

Should Australia slash its multilateral aid?

by Terence Wood

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Photo Credit: [Albert González Farran/UN Photo/Flickr](#)

I was in the midst of a Monday afternoon recently when a flurry of agitated emails barged into my inbox. Their subject? The [submission World Vision had made](#) to the Australian government's consultation on its [new development policy](#).

When I got round to reading it, I actually found some parts of the submission very reasonable. There was concern about climate change. The call to rebuild DFAT's aid capacity was spot on. And the case made for more people-focused development and less infrastructure spending was sensible.

If the submission had stuck to these types of arguments, I doubt a single email would have been written about it. But it didn't, and right from the start it was obvious what had everyone angrily hitting the send button: a full-frontal attack on Australian aid to United Nations organisations and multilateral aid in general.

I've interacted with World Vision staff in the past. They've always been thoughtful and insightful. In places, however, the submission reads like it was written by an unrepentant Iraq-war-era neoconservative trying to settle scores with Kofi Annan. At one point UN agencies are referred to as a "black hole". At another, the submission demands that the "spray and pray" approach of giving aid to the UN come to an end. Aid to multilaterals, it claims, has caused "Brand Australia" to "nosedive".

The rhetoric alone nearly made me stop reading. But I struggled on. As I did so, my next source of frustration was the conflation of the UN and multilateral organisations more broadly. Much of the actual critique in the submission is focused on the UN. However, all of its numbers pertain to Australia's multilateral aid as a whole.

So we are told on the cover page that "Almost half of Australia's aid is currently directed to global multilaterals like the UN". Then on page 1, "Australia delivers 43 per cent of its aid budget through the UN and multilateral agencies". And later on the same page, that "almost half of our aid budget [goes] to the UN".

I'm sure I don't have to explain this to a Devpolicy Blog reader, but there are,

depending on how you count, about 186 aid-eligible multilateral organisations according to the OECD. Only around 66 of those are UN agencies, funds or commissions.

It's easy enough to learn which multilateral organisations Australia gives aid to from [OECD reporting](#). So I downloaded data for Australia and took the average of the five most recent years with full data (2017-2021). Across those years only 38% of Australian multilateral ODA (official development assistance) went to UN organisations. More than 45% went to the World Bank and regional development banks like the ADB (Asian Development Bank). (Strictly speaking, the World Bank is part of the broader UN system, but its governance, mandate and operation are completely different from the UN's development agencies.)

The distinction between “UN” and “multilateral” matters. Organisations like the World Bank, GAVI (the Vaccine Alliance) and ADB differ a lot from UN entities like UNDP, WHO and the World Food Programme. They play different roles, they operate differently, and their efficacy varies. Producing numbers that conflate “multilateral” and the “UN” obscures a lot.

The next issue was the submission's claims about multilateral aid going into a transparency “black hole”. Based on OECD CRS (common reporting standard) data, on average from 2017 to 2021, slightly more than half of Australian aid to multilateral organisations was tied to specific projects. This aid is every bit as transparent as Australia's bilateral aid, including its aid to NGOs. You can get detailed project information on DFAT's website for some of it. And you can get basic project details for almost all of it from Australia's OECD reporting.

Most major multilateral organisations, including big UN ones like UNDP, also provide project-level data on their own work to the OECD. This doesn't tell you where each Australian dollar goes, but it does give you a good idea of the work these multilaterals do. And while Publish What You Fund's aid transparency index has its flaws, it allows a useful sense of broader transparency across organisations. In 2022 the [best scoring organisations on the index](#) were almost all multilateral agencies. Australia was well down the list.

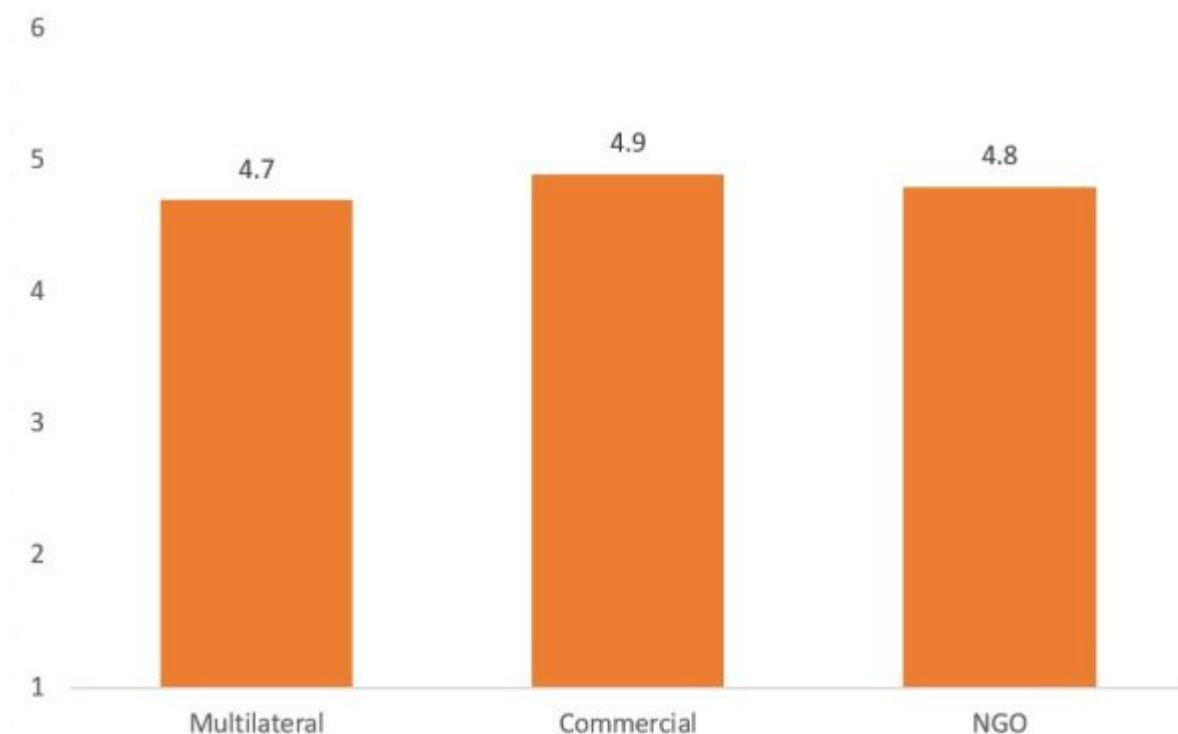
Some multilateral organisations could be more transparent. But that's true of almost all donors, [including Australia](#). Transparency isn't solely a multilateral organisation or UN problem. And Australian aid flowing to multilateral organisations isn't vanishing without a trace.

Finally, there were the submission's claims that UN/multilateral organisations were less effective. There's a good discussion to be had about which types of multilateral

organisations are most effective, and whether or not it is worth continuing to engage with less effective ones. ([World Vision itself partners with the World Food Programme](#), so I presume they don't think all UN agencies are irredeemable.) However, none of this discussion was in the submission. Rather, there were statements like this: "Funds going into the 'black hole' of UN agencies are rated the lowest of the three Partner Performance Assessment (PPA) ratings undertaken on NGOs, multilaterals like the UN, and contractors..."

The most recent DFAT partner performance data that I can find disaggregated by partner type comes from this [2018-19 report](#). (The numbers in the chart below come from page 8.)

Average DFAT partner performance by organisation type (2018-19)



NGOs score 0.1 better than multilaterals on a 1-6 scale (2% better in other words). The difference is so small that given sampling and the vagaries of subjective assessments it provides no basis for confident claims that multilaterals are worse.

Multilateral organisations have their strengths and weaknesses. But they are not a homogeneous group. And they aren't all the UN. On average, NGOs don't obviously outperform them in delivering Australian aid either.

Those are the basic facts. But you won't learn any of them from World Vision's submission. I can see why people were emailing angrily.

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