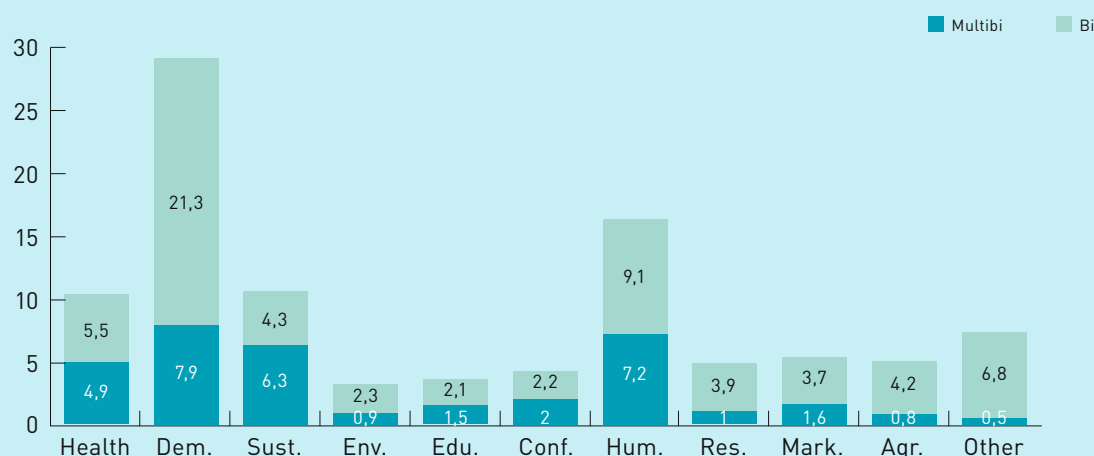
Concluding Reflections

Although, as illustrated in the diagram below, Sida's direct bilateral support still remains larger than the Multi-Bi support, this overview shows that the multilateral trend is steadily increasing. This poses new challenges on our organisation in terms of competences and strategies.

The questions of how to utilise the comparative advantages of the multilateral systems between global, regional and country levels as well as with bilateral modalities and other actors for enhanced synergies remain challenging.

Multi-Bi support is often guided by strategies at country, regional and global levels in addition to Sweden's Strategy for Multilateral Cooperation. A challenge is to ensure that there are no conflicting objectives between different strategic considerations for Multi-Bi contributions.

Chart 7: Sida's Total Support in Multi-Bi and Bilateral Aid 2012, percent by Thematic Area.



Sida works according to directives of the Swedish Parliament and Government to reduce poverty in the world, a task that requires cooperation and persistence. Through development cooperation, Sweden assists countries in Africa, Asia, Europe and Latin America. Each country is responsible for its own development. Sida provides resources and develops knowledge, skills and expertise. This increases the world's prosperity.

**Department for International Organisations and Policy Support
Multilateral Coordination Unit**

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