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UN-IFI Cooperation during Peacekeeping Drawdowns: Opportunities for Mutual Support

About the author

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As increasing political and budgetary pressures have come to bear on UN peace operations in recent years, more attention has been paid to ensuring that drawdowns are undertaken in a way that sustains the gains of a mission's presence. This policy briefing highlights a number of missed opportunities and argues for greater collaboration between the UN, the World Bank, and the International Monetary Fund (IMF) ahead of a mission's departure to build greater synergies between the country's political and economic pathways.

For the purpose of the paper, "transition" is defined as the mandated process of reconfiguration and withdrawal of a UN Security Council mandated mission (or peace operation). Usually, this process is nominally associated with reduced intensity in the factors that led to the deployment of the mission and to a larger "transition" to peace in the country, which is often benchmarked to successful elections. In this regard, the paper draws on the recent experiences of countries such as Côte d'Ivoire, Timor-Leste, Liberia, Sierra Leone, Haiti, and Sudan.

Almost by definition, countries requiring the presence of a UN peace operation have significant fiscal challenges. For many, the crisis is often marked by a multifaceted economic collapse that starves the state of revenue. International flows, especially those that are channeled directly to projects circumventing state coffers, do not compensate for falling exports and limited tax collection. And with only a few exceptions (e.g., Timor-Leste), limited fiscal power remains a feature of the recovery phase, post immediate crisis and post UN mission.

The paper begins by summarizing the economic challenges related to UN transitions, including diving deeper into the debate on whether or not these transitions create a "financial cliff"—in particular, in relation to official development assistance (ODA) and foreign direct investment (FDI). We then describe three key opportunities for the UN, the Bank, and the IMF to leverage their respective mandates and comparative advantages during mission drawdowns, seizing the moment around transitions to support a country's pathway to peace in ways that also lessen its economic burdens. The paper is based on desk research as well as interviews with a small number UN, World

Shifting landscape in the Security Council

The interplay between prospects for political stability—based on a sustainable settlement and functioning institutions of governance—and a country's economic trajectory has been well documented, notably in the joint UN–World Bank report, *Pathways for Peace*.

But a key opportunity is that this interplay is now explicitly recognized by the Security Council. The Security Council Resolution (SCR 2524 June 2020) establishing a new mission in Sudan includes an explicit instruction for the UN to support economic recovery efforts and collaborate with the IFIs in that regard. In Haiti, the recent transition from the peacekeeping mission to the political mission included the development of benchmarks to the Security Council, which incorporated socio-economic indicators.

Previous attempts to include such economic benchmarks in Security Council reporting have been viewed with suspicion by several Member States—particularly the P3 of the US, UK, and France—and even at times rejected as an attempt to perpetuate mission presence. In addition, several member states have been traditionally and consistently reluctant to expanding the Security Council's role into economic issues.

That there are now more frequent calls for inserting economic elements into a UN peace operation mandate and reporting is therefore a notable development. It marks the acknowledgement that the presence of a UN mission constitutes as much an opportunity to get the economy right as it is to get the politics right.

Bank, and IMF representatives involved in the transition process in Timor-Leste, Côte d'Ivoire, and Liberia, as well as the expected transition in the Democratic Republic of the Congo (DRC).

Background

The presence of a UN mission in a country signifies, through the vote of the UN Security Council, that the international community believes the situation in that country represents a threat to international peace and security. Most of these situations are characterized by a combination of high levels of violence, political crises, severe socio-economic dislocations, and increasingly climactic shocks. A country's lapse (or relapse) into conflict is usually accompanied by a deterioration of major economic indicators, notably youth unemployment, inflation, fiscal deficits, and public and foreign debt. This coincidence of political and economic tipping points is why the presence of a peacekeeping mission is one of the World Bank criteria for listing a country as fragile (a list used by the IMF as well).[1]

The economic challenges of peacekeeping transitions

While peacekeeping mandates traditionally have not included consideration of economic factors, the presence of the UN mission has an impact on the host country's economy both directly—e.g., salary of national staff, procurement, logistics and construction, purchasing power of UN staff, transfer of governmental responsibilities, etc.—and indirectly—e.g., as a signal that a country's security situation is unstable, impacting on donors' and investors' decisions, the ability to access capital markets, etc. Alternatively, the presence of a mission can send a positive signal that the country is safe for investment, as has been shown to be the case for countries rich in natural resources.[2]

Within the UN, the economic impact of a peace operation tends to be viewed through the narrow prism of economic footprint in the host country, and the particular implications this footprint has for transitions. This important dimension has been explored over the past fifteen years, including most recently as part of a report by the Organisation for Economic Co-operation and Development (OECD) published in 2020 on peacebuilding financing after mission drawdowns.[3] Some of the main challenges in this regard relate to post-mission employment prospects for national staff, which tend to be limited despite the work experience accumulated with the mission, and the adverse effect on local business suppliers, who see a quite significant source of revenue shut off. Several studies have also explored the economic impact of the mission throughout its

[1] The World Bank, "Classification of Fragile and Conflict-Affected Situations," July 9, 2020; www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations.
[2] Lars Jensen, "Foreign Direct Investment and Growth in Fragile- and Conflict-Affected Countries: The Role of Peacekeeping and Natural Resources" (UNDP, 2020).
[3] OECD, "Mission drawdowns: Financing a sustainable peace: Sustaining gains and supporting economic stability post UN mission withdrawal," *OECD Development Policy Papers*, No. 28 (Paris: OECD Publishing, 2020); doi.org/10.1787/a0b4c681-en.

presence, notably in terms of potential wage and rental distortions as well as a substantial service economy that may not be sustainable after a mission's departure.[4]

Beyond the issue of a direct economic footprint, the withdrawal of a peacekeeping mission can bring both economic challenges and opportunities for host countries. The first and main concern is that mission withdrawal may lead to a **"financial cliff,"** for example, because a country must take onto the public budget new expenditures for security (which had been previously provided by the mission), or because of a decline in official development assistance (ODA), with adverse effects on the economy as a whole. Indeed, mission withdrawals reportedly coincide with donor fatigue and a decrease in international attention to a specific country.[5] In struggling economies, they can contribute to a dimming of prospects for employment and local businesses, as well as inflation, as was witnessed in Liberia after the exit of the mission in early 2019.[6] However, it is important to note that mission drawdowns typically happen over a period of several years, as the Security Council reduced the number of authorized uniformed personnel and the mission's economic footprint shrinks. Therefore the "cliff," if it happens, would be much less than when a mission is at its height.

The second main economic concern about the mission transition is related to **overall institutional gaps** and the need for the government and national actors to take over some of the responsibilities and activities (as well as assets) that were carried out by the mission—including the impact of this change on the national budget. This takeover is obviously accompanied by an increase in costs for the government—and when these are not covered it may lead to institutional gaps since missions support effective national institutions in some areas, particularly in security and justice. For instance, UN Mission in Liberia (UNMIL) established an extensive presence outside of the capital city that the government budget could not meet, resulting in much lower capacities outside of Monrovia after the mission departed.[7]

A third concern is that a **mission's presence may mask structural weaknesses in the economy** that only become apparent once a mission has departed. In Liberia, the boost from the mission helped an economy that otherwise faced serious challenges with access to foreign exchange, infrastructure

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[4] See Michael Carnahan, William Durch, and Scott Gilmore, "Economic Impact of Peacekeeping," (New York: Department of Peacekeeping Operations of the United Nations, March 2006); www.stimson.org/wp-content/files/file-attachments/EIP_FINAL_Report_March2006doc_1.pdf; and Bernd Beber, Michael Gilligan, Jenny Guardado, and Sabrina Karim, "Challenges and Pitfalls of Peacekeeping Economies," *International Studies Quarterly* 63, no.1 (April 2019): 364–79; doi.org/10.1093/isq/sqz012.

[5] Adam Day, "Improving Security Council Practice in Mission Settings" (UNU, 2019); peacekeeping.un.org/sites/default/files/unu_un_transitions_r2_web1.pdf.

[6] Lucinda Rouse, "Liberia's Peacekeeper Deficit: What Happens to an Economy When the Blue Helmets Go?" *The New Humanitarian*, November 25, 2019; www.thenewhumanitarian.org/anaylsis/2019/11/25/Liberia-peacekeepers-UNMIL-economy-peace.

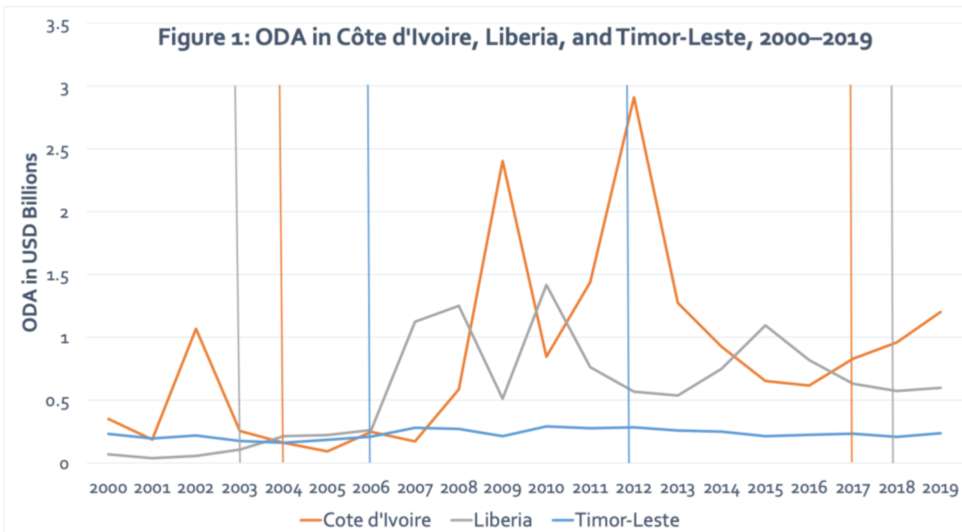
[7] See OECD, "Mission Drawdowns," 3.

to support the private sector, and a concession model for allocating access to natural resources for extraction to foreign companies.[8]

Inconclusive evidence for a "financial cliff"

A mission departure is often perceived positively, as it signals improvements in security and can spark investor confidence. Indeed, a country where a peace operation either is reconfigured into a smaller mission or is exiting usually represents a significant decline in the factors that led the Security Council to mandate its presence in the first place.

If that is the case, a marked improvement in the country's economic prospects, and in economic actors' confidence, should be expected. In particular, one could anticipate declines in traditional aid resources such as ODA, compensated for by increases in more commercial flows, such as FDI, used here as a proxy for reinvigorated investor confidence and economic prospects.

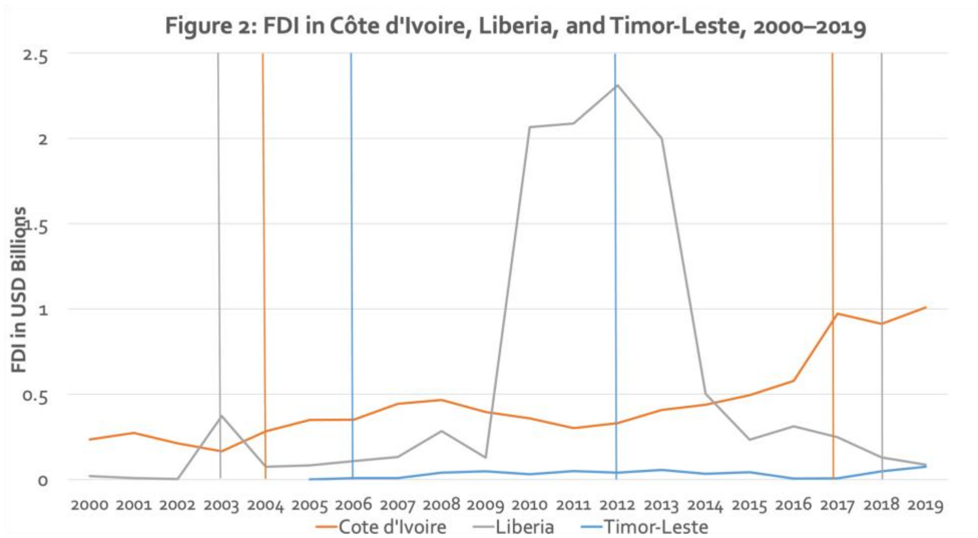


Source: OECD Creditor Reporting Service Data. **Vertical lines match the starting year and ending years** of the most recent peacekeeping missions in each country

In the three countries reviewed for this analysis, however, the relationship between mission reconfiguration and the volume and type of funding seems weak. In Liberia, the withdrawal of the mission in 2018 coincided with a downward trend in ODA, which had already been declining since the peak of the Ebola crisis, and which was followed by a slight uptick in 2019.[9] In Timor-Leste, it was highly variable after the mission left at the end of 2012, and in Côte d'Ivoire it increased after the departure in 2017. Anecdotally, the increase of ODA seems to bear a

[8] See Rouse, "Liberia's Peacekeeper Deficit."
[9] OECD, "Financing UN Peacekeeping Transitions: Liberia Case Study" (unpublished INCAF Financing for Stability report, 2019), 5.

relationship more with important events at country level such as the Ebola crisis in Liberia or the political crises in Cote d'Ivoire, rather than with the presence or absence of a UN mission.



Source: The World Bank. **Vertical lines match the starting year and ending years** of the most recent peacekeeping missions in each country.

Trends for FDI have been similarly inconclusive. In Liberia, FDI fluctuated importantly during the mission's presence between 2009 and 2014, with big spikes owing to the sale of decades-long concessions to foreign corporations.[10] The departure of the mission in 2018 has not so far led to an appreciable influx in FDI. In Timor-Leste, FDI has fluctuated, and with no discernible pattern (e.g., $56m in 2013, $5.5m in 2016, $48m in 2018, $75m in 2019). In Côte d'Ivoire, there has been an increase since the departure of the mission in 2017, following the upward trend that began in 2012.

In these instances, a mission's drawdown/transition does not bear a clear relationship with financial flows, as represented by ODA and FDI—in spite of the fact that a recent UNDP study has shown a positive relationship between the mission's presence and FDI in countries rich in natural resources.[11] What drives these flows may be indirectly related to the security guarantees offered by peacekeepers, but other and perhaps more important factors seem to be at play, such as the productive capacity of the economy or the availability of concessions for natural resources.

[10] Agnieszka Paczynska, "Liberia rising? Foreign direct investment, persistent inequalities and political tensions," in *Peacebuilding* (2016), p. 9; DOI: 10.1080/21647259.2016.1193938.
[11] Jensen, "Foreign Direct Investment and Growth in Fragile- and Conflict-Affected Countries."

While the data also seems to put to rest the fear that countries experience a predictable funding drop following a mission departure, the absence of any marked change in volume and type of international flows speaks to a rather uncertain economic moment.

Opportunities for strengthened UN-IFI approaches in transitions

Acknowledging that the above descriptions demonstrate that there may be no general blueprint, and that every country is different, there is little doubt that the issues themselves matter. The economic consequences of transitions are hardly inconsequential. They are often negative for individuals and their families, whose livelihoods as staff or suppliers depend on UN business. And recent research indicates that the UN still struggles to some extent in finding ways, with government, to mitigate such impacts, and that the UN has a responsibility to provide adequate solutions.[12] However, these reviews also indicate that at a macroeconomic level, the degree to which such considerations can jeopardize a country's economic prospects varies greatly from country to country, with some countries being more vulnerable.

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But even when an impact is felt, the transition may no longer be at the forefront of leaders' thinking, as other considerations also dictate the fate of the economy. As such, the departing mission's economic footprint often concerns few actors beyond the UN and government officials involved directly in the transition. Internal after-action reviews as well as outside reviews of these transitions also rarely mention the IFIs or the question of economic risks or opportunities those transitions may represent, beyond those related to the mission's footprint.

For the IFIs, notably, a mission transition may not be a significant economic moment; their public documents (country analyses, mission reports, etc.) rarely factor in the mission presence and its departure beyond cursory references.

The fact that it is unclear if and to what extent a mission departure informs and influences IFI courses of action speaks to the larger question: to what extent are the UN, the mission in particular, and the IFIs working jointly to leverage the political signals and attention brought on by a Security Council mandated presence in country to strengthen the links between the country's political and economic trajectories? What is done to make the most, in terms of economic opportunities, of the political moment, and to ensure that the country remains on a solid path out of fragility and crisis once a mission departs?

Planning and alignment, according to mandates and comparative advantages

UN transitions are typically accompanied by processes for multi-stakeholder

[12] See OECD, "Mission drawdowns," and related background case studies.

planning, as the mission plans to hand over key responsibilities—especially for security—to national actors. The process has several layers of implications, including the capacity and legitimacy of national counterparts to take on responsibility, as well as the financial burden that this can impose as governments take these functions onto their budgets. The most recent transitions have also paid close attention to the peacekeeping to peacebuilding continuum, highlighting the need (after the UN mission's departure) to continue rebuilding social cohesion, supporting inclusive institutions (including but not limited to the security and justice sectors), and prioritizing the needs of vulnerable groups, including youth and women.

The social and economic pieces of this process are critical; countries with UN missions are among the poorest and most fragile in the world. Moreover, just because a UN mission is withdrawing does not mean that the security needs have been met and that red lights are no longer flashing—indeed, recent drawdowns may be driven by political and budgetary fatigue or host country pressure, as much as they are by improved situations.

Although the UN convenes multi-stakeholder processes to plan for transitions, interviews and document review suggest that participation by the IFIs in these processes is ad hoc rather than structural. In some cases, such as Timor-Leste, the IFIs do not participate (although invited), or else participation is limited (DRC). For example, in Côte d'Ivoire, both the World Bank and the African Development Bank contributed substantially to planning for post-mission residual challenges—albeit belatedly—in particular following a 2016 Consultative Group meeting, leading up to the signing in 2017 of a $500 million USD transition plan by the government and all major partners, just as the mission was departing.

These multi-stakeholder processes are important to the government and partners alike to ensure a smooth handover. In Timor-Leste, the mission provided a detailed briefing to the government on budgetary implications of policing functions. However, sometimes the planning is not sufficient. In the case of Haiti, the handover of responsibilities from the mission to the government was not accompanied by a strong financing strategy.[13] In some cases, transfers may be particularly complicated because the mission's mandate is not aligned with the budgeting process—leading to a concern that appropriate budget envelopes may not be available during the transition process (which has been observed with DRC).[14]

A positive example is the 2018 transition in Liberia, in which UNMIL, which had been present since 2003, closed down, and the UN reconfigured its presence in the UN country team. The World Bank participated actively in the national

[13] OECD-INCAF, "Financing Peacekeeping Transitions: Haiti Case Study Key Impressions" (unpublished background note, 2019), p. 1.
[14] OECD-INCAF, "Financing Peacekeeping Transitions DRC: Case Study Key Impressions" (unpublished background note, 2019), p. 3

peacebuilding plan requested by the UN secretary-general in 2017, as well as a public expenditure review (PER) of the security sector, which was done in collaboration with the UN. Although the IMF was not as actively involved, it took note of and monitored the drawdown, including reporting on it in the Article IV consultation reports for 2018 and 2019.

Fortuitously, the UNMIL transition also lined up with the Bank's internal process for developing a new Country Partnership Framework and Risk and Resilience Assessment, and in fact the country director asked to postpone this process in light of both the elections and UNMIL's subsequent departure. As a result, the Bank was able to bring in financing for key infrastructure for marginalized parts of the country (in particular, highway development), as well as to strengthen programs to address a major driver of fragility for Liberia, youth unemployment.

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For the IMF, its monitoring of the situation, in particular the drop of foreign currency inflows that accompanied UNMIL's departure—which was driving up inflation—meant that it could act quickly to advise the Central Bank on mitigating measures and incorporate this into the new plan delivered to the IMF Board in 2019. Liberia is, however, perhaps a unique case for macroeconomic effects of UN mission transitions, because of the small size of its economy relative to the amount of foreign currency coming into the country from UNMIL. The departure of the mission created an outsized shock as that liquidity disappeared rapidly, which is an important lesson learned for planning in similar economic contexts in the future.

In short, the Liberian example demonstrates the benefit for both the UN and the IFIs of communication and coordination around mission transitions processes. But there are also gaps and opportunities for strengthened cooperation. In Liberia, Côte d'Ivoire, and Timor-Leste, for example, there was a sense that the countries could have benefited from some short-term interventions from the World Bank or a regional development bank, in order to prevent discontinuities of key mission interventions or to mitigate the financial disruption caused by loss of livelihoods as missions depart. In addition, because the Bank in particular may face delivery challenges in these contexts, it could consider using the UN country team as an implementing partner.

For the IMF, an important issue to engage early in a transition processes is the expected change in the level of conditionality for financing that the country receives—which may coincide with some of the fiscal challenges mentioned above. Early dialogue aligned with the transition can avoid the problem of unreasonable expectations around relatively severe adjustment measures.

Combined expertise for analysis of budgetary and capacity gaps

A credible pathway toward increased economic prospects and inclusive growth requires governments to identify their current and future budgetary space. This ranges from current and projected FDI to IFI financing, ODA, remittances, and domestic revenue mobilization, and it includes projections on the type of external assistance (e.g., budget support versus project money) as well as stolen assets, and private assets that could come back under state control. This identification and projection of resources is a necessary foundation for the preparation and execution of realistic and sustainable national budgets. Support combines both technical and the political advice, according to the mandates and expertise of the IFIs and the UN—in the form notably of sector-specific know-how and analysis, macroeconomic forecasting and technical assistance, and consensus building to create and sustain the will to adhere to agreed plans.

In the context of UN mission transitions, where one objective is to solidify the peacebuilding gains achieved through a mission's presence, it is important to develop a clear assessment of where the budgetary and capacity gaps for peacebuilding are likely to be strongest. (As part of this, there is the additional issue of the capacity of the Ministry of Finance to manage funds.) There is a fundamental challenge here, in that there is a lack of agreement on what constitutes "peacebuilding," and a corresponding lack of data about overall investments in peacebuilding functions.

One indicator of peacebuilding investment that has emerged recently is a new method developed by the UN Peacebuilding Support Office for assessing the amount of ODA that is being channeled to peacebuilding related objectives, such as "human rights and rule of law" and "inclusive political processes."[15]

Looking at ODA data for Côte d'Ivoire, Liberia, and Timor-Leste, some patterns can be observed.[16] First is the negligible amounts for peacebuilding in Côte d'Ivoire and Liberia as a proportion of overall ODA, and the diminished amounts over time in Timor-Leste. Second is the weak investment in basic security around a UN mission transition, including security sector reform, which would seem surprising given the centrality of this function to the mission handover. (Important to note, perhaps, that much military assistance is not captured in ODA.) By contrast, all three show a commitment to investment in core government functions (e.g., public sector management, domestic resource mobilization, decentralization), which is also a key element of the transition process. Also noteworthy is the very different level of investment in inclusive political processes, which covers things like civilian peacebuilding and conflict resolution, media, legislatures/political parties, etc., which is quite central.

[15] For an overview, see Ayham Al Maleh et al., "Peacebuilding, Official Development Assistance, and the Sustainable Development Goals: The United Nations Peacebuilding Funding Dashboard," *Journal of Peacebuilding & Development* (2020): 1–9.
[16] During a mission, low "peacebuilding ODA" reflects the fact that some tasks are taken on by the mission and financed through its budget. This is especially true of rule of law and security functions and deliverables as was done in Haiti, Liberia, or Cote d'Ivoire.

Figure 3: ODA in Côte d'Ivoire, 2008–18 (transition year 2017

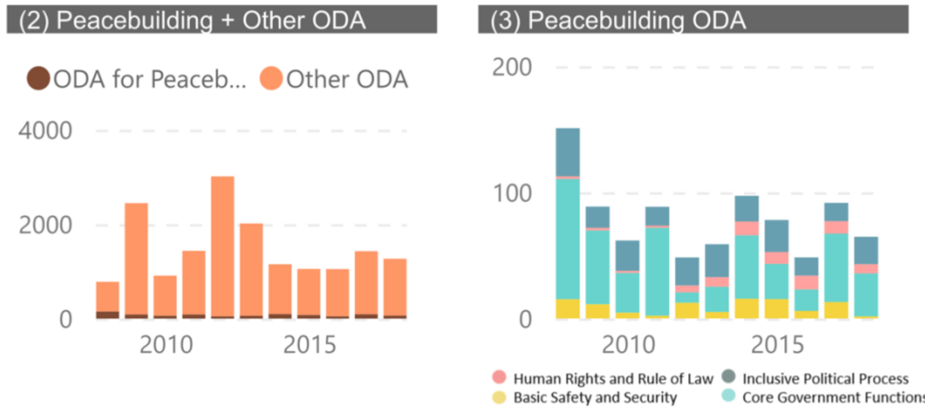


Figure 4: ODA in Liberia, 2008–18 (transition year 2018)

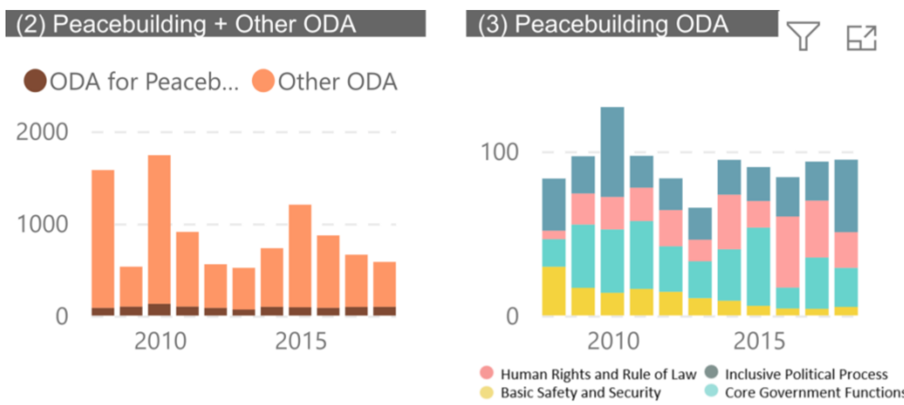
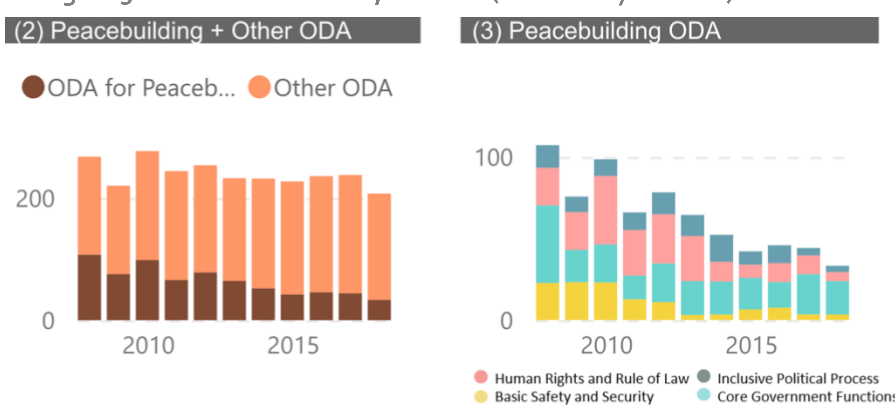


Figure 5: ODA in Timor-Leste, 2008–18 (transition year 2012)



Source: ODA data in constant 2018 US$ compiled at "Snapshot of ODA Disbursements related to Peacebuilding" (UN PSPB/PBSO/DPPA)

All this said, there is no overarching logic, except perhaps to note that a mission's departure does not seem to trigger a significant shift or rebalancing of the ODA portfolio. What could help, on a country-specific basis, is for the UN and the IFIs to bring together their respective analytical capacities to estimate the overall needs and estimated inflows for peacebuilding- and prevention-related sectors, including ODA, domestic resources, grants and loans, etc., in order to provide guidance, with government, on the most urgent gaps. As part of this, there is an important role for the IFIs in particular in helping to build the financial capacity of governments to manage funds effectively and bring cross-ministerial coherence to issues that may be as much political as technical.

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Another approach is to conduct assessments of sectors that are already understood to be critical to peacebuilding. Public expenditure reviews (PERs) constitute a good practice that could be replicated more widely. Designed to assess the consistency of government expenditure capacity with policy objectives, they are led by the World Bank, but often include UN inputs and participation, notably for the security sector. In addition to being helpful, they are also influential: they often inform government budget decisions, World Bank strategies, and donor allocation.[17]

Liberia again provides some lessons learned on the potential value of PERs during transitions. The Bank and the UN collaborated on a PER for the security sector around the transition process. Although the PER is ostensibly about the budget, in this case, there was a recognition that the real impact once UNMIL departed would be on the need for a strengthened judiciary to provide more transparency across the system; as a result, justice and corrections were included in addition to police and military. Importantly, the needs assessment showed that the security structure provided by the UN—which consisted of five regional security sector hubs throughout the country—would not be unaffordable for the national budget. This allowed for a dialogue with government about how to reconfigure security and justice provision in a way that could still maintain peace across Liberia's regions. While there was indeed an initial uptick in criminality after the departure of UNMIL, the volatility was not as pronounced as some had expected.

To be useful in the context of a mission's transition, several adjustments could be considered. As the case of Liberia shows, the timing of PERs is important, in that it can be worthwhile to assess instances where they should be aligned with mission transitions. Indeed, the PER for Liberia was only completed after the mission departure, and the country might have benefited from an earlier delivery of the report. Additionally, their scope could be expanded to better reflect peacebuilding needs and cross-sector considerations. This would allow for better

[17] For a comprehensive overview, see Bernard Harborne, William Dorotinsky, and Paul M. Bisca, eds., *Securing Development: Public Finance and the Security Sector* (Washington, DC: World Bank, 2017).

identification of and dialogue over tradeoffs. Fiscal gaps and the risks of leaving certain aspects unfunded would be clearer. Finally, they could include broader perspectives: analysis and discussions over sector and cross sector policy objectives and related budgetary choices can serve as opportunities for inclusive governance practices. For example, an important issue for the justice sector is to focus not only on institutions, but also on fostering an understanding of what is required to deliver on the key justice needs of a population, which could include low-cost investments in legal aid.[18]

A UN mission's departure could constitute a powerful convening moment

Clearly each institution can bring its own expertise; where difficulties may arise is in the need for interlocutors within each institution who can communicate effectively with others. UN literacy on economic matters (including IFI processes) within missions in particular may be weak. Such literacy must be supported by in-house economic capacities, notably from UNDP, the regional commissions, the resident coordinator's office, and a mission's joint analysis structures. For example, UNMIL drew on a UNDP economist that was based in Sierra Leone and covered multiple countries. The new mission in Sudan is planning on including an economic advisor to the special representative of the secretary-general (an idea tried but not realized in Libya's UN mission; whereas UNMIT in Timor-Leste had a senior socioeconomic advisor as well as a senior coordinator working on the government compact with donors). Ensuring that missions have the economic expertise required to engage with the IFIs will be an important contributor to stronger analytical collaboration. Similarly, strengthening political (or political economy) analysis within the IFIs will also provide benefits.

Collaboration to activate levers for additional peacebuilding financing and to support reforms

The questions raised in UN transitions are often politically sensitive, and some are even potential conflict drivers. Indeed, there can be significant challenges to getting traction on salient but politically difficult reforms, such as reducing the public wage bill or continuing reforms of the security sector. It is important to note that a mission drawdown and removal from the Security Council agenda means that the country is likely to get less international attention—and therefore less support for reformers who are championing progress on good governance, addressing drivers of conflict, and other politically sensitive issues. But a UN mission's departure could constitute a powerful convening moment, when the international architecture and, notably, the UN Peacebuilding Commission (PBC) can provide the space and time for actors to engage in these exercises. They are also highly technical and require fresh ideas about resourcing. Therefore, they would benefit from much more joint UN-IFI attention.

[18] A "people centered" approach to justice can be missing from these reviews. See Task Force on Justice, *Justice for All – Final Report* (New York: Center on International Cooperation, 2019).

From the UN side, the reconfiguration of the UN's presence from a mission to only a UN country team (or, in some cases, a special political mission) is a significant change in terms of mandate, staff, and resources available. The UN becomes a smaller actor with a much lighter footprint and political leverage, even at a moment where a country may still be getting back onto its feet. It nonetheless has several important levers for helping a country to mobilize resources for ongoing peacebuilding needs. The most important is its convening role. In a recent report from CIC and the Center for Global Development (CGD), we note that while both the UN and the IFIs have their own advantages in terms of convening, where the UN plays a key role is with its depth and breadth at country level, aiding in the inclusiveness of political dialogue.[19] Additionally, discussions at the Peacebuilding Commission have benefited from the expertise of World Bank country directors and IMF mission managers. During the UNMIL transition, the Bank and the IMF briefed the Peacebuilding Commission twice, helping UN staff to build momentum to create a UN multi-partner trust fund for Liberia (although this was not well funded). While this is positive, there remains a lack of clarity from the IFI side about the role of the PBC, and in particular the chairs of the country configurations, in mobilizing much-needed resources at these critical moments—and how this could be strengthened.

In Côte d'Ivoire, the UN collaboration with the IMF during the drawdown focused on budgetary allocations to critical peace consolidation areas

There are other good examples of collaboration to open up new financing options. In Côte d'Ivoire, the UN collaboration with the IMF during the drawdown focused on budgetary allocations to critical peace consolidation areas. Indeed, the mission saw a direct line between IMF and World Bank support on the one hand, and the relatively quick removal of Côte d'Ivoire from the list of fragile countries. This allowed the government to gain access to international financial markets, which was important to mobilizing resources (in particular, Euro Bonds and West African Economic and Monetary [UEMOA] shares). These additional funds meant that the country was able to allocate resources to address some of the residual challenges in the areas of social cohesion, national reconciliation, and youth employment that were the main focus of UN engagement through the Peace Consolidation Support Programme.[20]

The World Bank also has a wide range of instruments, in addition to IDA, which typically covers the countries where there are UN missions. These include national multi-partner and thematic trust funds, as well as instruments to support the private sector (e.g., International Finance Corporation and Multilateral Investment Guarantee Agency).

[19] CIC-CGD, "Strengthening Approaches to Conflict Prevention and Peacebuilding at the UN and the IFIs: Key Ideas and Recommendations" (NYU Center on International Cooperation and the Center for Global Development, 2020); https://cic.nyu.edu/sites/default/files/un-ifi_recommendations_final_dec_2020.pdf.

[20] It is worth noting that the president of Côte d'Ivoire during the transition, Alassane Ouattara, formerly worked for the IMF, which may have also aided in the collaboration process.

Where there is likely to be the most attention, however, in the coming years, relates to the role of the World Bank and its implementation of IDA19 FCV envelopes. Several countries with UN peace operations that are starting to transition/drawdown are already developing their plans for these additional funds. DRC and Mali are both seeking eligibility for the Prevention and Resilience Allocations, up to US$700 and US$500 million respectively over three years, whereas Central African Republic is already eligible, and Sudan will likely be eligible, for the Turn Around Allocation, at up to US$1.25 billion over 3 years.[21]

> What makes the FCV envelopes particularly unique is not just their scale, but that the plan underpinning their use can reference a variety of non-economic milestones that a government commits to achieving

The sums for the FCV envelopes are potentially game changing in terms of supporting the larger political transition (and, indirectly, the UN mission transition) that a country is going through–but the question is how they will be spent in line with peacebuilding and prevention aims. Given the stakes involved in UN mission transitions, it would be a massively missed opportunity if the funds do not align at all with critical peacebuilding gaps that also make sense for the Bank—for example, in DRC, through support to decentralization processes and good governance initiatives. Insofar as much of the funds may be used for basic service provision (e.g., health, education)—not least because of the obvious political benefits to governments to be seen strengthening service provision—it will be important for this provision be designed with a purpose to address conflict risks such as regional disparities or disparities between groups.

What makes the FCV envelopes particularly unique is not just their scale, but that the plan underpinning their use can reference a variety of non-economic milestones that a government commits to achieving—and which could be unusual for the Bank, such as reconciliation and social cohesion. In transition contexts, these could potentially be lined up with milestones in the Security Council, if useful. The potential is there for more and better targeted resourcing through convening and communication. The different entry points for the UN and the IFIs with government can help; while IFIs often focus on the Ministry of Finance, the FCV envelopes require cross-ministerial collaboration, which the UN can support.

The downside, however, is the possibility of more—and more complicated—matrixes. In the CIC-CGD report, we also highlighted the need to make matrixes manageable for countries, even adopting a "one matrix" approach to guide key priorities.[22] Liberia is a context where interviewees suggested that such an approach could have been beneficial. Ultimately, one step forward was the integration of the Peacebuilding Plan into Liberia's subsequent National Development Plan. During sensitive transition processes in fragile contexts, where countries may be overwhelmed by demands from their people as well as

[21] See The World Bank, "Fragility, Conflict, and Violence Envelope," ida.worldbank.org/financing/resource-management/fcv-envelope. See also "Annex 3: Implementation Arrangements: Fragility, Conflict and Violence Envelope," in *IDA19 Replenishment Report* (World Bank, 2020), p. 117; http://ida.worldbank.org/sites/default/files/pdfs/ida-replenishment-final-report-annex3.pdf.
[22] CIC-CGD, "Strengthening Approaches to Conflict Prevention and Peacebuilding at the UN and the IFIs," p. 6.

international partners, this consideration is all the more important.

Conclusion: enabling collaboration

The departure of a UN mission provides the opportunity for a sustained dialogue with a host country government on how to make the most of these moments of heightened international attention to chart a strong economic trajectory in parallel the country's political and security recovery. This dialogue should build consensus over what areas should be on the budget and when; the various sources of financing; and the larger macroeconomic and socioeconomic risks that could derail a smooth transition (where these exist). Through these discussions, countries can find the pathway to accessing more diversified and more sustainable sources of financing, including options for funding outstanding peacebuilding needs.

In this briefing, we have emphasized the need for **better alignment and planning** between the three institutions, with a focus on maintaining and strengthening peacebuilding gains while also seeking to unlock broader economic opportunities. More coherence between the three institutional agendas and their engagement in country is needed to address the frequent government fragmentation, with development/cooperation ministries often playing a small role (if any) in decisions regarding mission transitions, on the one hand, and the implications such a transition may have on development prospects on the other. The institutions should also consider, as part of this, a more routine approach to PERs for the security sector in the lead up to a transition.

For this to happen, collaboration should be more structural and less ad hoc; here we would echo the CIC-CGD recommendation to join up messaging both between institutions themselves and between member states on the UN Security Council and the IFI executive boards to emphasize the importance of greater alignment during transition moments.[23]

We have also noted the benefits of **collaborating across areas of expertise to assess budgetary and resourcing gaps** that may prove crippling to a country's emergence from fragility, if not addressed. Such analysis can be the basis for ensuring smarter allocation of funds and for engaging donors with real data, suggesting ways for rebalancing ODA portfolios. Existing tools such as PERs can be used smartly to support countries during this period. Across all of this, stronger economic literacy on the UN side will be an important pillar of support.

Finally, we noted a number of **levers for activating additional peacebuilding financing**, from the UN's PBC and multi-partner trust funds, to IMF support to improve access to financial markets, to the sensitive use of the

[23] Ibid., p. 8.

new FCV envelopes in IDA19. The whole can be greater than the sum of its parts, if these initiatives are activated with a sensitivity to what other entities are doing and when done with a clarity of purpose that can be generated through the gap analysis mentioned above.

Bringing the political and economic dimensions of the UN and IFIs' work much closer together can work to the interest of all; both are needed to preserve the increasingly large investments that these institutions are making in fragile contexts, especially in those that the international community has previously considered a threat to peace and security.

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