

UN financing-looking for love in all the wrong places

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Development finance-a strange “market”

- More and more delivering less and less?
- Weak consumers (NHS)
- But also weak owners
- Despite G7 dominance
- Reform efforts partial not systemic

What's going on? Some drivers

- Barriers to competition, especially financial
- Multiple, unweighted owner objectives
- Dual role of civil society: partner and competitor
- Underserved countries: falling demand or unresponsive supply?

Where is the UN?

PlusesMinuses

- Legitimacy
- Low conditionality
- Global presence
- Fair burden-sharing
- Voice of diversity
- No endowment
- No loan reflows
- Shrinking core funds
- Voluntary funds erode legitimacy
- Volatility and long-term costs.

Wal-Mart, Safeway and the corner shops

- World Bank as Hegemon
- Grants by IDA: threat to UN?
- Civil society competes for skills
- EU, others align with WB
- Thematic Global Funds undermine
- What niche can UN hold?

What remedies?

- Move to replenishment
- Create endowment: pot of “gold”
- Use more EU funds
- Slow or stop WB grants expansion
- Bring IFIs under UN umbrella
- Piggyback UN on IDA
- “Fund of Funds”-UN + global funds

But, in the end...

- UN-IFI role overlap must be tackled.
- Consolidation within UN can go further
- Owners need extra incentives to act.
- Inertia, continued decay as default option.
- But institutional demise may last decades.