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Opportunities and Challenges for Greater IFI-UN Collaboration across Macroeconomic/FCV Linkages

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In recent years, the International Monetary Fund (IMF), the World Bank, and the United Nations (UN) have increased their collaboration and strengthened their respective capacities to engage more effectively in fragility, conflict, and violence (FCV) contexts. They have done so by expanding or adjusting their policy, analytical, funding, and programming toolbox to specific FCV requirements. Such developments have already had a real impact: for example, together with other national and international efforts, they greatly enhanced country capacities to manage the simultaneous political, social, and economic shocks of the Ebola crisis in West Africa, the drought in the Horn of Africa, and the refugee crisis in the Middle East. Recent global developments point to the need to accelerate these efforts and deepen collaboration between these three institutions in particular.

In many regions, from the Maghreb to the Horn of Africa, the Sahel, and Central and South America, countries are facing an increasingly complex combination of macroeconomic stress and high levels of fragility, conflict, and violence that have deep-seated political and social roots. The current and unprecedented COVID-19 pandemic is now exacerbating the situation by increasing the budgetary outlays required to address the crisis while lowering commodity prices below the fiscal break-even prices of many countries whose budgets rely on commodity exports.

In many of these countries, responses to these difficult macroeconomic and health conditions are going to put incredible stress on an already fragile political fabric and deep social fault lines, especially when severe economic headwinds coincide with high-risk political transitions. Everywhere—including in high-income countries—political turbulence and contestation of traditional governance arrangements are increasing the stakes and impact of macroeconomic decisions, and now of pandemic response measures.

Displays of national unity to fight off COVID-19 might temporarily tame these tensions, but they may re-emerge very quickly, with perhaps even more acuity once the crisis subsides. We may see a rise in social disturbances, and even attacks on state power, as second-order effects of the pandemic take root, including food crises and new migration patterns within and between countries. Interrelated economic, health, and political risks may reshape the dynamics of violence in unforeseeable ways, particularly in conflict-affected contexts.

This immediate pressure is exacerbated by the need to anticipate and adapt to long-term trends (e.g., technological shifts and climate change), which require structural decisions that have difficult political, economic, and social ramifications even in places enjoying greater stability. For countries facing the dual macroeconomic–FCV trial, the turbulence they must navigate is only gaining in intensity. The health crisis will make it worse.

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This extremely challenging global landscape, where risks intersect with increasing virulence, is calling out for greater collaboration between the IMF, the Bank, and the UN, as the three institutions to which many countries that find themselves in these situations often turn. Their roles are distinct and should be complementary. However, given their different mandates and the lenses they employ, advice from these institutions can often generate further dilemmas and trade-offs: when the imperative to spend money on politically salient solutions and real health crises hits the hard budget constraints of available foreign assistance and domestic resources; when simultaneous political and economic reform becomes overwhelming; or when sound options from an economic and health standpoint may imperil fragile political settlements and/or further exacerbate grievances. Limited understanding of the relationship between risks and competing views on how to manage trade-offs persist, from the pace of assistance to the type and sequencing of responses.

The challenge for these organizations is threefold: understanding issues from a perspective that extends beyond their respective mandates, updating and upgrading their own responses and offering coherent support to governments, and overcoming a range of internal and external impediments to effective collaboration. The time for addressing these challenges is now: there is both an urgent need across the world, and—particularly with recent leadership changes at the IMF—there is a renewed will from within.

The case for increased collaboration

Considering the transaction costs involved, especially for three large multilateral organizations with significant bureaucratic practices, a call for increased collaboration must rest on a clear case. Such a case can be made at four levels: factual, financial, political, and counterfactual.

The factual case is dictated by the challenges at hand and the realities on the ground. There is now sufficient accumulated evidence, including from internal evaluations,[1] of the very real links between macroeconomic decisions and FCV dimensions. In Tunisia, following a historic democratic transition and remarkable progress on certain political rights, contestation is now shifting to the socio-economic arena. Decisions on the wage bill, pensions reforms, and subsidies in particular are needed. But they carry severe political repercussions and may undermine in turn recent political advances and deepen grievances that have not yet been addressed. In Lebanon, it is increasingly evident the country's economic problems have political roots and can only be resolved sustainably through major governance reforms that will upset established interests. The backlash sparked by the attempt to impose a WhatsApp tax showed in no uncertain terms how sensitive any economically inspired reform is in a country where the political dispensation remains so fragile.

Hence there is recognition that adequate solutions are no longer institution-specific, even if these institutions have different mandates and objectives. Evidently, they are neither asked nor equipped to use their own instruments to advance the mandate of others, but the case for complementarity is dictated by convergence of realities. In Somalia, for example, the objectives of the IMF's Staff Monitored Program (SMP) in support monetary stability, the Bank's work on fiscal transfers, and the support to federal arrangements by the United Nations Assistance Mission in Somalia (UNSOM) have been naturally reinforcing, with macroeconomic initiatives offering a powerful set of incentives for collaboration among political actors, and political engagement needed to make difficult macroeconomic reforms. Mandates may differ, but their objectives often align and intersect in FCV contexts.

This is equally true in the COVID-19 response, where the success of epidemic management is heavily dependent on fiscal and macroeconomic stability and political conditions. In many ways, the litany of shocks in 2020 (locusts, forest fires, floods, political and social unrest, debt crises, and COVID-19) demonstrates the interdependence across the environmental, economic, and political spheres. Risks need to be analyzed holistically, both over the macroeconomic, peace and security nexus, and over time. Inevitable trade-offs need to be understood and managed with all three institutions at the table.

To appropriately address these linkages, a depth and breadth of expertise and resources are needed, which do not exist all in any one of these institutions. Instead they are spread across all three (and more) and need to be brought together for greater individual and collective impact. The extent to which

[1] See for example, Independent Evaluation Office of the International Monetary Fund, "The IMF and Fragile States: Evaluation Report 2018." Accessed August 27, 2020: https://ieo.imf.org/en/our-work/Evaluations/Completed/2018-0403-the-imf-and-fragile-states.

coordination takes place, and the form it takes, may be subject to different perspectives and may be tailored to country specific cases. But the rationale for some form of coordination is evident from today's context.

There is also a financial reason—in these contexts, all three institutions are now spending large amounts of money at the same time. As one UN advisor points out, for a while, the World Bank and the IMF had less exposure to fragile contexts than the UN. Over the past decade, the Bank in particular has greatly increased its investments in such countries. At this time, fragility is no longer a low-income country issue. With the scale-up of international financial institution (IFI) financing and the spread of these risks to middle-income countries, there are now many more contexts where failure or poor implementation by one institution can directly impact investments by the other two institutions.

The impact of these three institutions coming together to address a multi-dimensional challenge combining macroeconomic, health, and political dimensions has a particular resonance at a time of global political fragmentation

A third, more political case can be made, one that of course also remains linked to the current crises. The impact of these three institutions coming together to address a multi-dimensional challenge combining macroeconomic, health, and political dimensions has particular resonance at a time of global political fragmentation. With major powers engaging on a more pronounced transactional basis, with national interests and geopolitical competition occupying a more prominent space in international assistance, there is value in strengthening a multilateral center of gravity; one that offers a more principled, impartial, and predictable source of support to countries and populations that may be seeking a respite from power dynamics and retain a yearning for collective solutions and the principle of international solidarity embodied by the IMF, the Bank, and the UN. Beyond the technical value, the political symbolism of such increased coordination also matters.

Finally, the case can also be made negatively, by looking at what happens when the three institutions go it alone on these inter-linked matters. Most of the evidence for the counterfactual comes from the recipients themselves. Feedback from national partners shares a common call for greater coherence in the advice provided by international institutions. Too often they are pulled in different directions. They may be asked by various actors to prioritize different issues and approach vulnerabilities (economic and political) through different means. Or they receive conflicting signs from supporting partners as to how they should proceed and what financial support might be available. Some of the options suggested can also contradict themselves, especially between the economic, political and security realms. This has been the case in the Sahel, where pressures to increase national outlays for the military response (including through national contributions to the G5 Sahel force) mean that less is available for allocations to social sectors, despite calls from other partners to invest as well in these areas. When many of the grievances fueling violence are socioeconomic in nature, the lack of consistent messaging and advice when hard choices are needed can strain the relationships between governments and international partners.

Collaboration is not just a matter of transaction costs; it is ultimately matter of impact, individual and collective. Evidently, there are also risks associated with homogenous advice across the three institutions. It can be reductionist. It can prioritize one viewpoint over others, stifling healthy debate and creative thinking. But centrifugal pressures pose greater risks to the ability of these countries to properly navigate the complex, and still insufficiently understood, links between macroeconomic management, prevention of conflict, and crisis response.

This call for more coordinated approaches does not ignore the vast body of collaborative work, past and current. The 2019 UN–World Bank Partnership Monitoring report provides ample evidence of the breadth and depth of joint initiatives between the two institutions across a range of fields, both at headquarters and in-country. Notably, the Bank and the UN work closely in many FCV contexts on public expenditure reviews of the security sector (most recently in the Gambia, for example), which provide a framework for both political and technical assistance given as to how and when to restructure, at high risk, an often-bloated security apparatus.

Collaboration between the IMF and the UN has tended to be more limited to sporadic information and analytical exchanges. But examples do exist. In Somalia, the Bank facilitated robust linkages between the UN's political work on federalism and the IMF's Staff-Monitored Program (SMP). This included frequent dialogue at the highest levels of each institution, joint messaging to member states, and a mutually reinforcing strategic use of the signals sent by Security Council resolutions and SMP decisions, respectively.

But greater scrutiny of the track record points to greater scope for wider collaboration on these matters. The portfolio of UN-World Bank collaborative projects in fact includes few examples of joint work on the macroeconomic/FCV linkages per se. Beyond information sharing, including through the participation (often nominal) of IMF and the Bank in the UN country teams, and operational coordination (see below), systematic joint analysis and strategic engagement on if and how to coordinate respective interventions to address such linkages appears limited. It certainly remains below the level of ambition that seems warranted by the current context.

Shared foundations for effective support

Effective collaboration and support to governments requires a more robust **understanding of the political economy at play across these linkages**, including in terms of gains and losses among groups. Such an understanding constitutes the foundation upon which strategies for timing, sequencing, targeting, compensating, and communicating can be designed with a fuller appreciation for their impact and potential risks.

However, this imperative casts a sharp light on the *knowledge* and *skills* required of the institutions *imparting* advice. In these contexts and circumstances, political guidance must be informed by and combined with a robust understanding of the macroeconomic conditions and potentialities. Conversely, technical advice on economic reforms and health responses must consider surrounding politics and the sociopolitical impacts of such advice.

There are two areas in particular where all three institutions have recognized a need for a skills upgrade. The first one is political economy analysis: that is, understanding the power relations between different actors, and the interplay between control and dissemination of resources and modes of governance. These considerations are critical for anticipating and managing reactions, including potential resistance to specific policies. This type of analysis is an important element of risk management, the second area where institutional gaps remain—notably when it comes multi-dimensional risk analysis, where risks of a different nature are considered jointly. Given the sensitivities at play in these linkages, the challenge is to consider two levels of risk simultaneously: the risks to a country of a specific action (political, macroeconomic, and so on), including how these risks impact different groups, and the risks to the institution (the IMF, the Bank, or UN) that is recommending and/or implementing a specific action. At each level, the universe of risks must span the political, security, and macroeconomic spectrum (with health as an added dimension), and they must be connected between the three institutions, as an action recommended by one inevitably impacts the mandate and actions of others.

The complexity in these environments, and notably the difficulty in understanding and anticipating the tipping points, also highlight the need for partner institutions to better listen to governments, as well as to other actors and networks in-country. Both the process of building wide coalitions and the outcomes of these dialogues must be embedded in the institutional procedures that underpin such engagement. Such outreach beyond the “usual suspects” is a precondition for any effort to tailor responses and avoid a homogeneous response across countries.

It also requires a willingness to admit and learn from failures. This is partially achieved through standard knowledge management and programming approaches (e.g. monitoring and evaluation), which are increasingly well-established and functioning in all three institutions (see recent IMF evaluations, World Bank strategy, and the UN Development System reform on system-wide evaluations). But it also necessitates cultural shifts. It is therefore perhaps surprising, but somewhat inevitable and healthy, that in all three institutions the concepts of curiosity and humility are gaining ground as the foundations for greater relevance, acceptance, and impact of their work in these environments. However, for these of shared imperatives of knowledge, skills, outreach, and humility to fuel effective joint support to countries facing these multiple threats, a number of internal and external challenges to collaboration must be addressed.

Internal challenges to collaboration

This translates into different modes of engagement in FCV contexts, with IFIs operating primarily (although not exclusively) on a rules and performance basis, and the UN engaging on a different set of criteria

The collaboration gaps highlight the different ways in which the three multilateral institutions engage in FCV contexts, the different balances between rules-based decisions and discretion that they use in navigating trade-offs, the different lenses they apply, and even the different languages they often seem to speak. For example, there is often surprise, if not disappointment, felt in New York at the absence of references to the Sustainable Development Goals (SDGs) in IMF and Bank speak. Conversely, there are often anxieties in Washington DC with regards to importing peace-related matters, and therefore Security Council agendas, into work that is meant to remain technical. The IFIs balk at being seen as "doing politics," even as many now acknowledge the impracticality of staying away from politics.

These differences are structurally rooted in the different governance representation and arrangements—through the IMF and World Bank boards, the UN Economic and Social Council, and the UN Security Council, respectively. Member state engagement in each of these mechanisms differs in nature, with finance, development, and foreign ministries asking and expecting different things from them. This translates into different modes of engagement in FCV contexts, with IFIs operating primarily (although not exclusively) on a rules and performance basis, and the UN engaging on a different set of criteria, combining political negotiations with principled considerations to different degrees.

It is also rare to see these various governing bodies make reference to, let alone request, coordinated approaches with these other entities. Reluctance is at times driven by territorial tendencies, but also by some degree of passivity from the staff within these institutions, who are slow to make the case for coordinated responses. Within the UN, many are quick to point out that socioeconomic issues are not within the purview of the Security Council. While this is true from a mandate perspective, it does not necessarily preclude such issues from being presented by the political arm in its reporting to the council. In fact, the council itself has gradually expanded its understanding of fragility drivers to account for macroeconomic factors, and its mandates to peace operations often refer to the need to work with IFIs. Such an “opening” is not often reciprocated by other governing mechanisms.

The lack of cross-references between institutions is not necessarily a territorial reflex. It is often a result of lack of knowledge of the other institutions, and of the issues they are mandated to address. This knowledge gap is less pronounced between the Bank and the UN, including the latter’s political and peacebuilding pillars. This is the result of years of investment in collaboration, supported by institutional arrangements and dedicated funding. The gap is wider between the IMF and the UN. One challenge is the lack of the technical understanding on both sides: for example, the UN’s understanding of what managing a country’s balance of payments entails or, for the IMF, what implementing a Disarmament, Demobilization, and Reintegration program involves. Cross-knowledge of the other institutions’ issues does exist, but it tends to be scattered, uneven, and at times insufficiently concentrated or represented where and when it matters.

A related constraint, tied to different governance structures, mandates, and knowledge gaps, lies within the lenses through which issues are prioritized. Concepts such as prevention, stability, peacebuilding, and resilience are connected, but they are sometimes understood differently and therefore invite different responses. Each institution has developed its own frame, which can increase the transaction costs associated with coordinated approaches. For example, it is not currently clear whether the SDGs, even as a universal agenda, are providing a common lodestar for engagement and collaboration across multilateral organizations. It is interesting to note, however, that prevention, which was the current secretary-general’s first order of business, has a very prevalent place in the Bank’s new FCV strategy. But the extent to which it will find a prominent place in the broader World Bank architecture, and in the IMF, remains to be seen.

Finally, several operational realities also make coordination difficult. The country arrangements are very different. The center of gravity of UN operations and decision-making is primarily in-country, and even more so following the management reform and its focus on increased delegation of authority to the field. The shaping of IFI interventions is different, residing essentially at headquarters for the IMF, and at various country, regional, and headquarters levels for the Bank. Those different structures of decision making are not well understood across institutions. Their funding arrangements differ greatly as well, with the IFI’s more predictable resource base contrasting sharply with the UN’s increasing dependency on short-term earmarked project funding. The ability to work together, and engage together with national counterparts, is also made more difficult by different security protocols, with the IFIs’ physical presence being rather restricted in less-secure environments, including in most of the countries facing the issues under examination in this paper. At times, the reliance of IFI in-country presence on the UN's security apparatus can be conducive to greater joint work, but it does not guarantee it. This does not make joint work impossible, only harder.

External challenges to collaboration

There are also a number of external factors that make it more difficult for the three institutions to come together on these issues.

Many interlocutors from the IMF, the World Bank, and the UN have cited notably both **the pressures and the urgency to act as barriers to coordination**. These institutions are also subject to centrifugal forces from governments, donors, and the public. These lead them to prioritize their time and resources to their respective mandates, with little space dedicated to studying and acting on linkages between their fields of work and others that lie beyond their mandates.

While some of this divide is a result of divergent *internal* cultures and mindsets, it is also fueled by competing views from and within host governments, with different national counterparts often pursuing different objectives. It is at times the case that national governments are not keen to see effective collaboration. Different ministries manage the relationships with the UN, the IMF, and the Bank. They may see their leverage reduced, or accountability for resources to their own sectors affected, if government engagement with the three institutions were to be more centralized or benefit from greater coherence.

A second, very different, exogenous factor that makes collaboration more challenging relates to the analytical approaches involved on each side of these links, notably when it comes to anticipating events and/or reactions to decisions. On the macroeconomic side, many of the decisions required to manage the tradeoffs involved are based on growth projections and expectations. These carry dangers. The IMF itself recognizes that growth forecasts can often be overly optimistic, distorting the responses. Latin America offers vivid examples of how this sanguinity, often fueled by short-termism and electoral imperatives, has recurrently plagued macroeconomic management. The more sobering reality, as pointed out by the IMF, is that recoveries are often of shorter duration and lesser magnitude than anticipated. Should the rosy growth forecast not materialize, tough choices will have to be made later—but probably far enough into the future that the current decision-makers will not be in power.

On the FCV side, and in particular on political matters, the UN and partners often struggle to reach beneath the surface and understand underlying sentiments across the country. Analysis of who holds real power, of who has legitimacy, and of the dynamics between protagonists is difficult. This is particularly difficult when these considerations need to account for non-state armed groups, to whom access is limited, or for neighboring countries and other influential actors. These are challenges that the UN faces in almost everywhere it has a mission, from Libya to Afghanistan, and from Mali to DRC, despite having a presence in those places that sometimes has lasted for decades.

In a context of data paucity and analytical complexity, it is hard enough within any given institution or setting to get it right. It is even harder to bring these challenges together and craft well-coordinated responses.

And finally, coordination must overcome the **thorny issue of legitimacy and sovereignty**. The recent experience of Ecuador (which is being repeated in other countries, including Chile) speaks to the perceived loss of power over sensitive macroeconomic decisions and the political conditions required for such decisions. The decision to scrap subsidies was seen by many as an imposition from the IMF. Often legitimate reforms, or reforms undertaken for what many could agree are for good reasons (e.g., long-term fiscal sustainability) face perceptions of inequity in the immediate term. Reactions to measures that, at face value, could be considered sound now also reveal broader anxieties that seem to be spreading in many countries across the income scale. These include the sentiment that the vaunted social ladder no longer works or that the assistance always benefits the few, as well as feelings of declining opportunities and increased risks compared to previous generations. These sentiments also reflect an increasing gap between what people aspire to do based on their (rising) education levels and the (number and quality of) jobs that are actually available.

Often legitimate reforms, or reforms undertaken for what many could agree are good reasons (e.g., long-term fiscal sustainability) face perceptions of inequity in the immediate term

In addition, macroeconomic decisions that rely on complex technical analyses and are perceived as top-down in nature are being made at a time when traditional, vertical modes of governance are being challenged by a growing segment of the population.[2] The tension between the way these decisions are made, and by whom, and the ways more and more people now want policymaking to be conducted is itself a source of conflict, sometimes regardless of a decision's intrinsic worth.

In this regard, while the focus is usually on the IMF, examples abound where either the Bank or the UN have also been at the center of controversy for promoting policies that were perceived as illegitimate because they were dictated from abroad or misaligned with local political dynamics. For the UN, this often plays out in the electoral arena, when the timing and format of elections that it supports is disputed locally. For the Bank, the contestation at

[2] See Institute for Democracy and Electoral Assistance, *The Global State of Democracy 2019—Addressing the Ills, Reviving the Promise*, for analysis on the crisis of representation. Accessed August 27, 2020: https://www.idea.int/our-work/what-we-do/global-state-democracy.

times focuses on large infrastructure investments, which some audiences feel remain insufficiently politically informed or conflict-sensitive.

The sound advice that these institutions can muster means little (or worse) if and when they fail to anticipate its potential *political connotations*, misinterpretations, and uses. While the objective of coordinated response would include anticipating these consequences, the legitimacy risk can also be multiplied if collaborative efforts not only fail to meet this objective, but also if they are undertaken in a manner that reinforces the sense of loss of agency. In places where one or all three of these institutions face a legitimacy deficit, coming together has its costs.

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What can be done: institutional options

Even before the pandemic, both the Bank, in line with its new FCV strategy, and the IMF were looking for improvements to their respective toolkits for engagement with states facing a combination of political and macroeconomic stress—situations combining fragile political arrangements and unsustainable debt, where lending has stopped and the process of restructuring debt is too long. On the UN side, several officials had recognized the need to build capacities for "economic diplomacy" support, including for the mediation of macroeconomic issues in times of acute and enhanced vulnerabilities.

For all three institutions, the spread of the pandemic means that these times are have arrived everywhere, and the current moment is a test to their relevance. All three are fully engaged in mobilizing their capacities and resources to help countries to confront unprecedented challenges. For the IFIs, given their greater funding firepower, supporting countries that are facing this triple macroeconomic, political, and health threat means both developing new modalities of engagement and adjusting existing ones. A critical consideration is whether differential borrowing limit guidelines can be quickly agreed on and implemented for countries facing multiple simultaneous stresses, from refugee hosting and fragile political transitions to macroeconomic stresses and the pandemic. For the UN, in addition to the humanitarian appeal and the direct health response, this means demonstrating that it can deliver emergency development support by immediately reprogramming the relevant parts of its development portfolio to help governments navigate the crisis.

Limiting the damage from the current turbulence is the priority, and throughout, collaboration between the UN, the IMF, and the World Bank is essential. And it must be done with an eye to a future in which such multiple, simultaneous risks are likely to frequently materialize. This calls for continued efforts to improve the way the three institutions work together—so that as each crisis surfaces, the collective response can gradually become more effective.

To this end, the following institutional actions could be considered:

- Individually, each institution should accelerate and widen efforts to increase staff literacy of these linkages and the various dimensions of fragility, as well as understanding of and exposure to the other institutions' mandates, instruments, and procedures. These efforts could build on existing platforms such as the World Bank's well-respected FCV course.
- Together, the UN, the World Bank and the IMF should ensure that key **country based institutional decisions are informed by analysis and inputs from the other entities**. These could include, for example, the establishment, transition, and withdrawal of UN peace operations; key moments in an IMF SMP; and the design and approval of major Bank investments in conflict affected countries.
- Likewise, the planning processes that underpin these decisions should more systematically involve each institution. These include the UN Common Country Analyses (CCAs) and Cooperation Frameworks (CF), the World Bank Risk and Resilience Assessments and Partnership Frameworks, and the IMF Article IV Missions to FCV countries. All could benefit from information provided by the other institutions, notably on sub-national risk analysis that may be omitted in national-level assessments.
- In support of discussions taking place in-country, the three institutions should agree to hold regular senior-level meetings in countries particularly under stress to discuss these linkages. Involving regional and global management as well as country desks, these exchanges on the basis of integrated data/risk analysis would facilitate the **development of coordinated, risk-informed, multilateral policy advice** to host governments.
- Beyond the coordination of direct support to host governments, there is scope for increased joint country-focused advocacy and messaging on country trajectories, noting the power of an SMP or UNSC resolution to influence changes in how the international community can engage. This could include, for instance, joint messaging to international partners about realism in reform expectations and the need for periods of exceptional transitional support, as well as to governing bodies in New York and Washington DC and between ministries of finance, foreign affairs and development cooperation to ensure greater coherence in responses and in the mandates given to each institution.
- Country-level collaboration could be further supported by greater dialogue and sharing of expertise at headquarters: for instance, the **UN's Regional Monthly Review mechanism** should routinely engage both IMF and World Bank colleagues to benefit from their risk assessment, and the UN's

Peacebuilding Commission should systematize participation from IMF and Bank country representatives in country-specific discussions.

- The three institutions could also explore how their respective funding instruments—like the UN's Peacebuilding Fund (PBF) and the World Bank's State and Peacebuilding Trust Fund (SPF)—can further incentivize collaboration at the country level, and address gaps in headquarters-level instruments.
- Member states, through the boards of the three institutions, should expect and call for such partnerships on assessments and responses, including by explicitly mentioning the role of the need to work with the UN, the Bank, and the IMF in their respective mandate-making instruments (e.g. Resolutions on Sustaining Peace). In light of the current global pandemic, and its security and economic implications, member states could explore reinvigorating past efforts to establish stronger, even if informal, links between the governance mechanisms of the three institutions.

The three institutions could consider an ambitious joint forward research agenda, one that cuts across disciplinary lines on the diagnosis and treatment of fragility

To enable all of the above, the following measures should also be considered:

- The three institutions could explore to what extent existing analytical tools could be better connected; how assessment products across the macroeconomic, security, political, development, and humanitarian spectrum can better inform each other; and how lessons from—and potentially evaluations of—specific responses can be systematically developed and shared across the three institutions, including with boards.
- The three institutions could consider an **ambitious joint forward research agenda**, one that cuts across disciplinary lines on the diagnosis and treatment of fragility. In particular, more research is needed on the political economy of reforms and the relationship between political and economic tipping points, how various policy choices impact different groups within society, with prevention as the connecting thread across the analysis and the responses.
- The processes and instruments that have been established to support the UN-World Bank partnership in crisis-affected settings should be used and expanded to also include the IMF. The UN's **Humanitarian Development Peacebuilding and Partnership (HDPP) Facility** (under the PBF) and the World Bank's **Humanitarian-Development-Peace Initiative (HDPI) Facility** (under the SPF) have effectively funded joint initiatives at country level as well as new operational tools. The IMF could consider establishing a similar facility or participate in existing ones.

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Conclusion

Increased collaboration is not a natural result of good ideas or shared challenges. Other elements need to be in place. There needs to be mutual understanding of institutional procedures and red lines, and collaboration will most likely require a general framework to overcome institutional vested interests in respective instruments, approaches, and policies. Pilot projects featuring a high return on coordination will be needed to build trust. Clarity on what each institution brings to the table and on the end goals of the partnership will be essential, and initiatives will need to be circumscribed lest their transaction costs outweigh their benefits. Incentives, including through a dedicated trust fund that should be expanded to the IMF and shared staff, will be needed to maintaining momentum for collaboration. And it requires sustained will from the top of the hierarchy.

Efforts across all three institutions to increase knowledge, incentivize flexibility and creativity, and depart from boilerplates are not new. However, as the links between macroeconomic stress, the pandemic, and FCV become even more complex in their nature and virulent in their effects, the imperative to pursue them is ever more pertinent. Therefore, the IMF, the WB, and the UN should keep fine-tuning their understandings and their responses, both individually and collectively. This call is not all-encompassing. It does not involve transferring resources within these institutions. Rather, it is about collaboration that is both practical for meeting this moment's crises and supported by an iteratively more robust and shared knowledge base. Finally, it must be undertaken with the humility required to accept failures and the ambition needed to help countries address today's momentous challenges.

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