

WORKING WITH THE WORLD BANK GROUP IN  
FRAGILE AND CONFLICT-AFFECTED SITUATIONS  
A RESOURCE NOTE FOR UNITED NATIONS STAFF



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<https://undg.org/home/guidance-policies/transitioncrisis/partnerships/un-world-bank-fragility-and-conflict-partnership-trust-fund/>

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*“ WE NEED AN APPROACH THAT BREAKS DOWN INSTITUTIONAL BARRIERS AND JOINS UP POLITICAL, SECURITY, DEVELOPMENT AND HUMANITARIAN EFFORTS THROUGHOUT THE REGION. NOW IS THE TIME FOR ACTION. ”*

— United Nations Secretary-General Ban Ki-moon  
Joint UN/WBG Visit to the Sahel  
November 2013

# PREFACE & ACKNOWLEDGEMENTS

This resource note aims to help United Nations (UN) staff to better understand the World Bank Group (WBG) and work more effectively with it in fragile and conflict-affected situations (FCS). It is an introductory overview that draws on existing guidance and policies, and compiles—but does not substitute for—key resources that should be consulted directly in particular cases.

For background on the nature and extent of UN–WBG partnership in FCS, including perceptions of the cultural and other challenges faced, staff should consult the 2013 [Review of the UN–WB Partnership in Fragile and Conflict-Affected Situations](#) undertaken by S. Demetriou and M. Morrison.

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In addition to sources cited in the text, the document draws heavily on information and documents on the United Nations and WBG websites, including the [World Bank Group A to Z](#) and the partnership review mentioned above.

The note is intended to be used in its electronic form and contains links to relevant documentation as well as to useful examples of the tools and methods described. These links appear as [orange text](#).

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# ACRONYMS<sup>+</sup>

CAR	Central African Republic	ITF	Integrated Task Force (United Nations)
CAS	Country Assistance Strategy	IMF	International Monetary Fund
CPF	Country Partnership Framework	MDG	Millennium Development Goal
CCSA	Cross-Cutting Solutions Area	MDTF	Multi-Donor Trust Fund
CD	Country Director	MIGA	Multilateral Investment Guarantee Agency
CM	Country Manager	MPTFO	Multi-Partner Trust Fund Office (United Nations)
CMU	Country Management Unit	OP	Operational Policy
CPIA	Country Policy and Institutional Assessment	PBC	Peacebuilding Commission
DOCO	Development Operations Coordination Office (United Nations)	PCNA	Post-Conflict Needs Assessment
DPKO	Department of Peacekeeping Operations (United Nations)	PDNA	Post-Disaster Needs Assessment
ECOSOC	Economic and Social Commission (United Nations)	PRSP	Poverty Reduction Strategy Paper
ED	Executive Director	RETF	Recipient-Executed Trust Fund
ESW	Economic and Sector Work	SMT	Security Management Team (United Nations)
FCS	Fragile and Conflicted-Affected Situations	SPF	State and Peacebuilding Fund
FCV	Fragility, Conflict and Violence	SRF	Strategic Results Framework
FMFA	Financial Management Framework Agreement	UN	United Nations
FPA	Fiduciary Principles Accord	UNDAF	United Nations Development Assistance Framework
GP	Global Practice	UNDG	United Nations Development Group
IBRD	International Bank for Reconstruction and Development	UNDP	United Nations Development Programme
ICSID	International Centre for the Settlement of Investment Disputes	UNICEF	United Nations Children's Fund
IDA	International Development Association	VPU	Vice-Presidential Unit
IFC	International Finance Corporation	WB	World Bank (IBRD and IDA)
		WBG	World Bank Group
		WDR	World Development Report

<sup>+</sup> World Bank-specific acronyms are listed in **BLUE**.

# I. THE UN-WBG PARTNERSHIP IN FCS: RATIONALE AND FRAMEWORKS

1. Strong partnerships and shared expertise are essential for delivering results in fragile and conflict-affected situations (FCS), in which political, security, humanitarian and development activities must be integrated to promote sustainable peace and development. Close collaboration between the United Nations and the World Bank Group promotes a more effective and sustainable international response in these contexts by linking diverse United Nations activities and capacities with the WBG's financing, longer-term development perspective and economic and thematic expertise, in addition to the mobilizing power of both as multilateral institutions.

2. With this understanding, the 2008 **UN-WB Partnership Framework for Crisis and Post-Crisis Situations** sets out principles for engagement (Box 1) in natural disasters as well as FCS. Its **Operational Annex**, agreed by the United Nations Development Group (UNDG) and the WB, establishes additional guidelines for coordinated response. Building on these commitments, the United Nations and WB adopted a **Strategic Results Framework** (SRF) for UN-WB Partnership in FCS (2014–2015). The SRF aims to i) improve regional and country-specific collaboration; ii) strengthen institutional cooperation and communication on policy and thematic issues; and iii) enhance operational policies, frameworks and tools to facilitate cooperation and cross-financing.

3. The SRF also draws on the conclusions of a 2013 **Review of the UN-WB Partnership in FCS**. That review found that despite considerable progress and many achievements, cooperation had not been systematic or deep enough and institutional incentives for collaboration needed strengthening. It also found that institutional differences and constraints, insufficiently understood, remained a challenge for both organizations. It recommended measures to improve understanding within each institution of the other and of how to collaborate more effectively.

4. Since 2012, close cooperation between the United Nations Secretary-General Ban Ki-moon and WB Group President Jim Yong Kim has given the UN-WBG partnership in FCS renewed energy, with support from member states. The two leaders made joint visits to the Great Lakes and Sahel regions (2013) as well as the Horn of Africa (2014), emphasizing their commitment to cooperation between the two institutions in support of national and regional efforts.

5. The overall partnership in FCS and beyond is governed by a 1947 agreement between the United Nations and the International Bank for Reconstruction (IBRD), the original entity of the World Bank. This agreement made the IBRD an Independent Specialized Agency of the United Nations system, while recognizing it as an



#### BOX 1: PARTNERSHIP FRAMEWORK PRINCIPLES FOR ENGAGEMENT IN CRISIS SITUATIONS

- Our roles and mandates differ, but our efforts are interdependent and must be mutually reinforcing.
- Integrated efforts are particularly important in working with national authorities and partners to strengthen national capacity for effective prevention and response and to support the implementation of national recovery and development strategies that encompass political, security, human rights, economic and social dimensions within the framework of the rule of law and good governance.
- We need to be flexible to respond to different country needs, taking into consideration the country context, national priorities, United Nations–mandated tasks, appropriate division of labour and the role of other regional and international partners.
- Regarding humanitarian action by the United Nations and its partners, the recognized humanitarian principles of neutrality, impartiality and independence will be respected.

international organization with its own mandate, governance, staffing structure and operational independence. While the WBG holds observer status in the UNDG and is not part of the General Assembly's Quadrennial Comprehensive Policy Review (QCP) of United Nations operational activities for development, it is part of the United

Nations system and a member of key structures such as the Chief Executives Board and Country Teams. Both institutions are guided by the Millennium Development Goals (MDGs) and collaborate on the Post-2015 and financing for development processes, among other issues.



## II. THE WORLD BANK GROUP: ACTIVITIES, ORGANIZATION AND FINANCING

### ROOTS IN RECONSTRUCTION, WITH A STRENGTHENING FOCUS ON POVERTY

6. The **IBRD**, along with the **International Monetary Fund (IMF)**, was founded at the Bretton Woods Conference in 1944. The conference laid out a framework for economic cooperation and development for the post–World War II period, with IBRD to address reconstruction and development needs and the IMF to promote a more stable and prosperous global economy, underpinning the prevailing system of fixed exchange rates. Though their work has evolved in response to new challenges, the WB continues to concentrate on long-term economic development and poverty reduction, while the IMF focuses on macroeconomic issues. The institutions work closely together and are headquartered next to each other in Washington, DC.

7. The WBG sharpened its poverty focus in 2013 with the adoption of two new goals to guide its assistance. The first is to end extreme poverty by 2030, reducing the share of the global population living on less than \$1.25 a day to less than 3 percent. The second is to promote shared prosperity by fostering income growth for the poorest 40 percent in every developing country. The strategy emphasizes partnerships, an integrated “one World Bank Group” approach and more effectively channelling knowledge into solutions.

8. In addition to providing financing for development, the WBG undertakes a range of technical assistance and knowledge activities for client countries as a public good and to support the work of the WB. The two main categories are (i) economic and sector work (ESW), which involves original analysis and is intended to inform government policies and programmes; and (ii) technical assistance, which involves direct support to help external clients in their efforts to implement reforms or strengthen institutions.

### FIVE INSTITUTIONS MAKE UP THE WORLD BANK GROUP

9. The World Bank Group now consists of five institutions. The term “World Bank” refers to just two of these: the IBRD and the International Development Association (IDA), which share the same staff and headquarters and follow the same policies and processes in supporting project preparation and implementation.

- **IBRD** provides loans, guarantees, risk management products and analytical and advisory services to middle-income countries and credit-worthy poorer countries. The original institution of the WBG, IBRD is a self-sustaining business and does not rely on contributions from member governments (“shareholders”) to cover its annual administrative budget. It raises most of

its funds through bond issues on international financial markets. IBRD's financial strength and triple-A credit rating allow it to raise funds inexpensively, while lending at favourable rates to its clients. Income from the margin on lending and investment of IBRD's capital covers operating expenses, with the surplus used to build reserves and allowing annual transfers to IDA. Since 1946, governments have paid in only \$14 billion in capital to IBRD to generate more than \$500 billion in loans. IBRD made \$18.6 billion of financing commitments and disbursed \$18.8 billion in the fiscal year (FY) through June 2014.

- **IDA** is the WBG's fund to provide concessional financing through credits and grants to governments of the poorest countries, including most FCS. Established in 1960, IDA is one of the largest sources of assistance for the world's 77 poorest countries, 39 of which are in Africa. Donors replenish IDA every three years. The **17th replenishment round** (IDA 17) raised a record \$52 billion for FY15–17. In FY14, IDA committed \$22.2 billion and disbursed \$13.4 billion in 242 new operations. Of these commitments, 12 percent was on grant terms.
- **The International Centre for Settlement of Investment Disputes** (ICSID) provides international facilities for conciliation and arbitration of investment disputes.
- **The International Finance Corporation** (IFC) focuses on the private sector, through financing investment, mobilizing capital in international financial markets and providing advisory services to businesses and governments.
- **The Multilateral Investment Guarantee Agency** (MIGA) promotes foreign direct investment by offering political risk insurance (guarantees) to investors and lenders.

## INCREASING EMPHASIS ON FRAGILITY, CONFLICT AND VIOLENCE, WITH A PARTNERSHIP APPROACH

10. In recent years, the WBG has moved beyond reconstruction to address a range of fragility and conflict issues, understanding that economic and social stability and human security are pre-conditions for sustainable development, and that development and reconstruction activities can promote stability and security, and at a minimum should not make these worse. The adoption of the twin goals requires the WBG to sharpen its focus on fragility, conflict and violence, as these exacerbate poverty and hamper development progress for the roughly 1.5 billion people living in the countries most affected. The WBG's 2011 **World Development Report (WDR) on Conflict, Security and Development** called for a paradigm shift in the work of the WBG and other international partners in FCS. It found that building capable and legitimate institutions, ensuring citizen security and justice, and creating jobs are essential to reducing violence—and providing optimal support requires better coordination among external actors. It underscored that the WB should work more closely with other partners, in the spirit of the **High-Level Fora on Aid Effectiveness** (Paris Declaration, Accra Agenda for Action and the Busan Outcome). This is particularly important for international agencies that possess expertise or work on areas that the WB does not, including those that are outside the WB's mandate. Strengthening the links between security and development is a priority.

11. In the ongoing restructuring of the WBG, **Fragility, Conflict and Violence (FCV)** has been identified as one of five priority cross-cutting themes for the work of the institution (see paragraph 29), supported by a dedicated unit in place since

July 2014. The FCV Group, based in Nairobi and Washington, has evolved from the Global Center on Conflict, Security and Development (CCSD). The FCV Group aims to enhance WBG support in FCV-affected countries through the development of innovative practices and strengthening institutional expertise and capacities. The unit manages key institutional partnerships and trust funds for FCV issues, including the **UN-WB Fragility and Conflict Partnership Trust Fund**, the State and Peacebuilding Fund, the Korean Fund for Economic and Peacebuilding Transitions and the Global Program on Forced Displacement.

12. **WB Operational Policies** increasingly establish a differentiated approach to fragile states and promoting conflict-sensitivity in WB assistance. The **WB's Operational Policy on "Development Cooperation and Conflict" (OP2.30)** establishes that in countries vulnerable to conflict the WB should "promote economic growth and poverty reduction through development assistance that minimizes potential causes of conflict," while in countries actually in conflict it should "(i) continue efforts at poverty reduction and maintenance of socioeconomic assets where possible; (ii) provide, where requested by its partners, information on the socioeconomic impacts of emergency assistance; (iii) analyse the impact of conflict on economic and social development; and (iv) prepare for Bank assistance as opportunities arise."

13. OP2.30 makes clear the limits of the WB's mandate, which is "to finance and facilitate the reconstruction and development of its member countries." The WB does not engage in "peacemaking or peacekeeping" or provide direct support for humanitarian relief or disarming combatants. (It does, however, support rapid response to crises, described in paragraph

72 and fund other aspects of demilitarization, demobilization and reintegration programmes). The WB's Articles of Agreement also prohibit it from interfering in the domestic affairs of a member or from questioning the political character of a member; only economic considerations are relevant to its decisions. Thus, the WB does not operate in the territory of a member without its approval.

14. OP2.30 recognizes the centrality of partnership, particularly in conflict-affected countries, where the WB works within its mandate in close partnership with "bilateral and multilateral agencies, particularly the United Nations and other international and regional institutions that have the major responsibility for peacemaking, peacekeeping and security, humanitarian assistance and reconstruction and development," as well as with government authorities, civil society and the private sector.

15. In recognition of the importance of the private sector in addressing the needs of those living in FCS, IFC has made economic growth and increased employment in these areas a priority. Together with the WB, MIGA, other development partners and its clients, IFC works to stimulate private investment and growth and meet acute challenges to private sector development. Alleviating the barriers to business growth—specifically access to electricity, access to finance, access to markets, enabling environments for business and transparency and rule of law—underpins IFC's approach in FCS. By providing financing and advisory services and working with governments to improve business environments, IFC can help reduce those barriers. IFC's activities in FCS have grown significantly in recent years. During FY14, IFC's activities in FCS included

investments of \$638 million and advisory services of \$44 million.

16. Supporting investments in fragile and conflict-affected areas remains a strategic priority for MIGA. Over the years, MIGA has played an important role in conflict-affected and fragile economies, providing coverage where other insurers are unwilling or unable to go. The presence of a MIGA guarantee can help make an investment more attractive to potential investors and lenders by lowering its overall risk profile. Equally important, the projects supported by MIGA create confidence among the international and domestic business communities, helping to attract even more investment and encouraging the return of flight capital.

### PERFORMANCE-BASED SYSTEM ALLOCATES IDA RESOURCES, WITH ADDITIONAL FUNDS FOR FCS

17. From IDA's inception, the demand for these concessional resources has outstripped supply. IDA funds are therefore distributed among countries—and the eligibility of those countries determined—based on specific criteria and rules. A performance-based allocation (PBA) system is used to set each country's annual core allocation. This limits the scope for discretionary allocations by WB management, thus ensuring transparency and enhancing the predictability of IDA's support to its clients. The PBA system uses an allocation formula that accounts for a country's relative poverty (using Gross National Income per capita as proxy), population and performance, as captured in an annual Country Policy and Institutional Assessment (CPIA) rating determined by the WB, as well as a rating for IDA portfolio performance. IDA provides grants to countries at high or moderate risk of "debt

distress," as determined by a joint IMF–WB Debt Sustainability Analysis exercise, which weighs a country's debt burden against its capacity to sustain it, judging from its policies and institutions.

18. Exceptional IDA resources are allocated to countries categorized by the WB as post-conflict (based on estimates for population killed or displaced, or physical damage) or those that are re-engaging with the WB after a prolonged period. Both regimes will be replaced over FY15–17 with a new system of exceptional allocations for "turnaround" situations. This will provide for more flexible allocations and may also accommodate a broader range of countries emerging from conflict or political uncertainty, including those that are not strictly post-conflict or re-engaging. The new system is still being developed.

19. The WB also manages donor resources through trust funds, primarily to support client government programmes (Recipient-Executed Trust Funds, or RETFs). Trust fund commitment reached \$4.3 billion in FY14, with disbursements of \$3.3 billion. Trust funds, whether country-focused, as with the Afghanistan Reconstruction Trust Fund, or thematic, such as the Global Partnership for Education, are a major source of FCS funding.

20. Further information on the WB's funding for FCS is [here](#).

### THE WBG FINANCES THREE MAIN TYPES OF PROJECTS FOR CLIENT GOVERNMENTS

- While IFC finances the private sector, the main clients for the WB are governments. Whether from IBRD, IDA or trust funds, the WB finances three main types of government projects, which offer different entry points for collaboration.

- Development Policy Operations (DPOs) provide budget support attached to the achievement of policy and institutional reforms rather than the implementation of specific projects. DPOs in FCS typically focus on core economic governance reforms. In the development and implementation of the reform programme, the WB coordinates closely with other partners providing policy-based funding or technical assistance. A recent example of a DPO from the Solomon Islands is [here](#).
- Investment project financing is for specific development projects, for physical and social infrastructure, institution building, social development, strengthening governance and fostering private sector activity. This is the main form of IDA financing, accounting for 84 percent of commitments in FY13 (DPOs made up 12 percent). A recently approved investment project for integrated river basin management in Myanmar is [here](#).
- Program-for-Results (PforR), introduced in 2012, supports government programmes with a focus on results, to which the disbursement of funds is directly linked. Capacity is built using programme systems. It provides an opportunity to improve coordination among development partners in government programmes by pooling resources. PforR made up 4 percent of IDA commitments in FY13, mostly for non-FCS countries.

21. United Nations and WBG have similar country membership but different governance structures. The two institutions have almost the same membership, which—together with the broad geographic focus of their activities—creates many opportunities for partnership. IBRD's 188 shareholders are all United Nations member states, with the exception of Kosovo.

Both institutions focus on global and regional issues, cooperate closely in international debates and processes and face similar pressures from member countries and public opinion. At the country level, multilateral status brings neutrality that bilateral donors may be perceived to lack.

22. The WBG has a lighter, more corporate structure of country representation than the United Nations. The Board of Governors, which includes the finance ministers or other representatives of all shareholders, is the ultimate policymaker of the institution. The Governors delegate most duties to a resident 25-member [Board of Executive Directors](#) (EDs). IBRD's ED's serve ex officio on the Boards of IDA, IFC and (effectively) MIGA. The five largest IBRD shareholders (United States, Japan, Germany, France and United Kingdom) each appoint an ED. Other countries are grouped together to elect the remaining ones. The Board meets twice a week to consider project proposals, policy and oversight issues. [Voting power](#) depends on shareholdings, but decisions are usually based on consensus.

23. Each autumn, the Boards of Governors of the WBG and IMF hold [Annual Meetings](#) to discuss poverty reduction, international economic development and finance. The meetings are held in Washington or, every third year, in a member country. Around these meetings, the WBG and the IMF organize forums for governments, civil society organizations, journalists, the private sector, academics and other international organizations to interact with staff. The Spring Meetings are similar but smaller, without plenary Governors' sessions.

24. Different ministries represent member states at the WBG and the United Nations, which can lead to differing approaches on particular issues. For example, the finance ministry

officials at the WB have historically been more conservative on financing policies than foreign ministry counterparts at the United Nations. Countries with development ministry staff at both institutions—notably Sweden, Switzerland and the United Kingdom—have worked to foster such linkages, including through the informal “Philadelphia Group.” This has held occasional meetings of small groups of United Nations Permanent Representatives (PRs) and EDs for more than a decade. Member state bodies such as the Peacebuilding Commission (PBC) can also play a role in strengthening communication and consistency and building consensus among PRs and WBG EDs on issues of mutual interest.

## REORGANIZATION STRENGTHENS THEMATIC FOCUS, REDUCES REGIONAL DIVISIONS

25.

The WBG operates under the day-to-day leadership and direction of the **President and senior management**, which includes two Managing Directors and the Vice-Presidents in charge of regions, functions and thematic areas. The Board appoints the president for a five-year renewable term. **Dr. Jim Yong Kim** has been president since July 2012.

26. The Vice-Presidential Unit (VPU) is the main organizational unit of the WB. With a few exceptions that report directly to the president, each of these units reports to a Managing Director or to the WBG’s Chief Financial Officer (CFO). Further details on management and organizational structure, including organograms are available [here](#).

27. A major reorganization is underway over FY15, which has involved the creation of **14 Global Practices (GPs) and 5 Cross-Cutting Solutions Areas**

(CCSAs, or Groups; Box 2), each headed by a Senior Director, to break down regional divisions of thematic expertise. Two Vice-Presidents oversee the GPs and CCSAs. In parallel, the WB is undertaking an expenditure review that aims for

### BOX 2: GPs AND CCSAS

#### Global Practices:

- Agriculture
- Education
- Energy & Extractives
- Environment & Natural Resources
- Finance & Markets
- Governance
- Health, Nutrition & Population
- Macroeconomics & Fiscal Management
- Poverty
- Social Protection & Labor
- Trade & Competitiveness
- Transport & ICT
- Social, Urban, Rural & Resilience
- Water

#### Cross-Cutting Solutions Areas:

- Climate Change
- Fragility, Conflict & Violence
- Gender
- Jobs
- Public-Private Partnerships

significant reductions in administrative costs, as well as a strategic staffing exercise, to realign staff behind the priorities of the new structures.

28. The six regional VPUs, which include Country Management Units (CMUs), remain

responsible for country programme design and implementation and for government and partner relationships at the country level. The regional VPUs are **Africa, East Asia & Pacific, Europe & Central Asia, Latin America & the Caribbean, the Middle East & North Africa** and **South Asia**.

# III. UNITED NATIONS–WORLD BANK COORDINATION AND COMMUNICATION

## HEADQUARTERS STRUCTURES PURSUE STRATEGIC DIALOGUE, SUPPORT PARTNERSHIP

29. As an Independent Specialized Agency, the WBG links with the United Nations primarily through the Economic and Social Commission (ECOSOC) and through its membership on the Chief Executives Board. It also has observer status at the General Assembly, the UNDG, the PBC and other bodies, and is invited, when relevant, to address the Security Council and the Policy Committee.

30. The Office of the World Bank's Special Representative to the United Nations in New York is a key liaison, focusing on intergovernmental, inter-agency and institutional relations. It interacts on behalf of the WB with the UN and diplomatic missions in New York, and connects colleagues from both organizations in the field and at headquarters to foster strategic United Nations–World Bank engagement in FCS and more broadly. The New York office represents WB management in key United Nations meetings and promotes interaction and stronger relationships between senior WB managers and high-level United Nations officials, as well as facilitating participation in United Nations events, conferences, roundtables and summits.

31. **The Office of the World Bank's Special Representative to the United Nations and World**

**Trade Organization in Geneva** liaises with both the United Nations and diplomatic missions in Geneva, particularly on humanitarian action, disaster risk management, health and migration. It coordinates the WB's engagement in the Inter-Agency Standing Committee (IASC) and other global humanitarian coordination forums, and interacts with the Red Cross Movement (both International Committee of the Red Cross and International Federation of Red Cross and Red Crescent Societies) and key international non-governmental organizations (NGOs).

32. Within the WB, the **FCV Group** has responsibility for the UN–WB partnership in FCS, coordinating closely with GPs and CMUs, which lead interaction on particular issues and countries. The FCV Group co-leads central dialogue structures with United Nations counterparts (see below), in addition to administering the **UN–WB Fragility and Conflict Partnership Trust Fund** (Box 3).

33. Within the United Nations, the main focal points for the UN–WBG FCS partnership are the **Development Operations Coordination Office (DOCO)** for the UNDG and the **Peacebuilding Support Office (PBSO)** for the Secretariat for partnership issues. The key headquarters counterparts for country-specific engagement are the regional divisions and bureaus in the lead United Nations departments and agencies, funds and programmes. Individual





### BOX 3: UN-WB FRAGILITY AND CONFLICT PARTNERSHIP TRUST FUND

This fund provides financial support for jointly developed analytical, strategic and operational activities, with an emphasis on promoting closer collaboration in the field. A joint UN-WB Steering Committee oversees and approves all proposals for the trust fund, which is supported by Switzerland and Norway. Grants are available for joint projects of up to \$500,000. Guidance for applicants and overviews of past projects is on the Fund's [website](#). Funding is available, via a single application and approval process, for WB-executed activities through the main fund, administered by the FCV Group, and for United Nations implementation via a parallel funding stream managed by UNDOCO.

UN Photo/Marie Frechon

United Nations entities also have designated focal points for the WBG partnership. (See Annex for main contacts.)

34. Meetings take place about twice a year at the Assistant Secretary-General/WBG Senior Director level to discuss the UN-WBG partnership and oversee the implementation of global agreements and the SRF. The inter-agency Steering Committee that oversees the Partnership Trust Fund also supports this high-level dialogue, including through driving the development and implementation of a shared work plan for the SRF.

#### WBG ORGANIZATION, GEOGRAPHY DETERMINE KEY CONTACTS ON COUNTRIES, THEMES

35. Country Directors (CDs) and Country Managers or Representatives (CMs or CRs) are the key interlocutors for United Nations organizations in the field, and developing a strong relationship with these can underpin broader partnership efforts. A CD has responsibility for the WB's country relationship and program. These directors, whose level is roughly that of United Nations ASGs, usually cover several countries. Thus, the CD based in Mali also covers Chad and Niger, as well as Central African Republic (CAR) from FY16.

The WB will usually have a smaller office led by a CM or CR who reports to the CD, where a director is non-resident.

36. In Washington, the primary contact on country issues is usually the Country Program Coordinator (CPC), who serves as a deputy for the CD on all countries covered. CDs lead multi-country teams called Country Management Units (CMUs), which include country economists, program leaders (who coordinate several sectors), country or operations officers and administrative staff. In addition to these CMU staff, country offices (in the field) will also usually house several sectoral specialists, and sometimes communications, financial management, procurement and other staff, most of whom will work on more than one country.

37. The best contact on a particular project or issue may therefore be based in-country, at headquarters or another location, though CMU staff will all report to the same CD, via CMs and CRs if they are based in another country office. Thematic specialists, wherever based, will ultimately report to the CCSA and GP Senior Directors in Washington, usually through a manager with specific thematic or regional coverage. This contrasts with often-

sharper field versus headquarters divisions in the United Nations.

38. The WBG's country webpages provide information on WBG support and contacts for individual countries. Links are in the following format: [www.worldbank.org/countryname](http://www.worldbank.org/countryname). The Country Assistance or Partnership Strategy or Interim Strategy Note, usually flagged on the country page, provides an overview of a country program. Since July 2014, new strategies have been in the form of **Country Partnership Frameworks** (CPFs, see paragraph 47). The Projects and Operations, Research, and Data tabs provide more detail.

39. In the field, the WBG is a member of the United Nations Country Team (UNCT) as well as the Security Management Team (SMT) and, where relevant, the integrated mission Senior Management Group. Its participation in all these meetings should be encouraged. In countries where WBG offices are small and representation

is limited, it may make sense to group issues that affect the WBG into periodic sessions, such as once a month. The WBG should also be invited to participate in relevant planning sessions, retreats, cluster and sector meetings and, at headquarters, country-focused Integrated Task Forces (ITFs).

40. The United Nations Department of Safety and Security (DSS) is responsible for inter-agency arrangements for the protection of the United Nations system, including the WBG, in hazardous situations, which may be beyond the control of the host government. The WBG will generally seek to act in unison with other members of the United Nations on security issues but reserves the right to determine its own risk vulnerability and to decide on and implement emergency relocation or evacuation responses. When such deviations become necessary, WBG country office management should make all efforts to coordinate with the United Nations Designated Official, DSS and the SMT.

## IV. COLLABORATION ON ANALYSIS AND PLANNING

### SUPPORT FOR NATIONAL STRATEGIES, COORDINATION IS STARTING POINT FOR UNITED NATIONS–WORLD BANK GROUP ALIGNMENT

41. Coordinated support for national development programmes should be the starting point for aligning United Nations and WBG activities in-country. A collaborative United Nations and WBG approach in technical assistance, capacity building and other support for national and sector-based development and recovery plans is vital, as the WBG and United Nations are frequently main partners to Governments in such processes. These include National Development Plans, **Poverty Reduction Strategy Papers** (PRSPs), Compacts and Transitional Results Frameworks. Such cooperation can be grounded in multi-country agreements, such as that covering non-communicable disease (NCD) prevention and control (Box 4). Clearly articulated, prioritized national strategies, with clear arrangements for financing, implementation and monitoring and evaluation and broad buy-in from stakeholders make coordination of assistance easier.

42. Typically linked to the financing and implementation of such strategies, support for country-led coordination processes and systems offers further opportunities for United Nations and WBG partnership. This often includes support for the preparation of donor conferences and other coordination meetings; organizing such meetings among donors; strengthening national capacity for

aid coordination as well as the broader monitoring and evaluation of national strategies.

43. Implementation of the **New Deal for engagement in fragile states** offers further opportunities for working together on country-led processes, including developing indicators for peacebuilding and statebuilding goals (PSGs), fragility assessments and compacts. The New Deal, endorsed by UNDG and the WBG, stresses the importance of more effective partnerships to reduce the burden on low-capacity governments in FCS and better coordinate support around country priorities. Recent UN–WBG collaboration in the context of New Deal implementation in Somalia is presented in Box 5. The g7+ grouping of fragile states and the International Dialogue have developed **resources**, including A Guide to Implementing the New Deal.

#### BOX 4: COORDINATION ON NCD SUPPORT

In non-communicable disease (NCD) prevention and control, a trilateral agreement among UNDP, WHO and the WB aims to leverage significant WB resources for national NCD plans. A platform and mechanism for this has been agreed through initial country inter-agency assessment missions. The foundation is a national NCD plan that is multi-sectoral, with the UNCT through the UNDAF driving technical assistance and service delivery support, and the WB as the financing arm. A memo among UNDP, WHO and UNDP outlines a work plan that covers this and related work.

#### BOX5: NEW DEAL IMPLEMENTATION— CAPACITY DEVELOPMENT SUPPORT IN SOMALIA

The United Nations and World Bank in Somalia have achieved a high degree of cooperation based on strong complementarities and the need to build on the momentum of the government's 2013 New Deal Compact. The joint UNDP–WB Capacity Development Program addresses the priorities identified in the Compact through capacity injection, civil service management and ensuring coherent approaches in cross-government functions, in support of the PSG goal of Inclusive Politics. The UNDP and WB adopted a common program framework, joint management and results framework and joint reporting structure, but considered a joint project document unnecessary. The teams found that sharing documents and information regularly, as well as frequent outreach and meetings, were key to successful collaboration. They also accepted the different timelines and procedures of each organization rather than trying to harmonize them and maintained a clear division of labour, based on comparative advantages. The United Kingdom, Sweden, Norway and the EU provided parallel funding.



#### COOPERATION ON UNITED NATIONS AND WORLD BANK GROUP ASSISTANCE FRAME- WORKS SHOULD START UPSTREAM

44. Effective, upstream collaboration in the development of United Nations and WBG assistance frameworks can build shared understanding and vision and promote complementarity and partnership in the resulting programmes. This collaboration can take many forms, including joint assessment missions, working together on preparatory analytical work, bilateral or broader consultations (preferably early on and substantive rather than just validating), as well as consultations with national stakeholders on development programmes and activities undertaken jointly.

45. **Country Partnership Frameworks (CPFs)** in 2014 replaced Country Assistance Strategies (CASs) as the WBG's business plans in support of individual countries. They are based on a country's own development strategy and poverty reduction

goals, as well as the WBG's twin goals of ending extreme poverty and increasing shared prosperity. Country circumstances, particularly the coverage of national strategies and election cycles, determine a CPF's timeframe, with most expected to cover 4 to 6 years. A CPF sets out a context-sensitive, selective and flexible WBG country programme, reflecting the role that the Government agrees for the WB to take with respect to its other partners. This includes projected funding over the period and an outline of planned projects and other activities. In limited circumstances when the development of a medium-term programme is impossible—such as when the WBG is re-engaging after a long absence, or conflict or instability are ongoing—the WBG may prepare a briefer Country Engagement Note.

46. A **Systematic Country Diagnostic (SCD)** will inform each new CPF. The diagnostic, which involves consultations with a range of stakeholders, will identify the most important challenges and

opportunities for reaching the twin goals. SCDs in FCS should be informed by a fragility analysis to identify key challenges and appropriate WBG responses. United Nations staff are encouraged to participate in SCD activities and analysis if opportunities arise.

47. It will likewise be important to engage the WBG in initial UNCT and stakeholder discussions on planning for a United Nations Development Assistance Framework (UNDAF) or common country transition strategy, including during the comparative analysis and SWOT (strengths, weaknesses, opportunities and threats) discussions. In countries with an integrated presence, the WB should also be engaged in Integrated Strategic Framework (ISF) discussions to ensure a common understanding of the crisis and the critical peace consolidation needs, to share context analysis and map out comparative advantages, as reflected in [UNDAF](#) and [IAP guidance](#). The WBG should also be invited to participate in United Nations assessment processes through the UNCT or stakeholder consultations, which include Common Country Assessments (CCAs). It could also be very useful to invite the WBG to participate in Strategic and Technical Assessment Missions (SAMs and TAMs).

48. Conflict analyses and fragility assessments offer a particular opportunity for collaboration between the United Nations and WBG. As mentioned above, these are now conducted in countries implementing the New Deal. Such analyses are required for SCDs and ISFs in FCS, as well as being recommended for UNDAFs.

49. Though collaboration is encouraged among the United Nations, the WBG and other partners in the preparation of their own strategies, merging documents (e.g., UNDAFs and CPFs)

is not recommended, due to the considerable transaction costs involved in accommodating the different calendars, planning processes and operational modalities of partners. Instead, where the government and partners agree on the need for an additional framework to coordinate assistance, efforts could be devoted to developing a flexible operational framework for alignment with the national development strategy, for coordination among development partners, such as the previous [Democratic Republic of Congo \(DRC\) Country Assistance Framework](#), and the current [DRC International Security and Stabilization Support Strategy](#). These joint documents outline priorities for international support and make commitments to advance aid effectiveness.

## JOINT ANALYSIS ON PRIORITY FCS THEMES PAVES WAY FOR FURTHER COLLABORATION

50. Particularly on the 2011 WDR priority themes for partnership—jobs, justice, security and institutional strengthening—recent analysis and the development of joint approaches and tools will guide thematic collaboration at the country level going forward. All of these activities have been supported by the UN–WB Partnership Trust Fund. They include:

- Security Sector Expenditure Review Sourcebook prepared by the United Nations Department of Peacekeeping Operations (DPKO), United Nations Development Programme (UNDP) and the WB, currently being piloted in the CAR before finalization.
- Joint framework for strengthening justice service delivery, using a problem-driven approach, recently piloted in Somalia.
- Joint diagnostic tool for Re-establishing Core

Government Functions in the Immediate Aftermath of Conflict. A pilot usage in the CAR has underpinned a joint strategy to reregister all civil servants and provide critical salary financing.

- Conflict-sensitive extractive industries framework to help governments address conflict risks, through entry points along the value chain.

51. More broadly, the WBG's core expertise on socioeconomic issues can be applied in FCS to topics beyond its usual focus, through joint work with the United Nations. Recent examples have included country-focused joint public expenditure review work focusing on security and justice sectors, such as in Liberia, and analysis of the impacts of peacekeeping missions, such as in Mali (see Box 6).



#### BOX 6: ASSESSING PEACEKEEPING IMPACTS IN MALI

The WB and the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) are together analysing the socioeconomic impact and perceptions of the mission. While other missions have been assessed after closure, this work focuses on the early stages, aiming to improve the impact on communities and the local economy as the mission evolves. The study is generating data and building collaboration that will promote further cooperation, particularly on the rollout of development activities in conflict-affected northern regions. The project is financed by the UN-WB Trust Fund, with two consultants recruited by the WB and a survey team by the United Nations. Completion is due in mid-2015.

UN Photo/Marco Dormino

# V. OPPORTUNITIES FOR COLLABORATION IN DIFFERENT COUNTRY CONTEXTS

## SUPPORTING IMPLEMENTATION OF DEVELOPMENT ACTIVITIES IN DIFFICULT ENVIRONMENTS

52. United Nations–World Bank Group collaboration can support the rollout of development and reconstruction activities in regions emerging from or still affected by conflict. This can restore services and create jobs, providing much-needed support and a peace dividend.

53. The presence of peacekeeping forces can provide a security umbrella that allows sufficient government and WBG presence at key points, such as regional capitals, to support the implementation and supervision of development activities in broader regions. As a specialized United Nations agency, the WBG can use United Nations flights, which can be essential for access. The WBG may request missions and agencies to assist in the provision of logistical and practical support for WBG–financed projects, including vehicle use, office space and accommodation in areas with few safe alternatives. The WBG may also look to civilian mission units for information, analysis and liaison with local communities and officials. In some cases, such as currently in Yemen, missions have housed WBG staff to drive joint support for implementation of national priorities.

54. In regions affected by conflict or violence, and other contexts where state capacity may be

limited, the United Nations may have the capacity to implement project activities on behalf of governments with WBG financing. United Nations agencies often have presence on the ground even in remote areas and can supply essential goods and deliver services quickly, as well as providing technical assistance and capacity building, even at decentralized levels of government. United Nations agencies may have developed promising pilot initiatives that the United Nations and WBG can work together to scale up. See Box 7 for recent collaboration in the CAR and Mali. Section VI covers the main models for structuring and funding collaboration.

55. Occasionally, especially when NGOs, local firms and United Nations agencies are not present or able to implement, engineering battalions and other peacekeeping units may be able to undertake reconstruction and development activities linked to WB–funded projects. This was the case in Liberia in 2006 and in the violent slum of Martissant in Port-au-Price, Haiti, in 2009. These job-creating road building projects paired the expertise and equipment of engineering battalions with funding and development expertise from the WBG, supported by project management from UNDP and United Nations Office of Project Services (UNOPS). The projects supported reconstruction of critical infrastructure, provided jobs and improved conditions for local communities. (See Box 8 for Liberia example.)



### BOX 7: URGENT FOOD AND AGRICULTURAL SUPPORT IN CAR AND MALI

In 2014, the Emergency Food Crisis Response and Agriculture Re-launch Project, a collaboration with the transitional government of the CAR, the Food and Agriculture Organization (FAO) and World Food Programme (WFP) supported by a \$20 million IDA credit, aimed to restore livelihoods and assets destroyed by the ongoing conflict, while addressing a severe food crisis. It leveraged key United Nations capacities (including procurement, targeting and delivery of supplies), as well as greater geographic access.

The project aimed to provide food to 220,000 young children, 197,000 school-children and 7,500 pregnant and lactating women, as well as distributing seeds, fertilizers and other agricultural inputs. The CAR government contracted FAO and WFP, who sub-contracted networks of local NGOs for targeting and distribution.

Similar agricultural support for households at risk of food insecurity in conflict-affected northern Mali is underway in early 2015, implemented by the FAO for the Government of Mali, using \$5 million under the IDA Emergency Recovery and Reconstruction Project.

Curt Carnemark/World Bank

### BOX 8: ROADS FOR PEACE IN LIBERIA

Struggling in 2006 to generate employment in areas of Liberia where livelihoods were critical to stabilization and devastated infrastructure in need of repair, the United Nations and WB collaborated on the labour-intensive repair of feeder roads through a four-party memorandum of understanding (Liberian Ministry of Public Works, WB, UNMI and UNDP). UNMIL provided engineering equipment for the road repairs, amid insufficient private sector capacity, qualified workers and perimeter security, extending their standing responsibility to keep supply lines open in the areas covered. UNDP managed the project, procuring materials, managing recruitment and payroll with \$600,000 from a precursor to the SPF Trust Fund. The transport sector expertise of WB staff added to this security-stabilization-development effort. A longer case study is here.



Dominic Chavez/World Bank



## PLANNING FOR AN END TO CONFLICT: WATCHING BRIEFS AND PEACE PROCESSES

56. When the United Nations and World Bank Group have limited or no presence in-country, they can set up joint watching brief processes to share information and analysis and prepare for eventual engagement. Such a process was used in Libya in 2011, when the United Nations and WBG worked jointly on a pre-assessment process, with the WB leading the economic analysis.

57. The WBG cannot finance or participate directly in peace negotiations (see paragraph 13), but it can make technical contributions to the national dialogue or peace process, typically on economic and fiscal issues, reconstruction, and financing structures. The WBG can help identify security flashpoints emanating from the economic sphere that may not otherwise surface in diplomatic negotiations and other political mediation, such as capture and rent through state-owned enterprises, extractive chains of custody, port and airport operations, the management of revenues and expenditures and the impact of illicit financial flows. WBG involvement in such processes has usually been on the invitation of the United Nations, bilaterals or the parties concerned.

## COORDINATING POST-CONFLICT RESPONSE

58. Close coordination and collaboration among the United Nations, the WB and other partners is particularly important in immediate post-conflict periods to support implementation of peace agreements, re-establishment of core public administration and basic services, and revival of private sector activity and employment. While rapid results are needed on multiple fronts

to address urgent needs and cement peace, local public and private sector capacity has often been seriously weakened by the conflict.

59. Cooperation on needs assessments and planning processes for recovery and development is essential. The United Nations and the WB are central partners, along with the EU, in **Post-Conflict Needs Assessments (PCNAs)**, key principles for which were outlined in a

2008 **Joint Declaration**, which also covers post-disaster processes (see paragraph 74). PCNAs are multilateral exercises used to conceptualize, negotiate and finance a common shared strategy for recovery and development, led by the national or regional authorities. A full PCNA includes an assessment of needs, a national prioritization and costing and a transitional results framework/matrix (TRF). The methodology is flexible, with lighter exercises completed in Libya and elsewhere. DOCO is the United Nations focal point for PCNAs and compiles **guidance** and **experiences**.

60. Paragraph 52 above presents some frameworks for collaboration in key areas. In practice, WB and United Nations support has been coordinated within a range of different models. For public sector capacity building, these include the robust anti-corruption approach of the **Governance and Economic Management Assistance Program**

### PCNA EXAMPLES:

GEORGIA

SOMALIA

SUDAN/SOUTH

SUDAN

DARFUR

LIBERIA

HAITI

IRAQ

(GEMAP), implemented in Liberia over 2006–2010, and the New Deal–based framework now in place in Somalia (Box 5).

61. The WBG and United Nations are increasingly scaling up joint collaboration in support of political transitions as well, for example, in support of the National Dialogue process in Yemen.

## WBG RE-ENGAGEMENT AND DEBT RELIEF

62. If a country has been in prolonged conflict, the WB will often have disengaged either due to security concerns or because of the inability of local counterparts to implement development activities, a lack of legitimate state authorities or the country falling into arrears on debt payments. In these cases, while the WB process of officially re-engaging is underway, United Nations logistical support and information sharing can be essential for the WBG to establish an early foothold and involvement in key planning processes. In Iraq, Somalia and other cases, returning WB staff have initially been located in United Nations offices.

63. Re-engagement processes often include the WBG and the IMF working with the government on a broader programme of debt relief linked to reforms, typically via the **Heavily Indebted Poor Countries (HIPC) Initiative** and the **Multilateral Debt Relief Initiative** (MDRI). United Nations staff, including from peacekeeping or political missions, are encouraged to coordinate with those developing debt relief conditions, to promote consistency with commitments that governments may have already made under peace agreements.

64. In countries where the WBG is not fully engaged and its range of support is limited, United

Nations agencies can provide technical assistance, goods and services that complement WB analytical and advisory work. Such coordinated support has been used in Zimbabwe and other countries to drive key public financial management reforms that can pave the way for debt relief, arrears clearance and full re-engagement by the WBG and other partners.

## DEVELOPING MULTI-DONOR FINANCING RECOMMENDATIONS

65. In FCS, pooled financing mechanisms are important instruments for effective international support. They promote alignment of financing behind government priorities, create greater coherence of international support, reduce transaction costs for national counterparts, share risks and strengthen mutual accountability.

66. United Nations staff are strongly encouraged to collaborate with WB colleagues when making recommendations to governments and donors on the design of new Multi-Donor Trust Funds (MDTFs) and other financing arrangements in support of national reconstruction and recovery. In cases such as the **Somalia Development and Reconstruction Facility**, the fund is both a coordination framework and a financing architecture, providing a single strategy and oversight mechanism for trust funds managed by the United Nations and WB. However, sometimes discussions regarding design and the management roles of the WB and the United Nations have been acrimonious, including Southern Sudan in 2006 and Haiti in 2010.

67. The **Operational Annex** of the 2008 Partnership Framework seeks to strengthen collaboration around MDTFs. It set out a series of

technical considerations that should be referred to when seeking to reach agreement on design recommendations, which it states would normally be made jointly by the WB and United Nations system, with other multilateral organizations as appropriate in the context. It adds, “in situations where stakeholders in the field hold differing views, country representatives of the United Nations system and the WB should consult their respective designated representatives at HQ.”

68. United Nations staff should involve the **Multi-Partner Trust Fund Office** (MPTFO) at an early stage for tailored advice on MDTF design, especially when assessments such as the PCNA and Post-Disaster Needs Assessment (PDNA) point to the need for

a coordinated United Nations–World Bank financing architecture to channel funding to United Nations and WB–financed programmatic interventions for reconstruction and recovery. As a starting point, general principles can be drawn from experience in this area, as reflected in the Partnership Review: (i) the establishment of an MDTF should be seen as the start of a potentially challenging implementation process rather than as a competition for control of resources, so it is vital to develop the most practical structure for this purpose; (ii) apart from the limited circumstances in which the **Fiduciary Principles Accord** (FPA) applies, it is difficult for most WB–managed trust funds to finance United Nations implementation if the agency in question is unable to use WB rules and procedures; (iii) for this reason, two-window trust funds (one United Nations, one WB) have proven effective models in Iraq and elsewhere; and (iv) in cases where the FPA is potentially applicable, this should be provided for from the outset in Administration Agreements signed by donors and the WB.

## RAPID-ONSET CRISES AND OTHER DETERIORATION IN LOCAL CONDITIONS

69. When crises occur, the United Nations and WBG should communicate closely (see Box 9) to ensure an effective, consistent and immediate response to country and staff needs and the sustainability of programmes. Though a member of the SMT, the WBG will ultimately make its own decision on alternative working arrangements or evacuation of staff.

70. Humanitarian actors should coordinate with the WBG on response to disasters, spillover from conflict and other crises, on both immediate response and the longer-term transition to development activities. While the WBG’s

### BOX 9: OPERATIONAL ANNEX COMMUNICATION PROTOCOL

The UNDG and WB will strengthen mechanisms for ensuring consistent and effective institutional contacts in crises and emergencies as follows:

Immediate contacts made in the event of a crisis or post-crisis situation between the most senior WB and United Nations official at the country level.

Simultaneously, institutional teams responsible for post-crisis assistance in New York, Geneva and Washington will ensure that they are in contact.

The WB and UNDG institutional teams will be responsible for ensuring effective information sharing and coordination between headquarters and country offices, and among agencies, and for troubleshooting UNDG–WB coordination problems that cannot be resolved at country level.

**BOX 10: UNITED NATIONS–WORLD BANK GROUP  
COLLABORATION IN THE GLOBAL EBOLA RESPONSE**

The United Nations and WBG are working closely with governments and other partners in the affected countries, to support immediate response and planning for recovery. In 2014, the WBG mobilized \$518 million for emergency response in Guinea, Liberia and Sierra Leone to contain and prevent the spread of infections, provide treatment and care to those already infected, help communities cope with the economic impact of the crisis and resume essential health services. The funds were disbursed directly to the countries affected by the Ebola outbreak and to United Nations implementing agencies. Neighbouring countries are taking preventive measures and reallocating WBG funds under ongoing projects to engage United Nations agencies to support this.

In addition to upstream collaboration on analysis and assessments related to the impact of the Ebola crisis, the United Nations and WBG worked together to deliver rapid assistance. By December 2014, the WBG had provided over \$172 million through the United Nations (UNICEF, WHO, WFP and UNFPA) from an IDA grant. In early 2015, UNOPS received WBG funding to provide logistical services for the deployment of international responders and medical teams in the three countries. United Nations engagement has been provided for through supplies and technical assistance agreements (contracts with the government) under the overall West Africa response plan. WBG funding has supported a large number of national and regional priorities to curb the epidemic, including UNICEF shipments of essential supplies and vehicle, to Guinea, Liberia and Sierra Leone, technical assistance on infection control and social mobilization; UNFPA delivering motorbikes, computers and other accessories to support the response; WFP provision of ambulances and mortuary vehicles, and delivery of more than 4,000 metric tons of food to holding and treatment centres and quarantined communities in Sierra Leone, reaching at least 300,000 households. UNICEF, WFP, WHO and UNOPS have used WBG funding to provide urgent inputs to the three countries, as well as technical assistance, training and services, and supporting the deployment of medical personnel. Further information is here.



articles prevent it from providing humanitarian assistance, its **OP8.00** policy allows for rapid response to emergencies, including to preserve or restore essential services, and human, social and institutional capital. This might include cash transfers and other transitional safety nets, health supplies, water and sanitation, food, seeds and other livelihoods support to crisis-affected groups.

71. WB policy (**OP10.00**) allows for accelerated project preparation in situations of urgent need. Restructuring of existing projects, usually faster, can

provide implementation structures for the delivery of emergency assistance, or make funds available for implementation by United Nations agencies and other partners. Supplementing IDA's performance-based allocation system, regional management has some contingency IDA funding available for urgent needs and can sometimes mobilize trust fund assistance. (See Box 10 on Ebola response.)

72. In response to natural disasters, PDNAs can be used to assist governments to assess

the extent of a disaster's effects and impact, similar to a PCNA. A PDNA aims to produce an actionable and sustainable recovery strategy for mobilizing financial and technical resources. In fragile contexts, a PDNA can provide a platform to coordinate and harmonize support from the European Union, United Nations and WB (the three central partners in the PDNA methodology) as well as other actors. Recovery and reconstruction can be pursued in a manner that opens opportunities for dialogue and consensus between conflict-affected communities. The post-disaster recovery context also provides an opportunity to establish mechanisms for transparent use of funds, thereby increasing accountability to the community.

## TRANSITIONS OUT OF PEACEKEEPING

73. As missions plan to hand over key tasks to national counterparts, the UNCT and others, it can be helpful to engage the WBG at an early stage. Transition plans should address ongoing long-term resource requirements and include strategies on how to fill those gaps. This should include national budget processes as well as United Nations

and wider donor funding and advocacy. United Nations leadership should engage with the WB and other partners who work closely with national planning and budgeting processes to ensure that these prepare for financial and capacity gaps that national institutions are likely to experience due to the drawdown and withdrawal of a mission. In particular, state institutions may need to assume responsibility for security and public order over a relatively short period. Subject to certain due diligence requirements, DPKO, UNDP and the WB are increasingly collaborating on security and justice public expenditure reviews. In transition contexts, the WB's access and expertise can effectively open the door to the finance ministry and lead to the inclusion of realistic projections for expanded security and other functions in Medium-Term Expenditure Frameworks and other planning and budgeting processes. This provides a credible basis for the **Government** to make its own allocations and for donors to fill the gaps. In addition, these reviews can make recommendations for improving transparency, accountability and improved budget oversight in police, justice and defence institutions.

# VI. STRUCTURING AND FINANCING COLLABORATION ON PROJECTS AND PROGRAMMES

74. It is useful to understand client and WB roles and responsibilities regarding country programmes and individual projects as these determine opportunities for collaboration and appropriate financing and implementing arrangements. WB clients, who are usually member governments, lead project preparation and implementation. The WB undertakes analysis, strategy and advisory work and appraises, finances and supervises projects, as well as working closely to support clients on their preparation and implementation. (Details of the Project Cycle, including responsibilities, are [here](#).)

75. As well as the type of activity (and responsibility for it), two other key factors for structuring possible collaboration in any particular case are, first, who would be funding whom and with what resources and, second, the country context, in particular whether the situation involves urgent need, fragility or limited government capacity. Main models applicable in different circumstances are presented below.

76. Progress has been made in assuring the compatibility of WB and United Nations fiduciary systems, but establishing the legal and operational framework for initiatives that involve cross-financing can still be challenging. Teams are advised to consult partnership focal points at an early stage.

## PARALLEL ACTIVITIES WITHIN COMMON PROGRAMMATIC FRAMEWORKS

77. Parallel activities, typically with separate funding streams managed by the United Nations and the WB for the activities each supports, are often the simplest and most effective way to support cooperation. If funding is available on both sides, work can be closely coordinated within a single project or programme framework without the need to negotiate a contract or grant agreement or for one organization to oversee implementation by the other. Implementing agencies can use their own policies for procurement, financial management, safeguards and so on.

78. In some emergency or fragile settings, United Nations missions have made in-kind contributions within the framework of WB-financed government projects, without needing to receive funding from those projects. One such example was the emergency rehabilitation of Haiti's Route Nationale 3 after the earthquake of 2010. As part of the implementation of a WB-financed project, MINUSTAH contributed the use of trucks and heavy machinery. UNOPS did receive project funds to implement works on behalf of the Government.

79. With accountability not linked directly to the flow of funds, other approaches are needed to

promote coherence and timely delivery of results by all parties. Box 5 on joint capacity development support in Somalia illustrates some ways that this can be achieved: close linkages with government priorities and planning, strong communication and joint reporting. A memorandum of understanding among all parties can be useful to clarify roles and responsibilities, though this is not essential or (usually) legally binding.

80. United Nations– and WBG–managed trust funds that promote partnership activities may be able to provide resources for implementation by their own organizations, as part of a larger joint initiative, provided the activity is otherwise eligible. The UN–WB Partnership Trust Fund can provide funding on one or both sides through separate windows (see Box 11 for a recent example in Jordan). The [United Nations Peacebuilding Fund](#)

#### BOX 11: UNITED NATIONS–WORLD BANK SUPPORT FOR JORDANIAN HOST COMMUNITIES

In 2013, the UN–WB Trust Fund approved \$150,000 to jump-start UNDP activities under the Kingdom of Jordan’s \$50 million Emergency Services and Social Resilience program, financed by an MDTF with contributions from Canada, the United Kingdom, Switzerland and the WB. The financing allowed UNDP to begin supporting the municipalities in their community outreach efforts since community participation was a critical component of the project, the aim of which was to mitigate the impact of the inflow of Syrian refugees on Jordanian host communities. UNDP’s next phase of support will likely be funded directly through the project via a contract with the Government of Jordan. It will support the prioritization of projects to be funded in the second year’s round of municipal grants through community consultations facilitated by the teams who benefited from the community outreach support.



(PBF) may be able to provide support for United Nations implementation.

81. On a much larger scale, major two-window MDTFs also provide parallel funding behind common frameworks. These include the [International Reconstruction Fund Facility for Iraq](#) and the Somalia fund described in paragraph 66.

## UNITED NATIONS IMPLEMENTATION OF PROJECT ACTIVITIES FOR GOVERNMENTS

82. Including in FCS, the main opportunity for United Nations agencies to work on the implementation of WB-funded projects is as a provider of goods, simple works or services to governments. The project's implementing agency (usually a public sector body) undertakes selection and contracting according to WB policies and procedures, which include some special arrangements for direct selection of United Nations agencies. Such collaboration is usually for the provision of specific supplies and services under larger WB-financed government projects, rather than the financing of projects developed and proposed by other parties, including United Nations agencies.

83. Information on individual WB-financed projects is available [here](#). The summary Project Information Documents (PIDs) as well as the comprehensive Project Appraisal Documents (PADs), provide details, including the implementing agency and the WB specialist responsible (the Task Team Leader, or TTL). The [Resource guide to consulting, supply and contracting opportunities](#) provides further information.

84. If the work involved is consultant services or technical assistance, the WB's [Consultant](#)

[Guidelines](#) (paragraph 3.15) allow clients to select and contract United Nations agencies on a single-source basis when they are "uniquely or exceptionally qualified to provide technical assistance and advice in their area of expertise" but do not allow them preferential treatment in competitive selection processes. The WB may agree that United Nations agencies follow their own procedures for selection and supply of goods on small contracts and "under certain circumstances in response to natural disasters and for emergency situations declared by the borrower and recognized by the WB."

85. For goods, works and non-consultant services, the WB's [Procurement Guidelines](#) allow procurement by clients directly from United Nations agencies following their own procurement procedures (see paragraph 3.10 on "Procurement from United Nations Agencies") for: (a) small quantities of off-the-shelf goods, primarily for education and health; (b) health-related goods for the treatment of humans and animals in certain circumstances;<sup>1</sup> and (c) small-value contracts for simple works when the United Nations agencies act as contractors or directly hire small contractors and skilled or unskilled labour; or (d) in exceptional cases, such as response to natural disasters and emergencies.

86. The WB requires governments to use its standard forms of agreement on projects it funds. Tailored [standard agreements](#) that accommodate United Nations rules and language have been developed with several United Nations agencies to be signed with the client government agency. United Nations teams can consult the WB's procurement policy team at [pdocuments@](mailto:pdocuments@)

<sup>1</sup> If the number of suppliers is limited and the UN agency is uniquely or exceptionally qualified to procure such goods and related incidental non-consulting services, if any.



[worldbank.org](http://worldbank.org) for assistance in adapting these models in cases involving other agencies and activities. To date, FAO, UNESCO and United Nations Population Fund (UNFPA) have agreed with the WB on technical assistance agreement forms, while UNICEF, UNFPA and World Health Organization (WHO) have agreed on forms for health sector supplies. These standard agreements are currently being updated and new versions will be available shortly.

87. Where governments hire a United Nations agency under a WB-financed project, on the basis of a contract to provide specific goods, technical assistance or services, financial management arrangements are governed by the WB's standard financial management requirements and the obligation to maintain a financial management system that allows for adequate oversight and administration of an agreement with the United Nations agency is then the responsibility of the borrower. In these cases, WB financial management specialists review arrangements that are to be put in place by the borrower to ensure that information received from the United Nations agency is recorded by the borrower's implementing entity in its accounting systems, included in its financial reports, and is subject to audit by the borrower's own auditor.

88. United Nations agencies should apply the indirect fee percentage that applies for contracts where the client is a government, not the WB.

89. With approval of the Government involved, agencies can be paid in advance from WB funding, either from the client's project accounts or from the WB directly, for example, when project accounts are not yet established.

## WORLD BANK CONTRACTING OF UNITED NATIONS AGENCIES FOR GOVERNMENTS IN EXCEPTIONAL CIRCUMSTANCES

90. WB policies allow direct contracting of United Nations agency implementation financed by IBRD, IDA and Recipient-Executed Trust Funds only when the conditions specified for alternative implementation in paragraph 12 of **OP10.00**, Investment Project Financing, are met. These apply "when the borrower/beneficiary is deemed by the Bank to: (i) be in urgent need of assistance because of a natural or man-made disaster or conflict; or (ii) experience capacity constraints because of fragility or specific vulnerabilities (including for small states)." In such situations, implementation can be undertaken by "relevant international agencies, including the United Nations, national agencies, private entities, or other third parties" if the following conditions are met: "the beneficiary's capacity to implement the needed activities be insufficient; and that the beneficiary requests the WB to make alternative legal and operational arrangements." Such arrangements are "limited to the time necessary to establish or restore borrower capacity and, in all cases, are adopted in Projects that include capacity-building measures to enable a timely transfer of implementation responsibilities to the borrower."

91. In situations when the WB can finance alternative implementation, and for certain trust funds, the 2008 **UN-WB Fiduciary Principles Accord** (FPA), agreed among the WB and 11 United Nations signatories,<sup>2</sup> can provide a useful contractual framework. It allows the recipient organization to use its own systems for procurement, financial management, safeguards and addressing fraud and corruption, as well as for project preparation,

<sup>2</sup> These are UNDP, UNICEF, FAO, HABITAT, UNOPS, UNESCO, UNFPA, ILO, UNHCR, WFP and WHO.

implementation and supervision. It applies only to United Nations– or WB–administered trust funds for crisis, post-crisis, emergency and humanitarian interventions, not to funds from IBRD, IDA or the WB’s own budget. The WB, in the [2008 Board Paper](#) that embedded the agreement in the broader WB policy framework, required all donors to a trust fund to agree, in their Administration Agreements or addenda to these, that the FPA could be used by that fund.

92. The FPA includes a template disbursement agreement (FPA annex 2A) that is signed between the WB, as administrator of the funds and the United Nations agency, who must be an FPA signatory. The Board paper and United Nations partnership focal points can provide further guidance on structuring operations using the FPA. The following section covers United Nations transfers to the WB under the FPA.

93. A [joint UN–WB review of FPA use](#) (2014), concluded that the FPA had been helpful when used, though use has been less than expected. Recommendations included a strengthening of advisory and troubleshooting support on both sides and that the WB consider expanding FPA applicability to a wider range of trust funds or other funding sources, or perhaps to non-fragile, non-emergency contexts. An updating of the WB’s own framework for FPA use, as set out in the FPA Board Paper, is needed to reflect broader changes such as new Investment Lending policy ([OP 10.00](#)).

94. When the FPA does not apply, direct transfers to United Nations agencies can take advantage of the 2006 [Financial Management Framework Agreement \(FMFA\)](#). This offers less flexibility than the FPA but is more broadly applicable. It covers all direct WB grants to United

Nations signatories, not just from trust funds in crisis settings, and essentially provides for the use of United Nations financial management rules, including on audits. It applies automatically and does not require extra steps to trigger it. While it has been useful in overcoming financial management incompatibilities, standard WB rules would still usually apply for procurement and project preparation and supervision, as well as social and environmental safeguards, all of which can create challenges for United Nations implementers. The FMFA has 23 United Nations signatories, listed at the FMFA link above.

95. Programme management fees for direct implementation by United Nations agencies for the WB would normally be capped at 7 percent (with the other costs being recovered as direct costs), which is the agreed UNDG inter-agency rate (including implementation for the WB).

96. For joint initiatives in mission settings, if WB funding is to be used to cover aspects of the mission-executed component, for example the costs of construction materials, fuel and local labour, it is usually necessary for a United Nations agency to receive and manage these funds. Most missions do not have the capacity to do this themselves. UNDP and UNOPS can fulfil this role, as illustrated in the joint road building example in Box 8.

## UNITED NATIONS IMPLEMENTATION OF WORLD BANK ACTIVITIES

97. The WB can also directly contract United Nations agencies for activities such as analysis that support the WB’s work programme as long as the resources involved are from a Bank-executed source (such as the WB’s own budget or certain trust funds). In such circumstances, the WB can

contract United Nations agencies as vendors under WB corporate procurement rules. The WB and several United Nations agencies have agreed to include specific United Nations Terms and Conditions as additional language to the standard WB corporate procurement contracts. An overview of these rules and current opportunities is [here](#).

## UNITED NATIONS FUNDING OF WORLD BANK ACTIVITIES

98. United Nations funding of WB activities is rare, given that the WB is primarily a financier rather than an implementer of development activities. Potential cases include support from United Nations trust funds for the contribution of WBG expertise to United Nations programmes, and support for joint programmes in which parallel financing of activities is not feasible, for example, in post-conflict settings where the WB has not yet re-engaged.

99. The WB will normally seek to apply the same rules to United Nations bodies as to other

donors: a WB trust fund, set up for the purpose if necessary, would receive and administer the funds under a standard WB administration agreement, with funds to be administered according to WB rules and procedures. If the funds are to go toward WB-executed activities of less than \$1 million, they may be transferred under a simpler structure known as an Externally Funded Output (EFO).

100. In cases where the FPA would apply (see paragraph 68), United Nations resources may be transferred to a WB-managed trust fund for implementation by the WB under its own rules and procedures. The FPA is fully reciprocal and includes an agreed template (a Memorandum of Understanding set forth in its annex 2B) based on the standard United Nations MPTFO administration agreement, for United Nations transfers to WB trust funds. This covers only WB execution, not the implementation of government projects financed by the WB. To date, the FPA has not been used to cover WB implementation, though this has been considered in several cases.

# ANNEX: MAIN CONTACTS FOR UNITED NATIONS–WORLD BANK PARTNERSHIP SUPPORT

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