

Final Multilateral Case Study

Evaluation of Management of Danish Development Cooperation – 20 Years after Decentralisation

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Abbreviations and Acronyms

AFRPOL	Africa Policy Unit of the Ministry of Foreign Affairs of Denmark
AMG	Aid Management Guidelines
CFO	Chief Financial Officer
DDD	Doing Development Differently
EQ	Evaluation Question
FGD	Focus Group Discussion
HQ	Headquarters
JPO	Junior Professional Officer
KII	Key Informant Interview
LÆRING	Department of Evaluation, Learning, and Quality at the MFA in Copenhagen
MFA	Ministry of Foreign Affairs
MOPAN	Multilateral Organisation Performance Assessment Network
ODA	Official Development Assistance
SDG	Sustainable Development Goal
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Sexual and Reproductive Health Agency
UNICEF	United Nations International Children's Emergency Fund
WASH	Water, Sanitation, and Hygiene
WEOG	Western Europe and Others Regional Group

1 Introduction

The field phase of the case study on the Permanent Mission of Denmark to the United Nations (UN) took place from 24 to 28 June 2024 in New York. It entailed key informant interviews (KIIs) and focus group discussions (FGDs) with staff from the Permanent Missions of Denmark to the UN in New York (the Mission), who are focal points for the partnerships with UNICEF, UNFPA, UNDP, and UN Women as well as their counterparts in the MFA in Copenhagen. Additionally, interviews were conducted with representatives from the Permanent Missions of Sweden and Norway to the UN in New York, who serve as focal points for the NY-based funds and programmes, and representatives from UNICEF, UNFPA, UN Women, and UNDP, and the UNFPA and UN Women representation Offices in Copenhagen. The focus of the field mission was mainly on the administration of core and thematic earmarked support.

The UN system received the largest share of Danish funds for development cooperation that is channelled through the multilateral organisations (about 47% in 2023¹). Due to the decentralised nature of the administration of multilateral aid, core support to UNICEF, UNFPA, UN Women, and UNDP is administered from the Mission.

UNICEF was initially the intended focus for the case study as it provided an opportunity to explore a multilateral cooperation that is administered partially from the UN Mission in New York (main focal point), Copenhagen, and at the embassy level (country-earmarked funding). However, the interviews conducted covered a broader range of issues, i.e., experience from Denmark's partnerships with UNFPA, UN Women, and UNDP as well.

The case study assessed the cooperation between the Mission, the MFA headquarters (HQ) and the various embassies, including the flow of information and communication between those points. It sought to understand the capacity and competences available in the administration of the funding, including Denmark's engagement on the New York-based executive boards of the UN funds, programmes, and entities, and the adequacy of available guidance and other documents such as the organisational strategies and partnership agreements. Another aspect of the study was to explore how the principles of Doing Development Differently (DDD) are practiced. Furthermore, it was explored how Denmark is perceived by UN development partners.

To prepare for the visit, interviews were held with relevant staff at the HQ who are involved in or have a background in the cooperation with multilaterals. The visit started with initial interviews with the focal points of the four UN agencies at the Mission and an interview with the financial advisor involved in the funding administration. Subsequently, the evaluation also included interviews with agency staff, staff of UN representation offices in Copenhagen, and Swedish and Norwegian Mission staff. The field visit concluded with a debriefing at the Mission. The debriefing notes, mission workplan, lists of references, and persons met are included in the report annexes.

¹ <https://openaid.um.dk/organisations>

2 Key Findings across the Evaluation Questions

2.1 Main developments (EQ1)

Denmark is viewed highly positively among the UN agencies.

Denmark is seen as a well-balanced and engaging donor without the urge to micro-manage. The donor is seen to be flexible in funding, which is mainly rooted in Denmark's advocacy for core funding and soft thematic earmarking as an alternative at a time when the overall trend among donors shifts towards more earmarking, and funding compact commitments are not met. Denmark, unlike other donors, also has the habit of transferring funding early in the year where agencies experience more difficulties with fluidity. Simultaneously, Denmark is principled in its approach, e.g., by advocating strongly for proper monitoring and reporting, and supporting the UN development system reform. Denmark plays an active role on the executive boards and engages regularly with like-minded donors, including through informal channels. As a donor, Denmark knows how to prioritise well in its strategic direction and is also innovative and supportive on UN development system reform. Multilateral partners also value Denmark's high level of core funding combined with multi-year agreements, which provide predictable cash flow, making Denmark a reliable funding partner. Denmark is seen as constructive in challenging situations and as a trusted donor that agencies can turn to when thoughtful advice, ideas, and solutions are needed.

The MFA's increased focus on climate action aligns well with the priority that the multilateral organisations also give to this topic, typically as a cross-cutting area within the Sustainable Development Goals (SDGs).

For many UN agencies, pursuing climate action as a thematic area integrates seamlessly with their previous and ongoing work. UNICEF, for example, has previously worked a lot with climate action. One concern is that this could lead to a decrease in core funding and an increase in soft earmarking so donors can report on their climate goals.

Denmark is a strong supporter of core contributions, supporting the UN agencies' flexibility in following their mandates.

The Mission and the UN agencies stated that Denmark's leadership in providing core funding and using soft earmarking is highly valued by UN partner agencies. This is an efficient approach in allowing resource allocation decisions to be taken within the agencies, which can channel resources based on need and their comparative advantage, as well as supporting normative and other aspects of their mandates that would otherwise be underfunded.

2.2 Relevance and effectiveness (EQ2/EQ3)

The decentralised approach of the Danish engagement is highly appreciated by multilateral partners but comes with some trade-offs.

Multiple UN development system partners expressed that the localised decision-making power enables easy and quick communication. Many donors, such as Sweden, Norway, and the US, do not work in this decentralised manner. On the other hand, other donors typically benefit from support and participation from HQ at Board meetings as representatives from HQ attend in person.

The Mission in New York faces significant capacity constraints.

1. Workload

At the Swedish Mission, there are multiple focal points covering the four funds and programmes, including a representative from Sida. At the Danish Mission, there is also one focal point per agency. However, they have a number of other duties to perform such as work related to policy making, committee engagements, and high-level political forums. In line with Denmark's decentralised approach, decisions that relate to Denmark's membership of executive boards are taken by Mission staff in New York. Decisions on funding are centralised in AFRPOL at HQ in Copenhagen, with input from the Mission management and staff. Sweden in comparison employs a more centralised approach where decisions are made at HQ and then communicated to the Mission in New York. Multilateral partners

have also noticed that the Danish Mission receives less backup (personnel for executive board meetings and technical assistance) from HQ than other Missions (primarily for executive board meetings) due to differences in the management setup where the responsibility is decentralised to the Danish UN Mission in New York.

2. *Technical capacity*

When Danida as an institution still existed, the Mission was able to draw on a large pool of technical and sector expertise. Today, this expertise at HQ is much more limited but also has not been replaced in other ways at the Mission. A wide variety of technical skills and knowledge is required to follow the executive board agenda items. Such expertise would be useful to draw on, e.g., for statements and to correctly interpret information from agency reporting. Although the Mission draws on HQ for support, Mission staff and Mission Management have the flexibility to interpret the reports themselves without seeking HQ instructions. Similarly, the AMG could be strengthened when it comes to interpreting material such as audit reports and guidance on how to fill the role as member of the executive boards. The impression among the UN agencies is that Denmark would benefit from additional capacity in line with its role and weight as the Mission manages with a tight level of capacity. To increase capacity, a financial advisor was recruited in 2023, and a CFO was posted from 2024.

3. *Staffing modalities*

Budget constraints when hiring local staff have an impact on the capacity and ability to retain a given level of experience and institutional knowledge, which is also influenced by internal staff rotations. Furthermore, short-term contracts are commonly used for local staff (two years), although they are often extended.

Denmark could improve when it comes to gathering information at country level.

Sweden uses their representations at country level very strategically for information gathering. Sweden, for example, conducts an annual survey to receive a broad range of insights and uses this information in board meetings and bilateral consultations to point towards detailed issues and make strategic requests. This leaves the UN agencies with an impression of high-engaging and well-informed donors who can therefore also pull a lot of weight. These countries can do this detailed information-gathering because they have the resources available. On the other hand, the agencies are also aware that Denmark does not follow-up at country level to the same level as these other mentioned donors, such as Sweden.

Country monitoring is difficult for the Mission due to various factors. For one, Denmark has fewer embassies to draw on that have significant bilateral programmes to report on country activities. Follow-up with embassies is done through the contact groups which now tend to be in written format rather than through calls. The Mission's experience is that both were very useful, though active responses from the embassy side can be limited. Contact groups are convened based on current interest in a particular country, e.g., prior to the annual consultations and preparation of organisation strategies for which relevant feedback from the embassies is utilised. Whatever the modality, sharing information on partner performance is seen as important.

The Mission draws on various sources of information.

Multilateral Organisation Performance Assessment Network (MOPAN) assessments are an important source of information. However, MOPAN only does assessments every five years, so they become outdated and less useful before a new assessment is made. Denmark also holds annual high-level bilateral consultations with the UN agencies. The most recent MOPAN assessment on UNDP among other things outlines that their monitoring and reporting should be improved. UN reporting (e.g., Quadrennial Comprehensive Policy Review) is an important source of information for the Mission and in general deemed to be informative and reliable.

The current setup of the central platforms for registering commitments and contributions does not support the information gathering and sharing to the extent it should.

All commitments and contributions made at all levels of the grant management system are captured in a central system at HQ. Before making a commitment, staff can check the system to see if it clashes with other commitments or contributions. However, these flows are not registered centrally when they are in the preparation phase and only appear once the commitment has been finalised. As there is no central registration of these activities, there have been instances where important information did not reach the right persons. For example, the Mission in New York by coincidence learned about a WASH engagement from the embassy in Ouagadougou in parallel to a new commitment being made to UNICEF's thematic fund on WASH, which provides UNICEF flexible funding for activities within these thematic areas, this caused an unintended and unnecessary internal competition for funding, which was eventually resolved. In this example, information sharing between units about planned activities would have prevented this type of duplication. Therefore, such information would help create a holistic view of all activities, which is vital when it comes to proper planning, fostering coherence, and avoiding internal competition and duplicate commitments. There have been some informal attempts to create this overview by establishing and updating a list of current contribution planning, however this needs to be formalized to function properly.

The organisational strategy is a useful tool that is greatly appreciated by multilateral partners and enables greater coherence across partners and thematic areas.

The organisational strategy for each UN organisation describes Denmark's objectives for engagement with a multilateral organisation, including which areas should be thematic priorities based on the organisation's comparative strengths and opportunities relative to Denmark's own strategy and priorities. It therefore constitutes the bases for the work of the focal points at the Mission in New York. The strategies normally cover a three-to-four-year period and they are the point of reference for annual consultations and executive board meetings. The multilateral counterparts have expressed their appreciation for the organisational strategies as a useful tool to align shared goals. The organisational strategies also function as the basis on which the partnership agreement is made.

The existing AMG are useful but do not cover all the issues the Mission encounters.

Mission staff consult the existing AMG to the extent it is useful to do so, although there is no need to consult them on a regular basis, they are rather consulted when a new issue arises. It has been noted that the AMG are relevant but there have been several instances when they did not provide an answer or clarification for a specific challenge. Furthermore, when new Mission staff join the Mission, they are introduced to the relevant parts of the AMG. Although this helps greatly with the orientation around the relevant material, some staff members have noted that at times, there is still confusion about which guidelines are available, where to find them and which particular guideline to consult for a specific situation². Mission staff therefore suggested to establish a platform at LÆRING to capture comments regarding how the AMG could be improved in terms of filling in missing information.

Denmark has a strategic approach when it comes to secondments.

The Mission in New York is consulted annually regarding the deployment of Danish staff secondments to UN agencies. There are examples of strategic use of secondments. For example, a secondee stationed at UNDP in Ghana (security sector) was later deployed to UNDP HQ during the Danish membership of the Security Council. Secondments are viewed as helpful for the Mission, as secondees serve as informal contacts who can quickly gather information and provide valuable insights. They are equally appreciated by UN agencies, especially Junior Professional Officers (JPOs) whose careers subsequently may grow in the agency.

The cooperation between the Mission in New York and other likeminded donors on executive board matters is an ongoing activity which happens through established channels and modes.

For the NY-based UN partners, Denmark pursues regular exchange and contact with other states via the executive boards, which are multilateral governance structures. The fact that these are not decentralised

² This could be connected to issues around the retention of institutional knowledge, e.g., through staff rotation and short-term contracts for local staff.

in the same manner, meaning that the focal points at the Missions in New York do not have the same decision-making power as their Danish counterparts, is not a major impediment as the coordination and alignment of them with their respective HQ is smooth. Denmark engages frequently with the other Nordics and engages with other donors through established groups, such as the Western European and Others Regional Group (WEOG – 28 member states including Germany, Canada, the US, Denmark, and the Netherlands). Most often, the coordination between donors happens in preparation for the executive board meetings for which they put forward shared statements to give them more weight as they are backed by many countries collectively. Although this is an often used and successful strategy, the UN agencies have also noted that sometimes it is useful to make the same statement repeatedly and from various countries to overpower other single voices.

The close collaboration with likeminded donors is beneficial for all parties as activities such as providing joint statements is a form of burden-sharing, limiting the amount of work needed from the individuals.

Doing Development Differently (DDD) is manifested in core funding itself.

DDD does not seem to be an active engagement but more of an intrinsic feature of the Mission's work with the UN. Core funding is the most flexible type of funding. The Mission mainly monitors funding through engagement in the executive boards as well as annual bilateral consultations and regular expert meetings. A level of coherence and more general synergies are also pursued with soft thematic or geographic earmarking, striking a balance between pursuing synergies and providing high levels of flexibility. Some other examples of additional flexibility are that core funding is mostly administered early in the year to support the cashflow of the UN agencies, whereas other donors often opt for administering their support later in the year. In discussions with the UN agencies, Denmark also seems to be able to strike a good balance between giving a free hand and relying on the agencies' own judgements while also advocating firmly for issues of importance for Denmark, such as improved monitoring and reporting. Next to core funding, which is a highly flexible form of funding, there seems to be the question of how and if adaptive management principles can and should be used more actively in other areas of work.

Even though Denmark is a strong advocate for core funding, which is highly appreciated by UN agencies, visibility of core funding is a key issue that needs attention.

Even though core funding is the preferred form of funding, it does not provide the donor with the same level of visibility as earmarked contributions, especially at country level. Earmarked project or programme funding allows donors to point towards achievements specifically created through this initiative. The integrated results reporting system allows for some estimation of how Denmark's core funding is used, although there is a need to develop tracking of core funding further with the agencies to help advocate for increased core support and to counteract the otherwise unhelpful incentives for earmarking for other reasons, such as the high transaction costs for donor and implementer associated with hard earmarking. When providing core funding, Denmark can claim to have contributed to all the agencies' activities in the right context. Approximate calculations to various countries through core funding are already prepared at the MFA in Copenhagen and are used for internal briefings.

Soft thematic earmarking is viewed as the best alternative to core funding. It provides Denmark with the opportunity to follow more specific interests such as certain geographic (e.g., Sahel) and thematic priorities (climate, migration) while leaving the agency a substantial degree of flexibility for delivery.

The issue around visibility to core contributors is also well-known within the UN agencies, and ideas on how to improve/circumvent these are emerging following discussions between the Mission and the agencies. UNFPA, for example, has information material specifically describing Danish contributions and their impact in the UNFPA system. UNDP and the Mission publish tweets and retweets of each other. However, the general consensus is that UN agencies need to be able to provide better donor visibility for core funding.

2.3 Lessons learned (EQ4)

There is a trend to channel funding increasingly through the multilateral organisations, which can be an efficient solution when striking a balance with bilateral engagements.

Increasing funds through multilateral organisation holds both advantages and disadvantages. UN agencies have established solid networks and programmes in most areas of the world, including those where Denmark is unable to be present bilaterally, e.g., Afghanistan and Iraq. This enables Denmark to follow the ‘leave no one behind’ principle. The UN agencies also hold mandates to effectively implement and follow through in their respective areas, which can potentially be more influential than bilateral engagements. Additionally, there is no need to establish a bilateral programme when a multilateral programme with the same interests is already in place. This also saves transaction costs. Furthermore, pooled funding can potentially lead to greater success in delivery rather than diluting funding over multiple programmes with similar aims. On the other hand, providing high levels of core and softly earmarked funding may reduce Denmark’s visibility.

Denmark’s decisions to channel more resources through UN agencies mean that Denmark is reliant on their systems for risk management and governance, placing great trust on their ability to deliver. Denmark’s engagement in executive boards enables a level of oversight with fairly limited guidance from HQ and the AMG. The consensus is that their reporting is reliable. Furthermore, the Mission also draws on MOPAN assessments, which are judged to be very helpful, although they are only completed every five years, meaning that the information is outdated before the next assessment is completed. Those points underline the importance of strong continuous information flows between the embassies, HQ, and the UN Mission.

Using the multilateral channel allows Denmark to support development in countries beyond those where Denmark maintains bilateral development cooperation engagement (aligning with the ‘leave no one behind’ agenda) and to draw on the expertise of the UN organisations. It therefore is an effective way of using Danish ODA. However, it needs to be part of a balanced approach together with strong embassies to deal and follow up with multilaterals at country level. This would imply taking opportunities, such as in implementing the new Africa strategy, to increase bilateral presence and ensure there is a critical mass of country programming.

In principle, the decentralised approach works well although it involves some trade-offs.

The main advantage is the geographical proximity of Mission staff to UN agencies, fostering trusted relationships and networks, also in between executive board meetings. The fact that other donor Missions, like Sweden and Norway, operate differently does not have a significant impact on the effectiveness of the communication with these Missions. The communication is, for example, not interrupted by processes of checking back with HQ for the Swedish and Norwegian Missions. However, Danish Mission staff face significant capacity constraints compared to other donors, given that the focal points for each fund and programme also have a range of other responsibilities to manage, a gap in the retainment of senior staff and institutional knowledge, and guidance on the engagement in executive boards. The advantage of the decentralised approach is the ability to act swiftly, e.g., during executive board meetings and when preparing bilateral consultations that take place in New York. Being close to decision-making counterparts in New York also enables close and strong networks that underpin the Mission’s foreign policy work.

Annex 1: Workplan³

Day	When	Who	Where
Monday, 24 June	9:00–14:40	Danish Mission to the UN	Danish Mission in NY 666 3rd Ave 11th floor, New York, NY 10017, USA
Tuesday, 25 June	10:00	United Nations Population Fund	605 3rd Ave, New York, NY 10158, USA
	15:00 (1–1.5 hours)	United Nations Development Programme	1 United Nations Plaza, New York, NY 10017
Wednesday, 26 June	08:45–09:45	Swedish Mission to the UN	1 Dag Hammarskjöld Plaza #46, New York, NY 10017, USA
	10:30–11:30	United Nations Women and the Representation Office in Copenhagen	220 E 42nd St, New York, NY 10017, USA
	14:00 (1-1.5 hours)	United Nations Children’s Fund	3 United Nations Plaza, New York, NY 10017, USA
Thursday, 27 June	14:00-15:00	Norwegian Mission	1 Dag Hammarskjöld Plaza #35, New York, NY 10017, USA
	15:00	United Nations Population Fund	605 3rd Ave, New York, NY 10158, USA
Friday, 28 June	10:00	Danish Mission to the UN Debriefing	Danish Mission in NY 666 3rd Ave 11th floor, New York, NY 10017, USA
Tuesday, 2 July	10:00–11:00	UNFPA Nordic Representation Office in Copenhagen	Online

³ The visit to New York was prepared through interviews with HQ staff from MULTI and TILSKUD and a number of former MFA employees.

Annex 2: References

- Dalberg (2024): Updated Study of Capacities & Functions of the UN Development System to Accelerate Progress on the SDGs.
- MFA Denmark & UN Women (2022): Multilateral Partnership Agreement between Denmark and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). 2023–2025.
- MFA Denmark & UNDP (2022): Strategic Partnership Agreement between Denmark and the United Nations Development Programme (UNDP) 2023–2025).
- MFA Denmark & UNFPA (2022): Multilateral Partnership Agreement between Denmark and the United Nations Population Fund (UNFPA). 2023–2025.
- MFA Denmark & UNICEF (2022): Strategic Partnership Agreement between Denmark and the United Nations Children’s Fund (UNICEF) 2023–2025).
- MFA Denmark (2021): Strategy for Denmark’s Engagement with the United Nations Development Programme 2022–2025.
- MFA Denmark (2021): Strategy for Denmark’s Engagement with the United Nations Populations Fund 2022–2025.
- MFA Denmark (2021): Strategy for Denmark’s Engagement with the United Nations Children’s Fund (UNICEF) 2022–2025.
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- MFA Denmark (2023): Evaluation of Danida Multi-Bilateral Interventions.
- MFA Denmark (2023): Evaluation of Support to Gender Equality in Danish Development Cooperation 2014–2021.
- MFA Denmark (2024): Stocktaking on Doing Development Differently (DDD).
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- NCG (2021): Midterm Review of Organisation Strategies for Denmark’s engagement with UNDP, UNFPA, UNICEF and UN Women 2018–2022.
- UN (2023): Review of governance and oversight of the Executive Boards of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services, the United Nations Children’s Fund and the United Nations Entity for Gender Equality and the Empowerment of Women. Report of the Joint Inspection Unit.