

December 2020

Strengthening Approaches to Conflict Prevention and Peacebuilding at the UN and IFIs: Key Ideas and Recommendations

About this note

This is a co-publication of the NYU Center on International Cooperation and the Center for Global Development.

All three of the recent UN secretary-general reports on peacebuilding and sustaining peace ([2018](#), [2019](#), and [2020](#)) take note of the need to enhance collaboration between the UN—not only its development system but also its peace and security and humanitarian arms—with international financial institutions (IFIs), namely the World Bank and International Monetary Fund (IMF).

The UN is not alone in this interest—there is now a unique opportunity following the joint [Pathways for Peace](#) report as the World Bank implements its new [Fragility, Conflict, and Violence \(FCV\) strategy](#), which places partnership front and center, and as the IMF begins to incorporate the findings of a recent internal evaluation (“[The IMF in Fragile States](#),” 2018), which argues for greater sensitivity to political dynamics in FCV contexts.

Recent developments around the world point to the need for accelerating and deepening conflict prevention and peacebuilding efforts—from the Maghreb to the Horn of Africa, Europe, the Sahel, and Central and South America—rising debt distress, as well as macroeconomic and social pressures are intersecting with fragile political dynamics and creating new risks to sustaining peace efforts. The COVID-19 pandemic has further exacerbated these challenges by adding unprecedented stress on pre-existing vulnerabilities across the political-socio-economic nexus.

This note provides a set of recommendations, with a view to strengthening strategic and policy collaboration across the three institutions in fragile and conflict prevention situations (including FCV countries, but also partner countries facing difficult political challenges and transitions at all levels of income and capacity). These recommendations are not meant as a panacea: sustaining peace is first and foremost a question of national ownership and political will, with the UN and the IFIs playing a supportive role to national reformers. Moreover, a complex landscape of global actors beyond the UN and the IFIs, including foreign investors, bilateral partners, and regional organizations, increasingly play a critical role in peacebuilding. But strategic complementarity between the UN, World Bank, and IMF is vital not only to amplify the impacts of their respective

interventions, but to provide a basis to help countries build the constituencies and alliances necessary to end violence and sustain peace.

The recommendations are based upon a policy dialogue in November 2019 between the three institutions, and a series of four country-focused dialogues in May and June 2020 between UN, World Bank, and IMF representatives. All these meetings were co-convened and supported by the Center on International Cooperation (CIC) at New York University and the Center for Global Development (CGD). Additionally, the recommendations have drawn upon background research prepared by CIC, which [took stock of the UN-IFI relationship](#) over the past several years, and key [opportunities for the relationship moving forward](#). An early version of this report served as an input into the UN's peacebuilding architecture review. The focus of the analysis and meetings was in all cases strategic, substantive, and practical rather than focused on financing partnerships. While there are situations in which the UN, for example, assists governments in delivering World Bank–financed programs, the strategic potential of the relationships goes far beyond this.

Common issues

The dialogues in general demonstrated that contact between the three institutions is increasing, with considerable exchange on analysis and programming. The World Bank's emphasis on partnerships in the FCV strategy is gaining traction in country strategies, such as close strategic and practical collaboration in situations as different as Lebanon and the Central African Republic. These dialogues, moreover, revealed a broadly shared understanding of the political and economic context within the countries in question. At the same time, both the policy and country dialogues raised a common set of issues with which the three institutions are grappling, highlighting the need for an evolution in approaches that cut across the macroeconomic, social, and political spheres. Key issues include:

- ***The simultaneous occurrence of political and macroeconomic tipping points in many countries***, where rapid action by leadership is needed on both fronts to build short-term confidence and initiate the longer-term political, institutional, social, and/or economic reforms needed to strengthen or restore stability. Sometimes the required actions, or perceptions of what these entail, work at cross-purposes. It is both difficult and important to anticipate the links between multiple and at times competing imperatives: *What is the effect of political pathways on fragile macroeconomic balances? Or what is the effect of macroeconomic or structural reforms on inequalities between groups that may fuel political grievances, or other drivers of political instability?*

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- ***The primacy of politics***, as these political economy questions exist in all countries, but the high degree of challenges and short time horizons of conflict prevention situations generally often make the politics more of a binding constraint: high-impact technical reforms are often fairly obvious, but political acceptance of them is difficult. Leaders may need to combine and sequence reforms in specific ways to build and maintain political confidence, such as more emphasis on quick visible wins, or the combining of reforms that affect different politically salient groups.
- ***The challenge of getting traction on highly salient but politically sensitive reforms***, such as the removal of energy subsidies compensated by social protection, wage bill and human resource reforms within the civil service, reform of state-owned enterprises, and action against corruption.
- ***Insufficiently broad-based coalitions for reform***, particularly macroeconomic reforms, which have failed in implementation when national ownership—both within the government itself, in particular coalition governments, and in the broader sense of a social compact—was insufficiently broad and deep.
- ***The difficulties/obstacles faced by national leadership in pursuing short-term confidence-building measures*** in fragile situations and political transition settings—e.g., delivering humanitarian assistance or social protection, or taking rapid action on corruption or abuse that is perceived as equitable across sectarian, ethnic, or other divides—while balancing these with longer-term political, institutional, social, or economic reform to sustain stability.
- ***The challenges arising from weak national communications, misinformation, and rumors***, which present a formidable barrier to national reformers in building coalitions and sustaining public support for reforms.

COVID-19 has deeply affected these issues across countries. In some situations, the crisis and the government's management of it appears to have brought greater national unity and permitted progress on major economic issues that had been stuck, such as lowering regressive energy subsidies and replacing them with social protection. In other situations, the impact of the pandemic seems to have upended political dynamics and further eroded the social contract, with (sometimes well-founded) suspicions that ruling parties are using the emergency to justify a crackdown on opposition activity, or that COVID-19 response funds will be diverted for personal profit or party-political reasons.

Finally, participants in specific country case discussions also raised concerns over the aggregate level of international financial assistance available in the face of COVID-19. Even in situations where national leadership lays out a broad and

well-designed pathway to respond to COVID-19, political unrest and conflict risks, and macroeconomic and structural challenges, it is presently unclear that sufficient international support will be forthcoming to implement it. The World Bank and the IMF have significantly increased their financing packages, both in response to COVID-19 and as part of a scaled-up engagement in fragile contexts (such as within IDA19). However, there are still concerns that, with needs rising much faster than resources, and all countries struggling with COVID-19's impact, broader medium-term financing packages will be difficult to mobilize.

Recommendations

1. ***Collaborate within existing capacities and mechanisms.*** Without inventing new strategies, policies, or instruments, there are many ways in which the UN and IFIs can combine their political and technical expertise, their respective convening powers with different national actors, their financial resources, and their different degree of “reach” within a country to create space for national actors to solve very difficult problems sitting at the intersection of political and economic risk. Country consultations show that **the UN-IFI partnership in Lebanon, among others, could be examined as a model for other countries.** This model demonstrates the positive value of a more structural relationship in which institutions collaborate on analysis, amplify one another's messages, and align funding and programmatic objectives. At the same time, it is vital to ensure that such partnerships are driven by country circumstances and do not become overly rigid; a flexible, fluid approach is needed to keep pace with the highly dynamic environment in fragile contexts. Other recommendations in this area include those below. In general, our conclusion was that this type of collaborative support should be increased in electoral years, both before and after elections, to support peacebuilding efforts and political transitions—not decreased, as is often the case now.
 - 1.1. ***Carry each other's messages.*** At a very simple level, there is an enormous benefit to different constituencies bringing their angle to the messages that normally “belong” to others—UN political officials on the potential political impact of macroeconomic choices, and IFI officials on the economic consequences of different political pathways. But this requires ongoing efforts to ensure consistency in messaging.
 - 1.2. ***Increase (quiet) support to national dialogues to gain consensus on peacebuilding and other politically sensitive priorities.*** Mechanisms discussed to assist national leadership in developing broad national ownership of politically contested issues include supporting whole-of-government consultations, cross-party dialogues, tripartite dialogue with business and labor, and government-civil society and government-community engagement. The UN has a particular expertise (and

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depth/reach in a country) in fostering dialogue and mediation; special envoys, SRSGs, and the UN resident coordinator can work with national partners and in some cases regional organizations—for example ECOWAS/AU—to convene dialogues that the World Bank and the IMF can participate in and support in their areas of expertise. Equally, if the IFIs are holding program discussions during politically sensitive periods, engagement with the UN can help to bring in political dimensions and actors with which the IFIs engage less frequently. In cases where countries qualify for the World Bank’s innovative “prevention and resilience allocation,” such dialogue could reassure the World Bank that a nationally owned prevention strategy and targets are in place.

- 1.3. ***Systematize IFI input and advice on UN analyses, including UN Common Country Analyses, and assessments for key inflection points.*** Notably, when it comes to the start-up, reconfiguration, or departure of peace operations, the UN needs to capture the macroeconomic and structural dimensions of risk and open space for a joined-up discussion with national actors about prioritization and sequencing of reform initiatives.
- 1.4. ***Where appropriate, use socio-economic issues (such as public health in general, the COVID-19 response in particular, or the debt situation) as the entry point for broader peacebuilding dialogue where the latter remains politically sensitive.*** In these cases, the World Bank or the IMF, as well as the development system entities of the UN, may have a convening role in initiating a technical workshop or meeting that acts as an opportunity, indirectly, to help bring contesting parties and groups together. When this occurs, it would make sense for the IMF, the World Bank, and UN development system entities to consult with the UN’s political arm for advice on participation and the political dynamics at play.
- 1.5. ***Pay more attention to economic issues and engagement of IFIs and UN regional economic commissions in the UN’s mediation role.*** Recent examples from Yemen and Sudan show that special envoys, in particular, can create a constructive space to engage IFIs in countries with peace processes as well as challenging macroeconomic situations. Additionally, as the UN regional economic commissions typically have good access to regional heads of state and ministers, their political capital could also be leveraged more alongside that of the IFIs to ensure that economic considerations are adequately considered in peace mediation processes, and that peacebuilding considerations are adequately considered in development discussions.
- 1.6. ***Sustain coordination platforms at the most senior level in countries facing complex macroeconomic and political challenges, where this***

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assists in dialogue. While field-level communication and coordination between external donors and between donors and government takes place frequently, it is not always easy for these discussions to capture all the strategic issues at play and may at times fail to unify corporate action around a common set of priorities at multiple levels. Elevating the level of representation in government-donor discussions from the UN and the World Bank has several advantages: it may result in higher level engagement from government and bilateral donors; it can help engage headquarters management in the complexities involved; and it can strengthen advocacy for exceptional response measures where needed. In countries on the Peacebuilding Commission agenda, involvement of the PBC may also provide a way to leverage this. At the same time, it is critical to ensure that senior-level coordination is pursued on the basis of demand from the field, when colleagues there say it could make a difference. Otherwise, the preparation required for a series of high-level meetings risks detracting staff time and energy from efforts that may yield larger impacts on the ground.

The key to such government-led coordination is that partners agree with government on a small number of key overarching priorities—not simply consolidate wide-ranging commitments in one document

2. ***Consider new initiatives, policies, or instruments to update our approach to political-economic links in peacebuilding.*** The discussions highlighted areas where it may be worth considering new or adapted policies and instruments to better address the complex political-socio-economic linkages we face today. Ideas for discussion include:
 - 2.1. ***Build the results of recent research on peacebuilding into the Poverty and Social Impact Analyses (PSIA) conducted for balance of payment (BOP) and budget support operations.*** We now know that the major risks for peacebuilding occur when inequalities between groups increase and are manipulated by political leadership. The PSIAs could be updated with the knowledge from risk and resilience assessments and from new tools such as the EU’s COVID-19 recovery assessment to take account of these dimensions and could incorporate input from the UN peacebuilding teams.
 - 2.2. ***Where requested by the authorities, collaborate between the World Bank, the IMF, the UN, and other key donors to support “one matrix” governing commitments that the government is making with international partners.*** Strengthening national ownership of reforms that are realistic in relation to societies’ political and technical capacity is essential for sustaining peace. Government-led partner coordination can play a crucial role in this process. By contrast, specifically for fragile and conflict-affected situations, uncoordinated dialogue with the multilateral system, regional donors such as the European Union, and bilateral donors may result in a number of different matrices that are overambitious in scope and have unclear priorities. The key to such government-led

coordination is that partners agree with government on a small number of key overarching priorities—not simply consolidate wide-ranging commitments into one document.

2.3. **Add “complementary, for information only” benchmarks to the most important instruments of the UN and the IFIs to underline links between the political and socio-economic realms.** Both the IFIs and the UN Security Council use matrices of benchmarks to underpin some of their most important instruments—balance of payments and budget support in the case of the IFIs, peace operations in the case of the UN. While multilateral organizations are rightly sensitive to going outside their mandate or areas of expertise, there may be less resistance to adding “for information” benchmarks that show the complementary actions needed to keep peacebuilding processes on course. In this regard, the recent practice of including economic and financial benchmarks to the Security Council (as in the case of Haiti and the financial sector, presented as contextual benchmarks, separate from core mandate benchmarks) could be systematized to strengthen collective attention on the linkages between political, security, and economic trajectories and risks. Equally, in the IFIs, enabling authorities to lay out the nationally owned actions they are taking on the political or security front as “complementary, for information only” benchmarks to BOP or budget support matrices could improve the understanding in both management and the board of the complexities faced by governments in fragile situations or electoral transitions.

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2.4. **Form an ambitious, joint, forward research agenda on structural and macroeconomic policies and prevention of violent conflict.** This agenda should build on prior analytical collaborations, in particular the [WDR 2011](#) and [Pathways for Peace](#). An initial research agenda, for further discussion, which emerged from the country meetings included: (i) following on from the *Pathways* emphasis on the political tensions and conflict risks caused by changing welfare between groups, evaluate the political impact and the lessons of successful political navigation in different country circumstances of common reforms such as the replacement of energy subsidies with social protection, and reform of unsustainable civil service or SOE wage bills; (ii) the impact of different policy choices during election years, and; (iii) the impact of coalition governments on reform success. There may also be value in more research on the relationship between political and economic tipping points, as identified in the policy meeting in 2019. Prevention of conflict and instability would be a connecting thread in all the research.

In some countries, it may be most important to support neutral, non-partisan communication efforts to avoid any perception of interference in national politics

- 2.5. ***Support communication to build confidence on high priority but politically difficult issues.*** The issue of weak state communications and misinformation came up very strongly in all of the country dialogues. Support for communication may have different objectives according to needs. In some countries, it may be most important to support neutral, non-partisan communication efforts to avoid any perception of interference in national politics. In others, it may be useful to help the government build confidence around an inclusive approach to very difficult policy choices. In addition to signaling the importance of communication, the UN and the IFIs could consider working with bilateral donors in some countries to support a communications facility that would provide capacity and funding for communications to countries facing conflict risks and political transitions. In other contexts, support for communication on reforms can be effectively done at project level.
- 2.6. ***Establish guidance on engagement in electoral years.*** As noted above, uncertainty around how to engage in electoral years—with the need to balance support for crucial prevention opportunities with avoidance of any perception of international interference—came up in several country cases. It may be that issuing guidance on this—that encourages uptake of all the tools laid out in Recommendation 1, as well as the communications support described above—would help field-based leadership and staff to better navigate these periods constructively. Any such guidance should be flexible and adaptable to country circumstances.
3. ***Join up member state governance messaging in boards and councils to improve prioritization, sequencing, and coherence across organization.*** Enhanced engagement at this level is critical for partnership to become more systematic rather than ad hoc, and to ensure coherence in feedback on strategy and approaches. Options for strengthening cooperation at this level include:
 - 3.1. ***Use the common platform of board representation to drive greater coherence within member states and with IFIs and the UN.*** Some member states already use their board membership at the World Bank to signal the importance of enhanced cooperation with the UN. This approach could be made more systematic among board members, inquiring about consultation with the UN on approaches in situations of fragility and conflict. There is also scope for increased joint advocacy to the different parts of member states represented in the three institutions' governing bodies—Central Banks and Ministries of Finance, and Ministries of Foreign Affairs and Development Cooperation—as well as member state organization to foster consistence and cohesion in their multilateral engagement. This would lead to greater coherence on specific country and regional issues as well as institution-wide policies.

Acknowledgements

We are grateful for the support of the United Kingdom Foreign, Commonwealth & Development Office and the Swedish Ministry of Foreign Affairs.

- 3.2. **Strengthen New York–Washington dialogue.** Although there are regular visits and a dialogue with the UN Economic and Social Council, member states could create a forum for more sustained dialogue across their representation in Washington and New York. One possible (if flawed) precedent for this is the “Philadelphia Group,” which in the 1990s and 2000s was a regular dialogue between some permanent representatives at the UN and executive directors at the World Bank. This model, which focused primarily on donor countries, could be revised to reflect a universal membership. A lesson-learning exercise could be undertaken to extract other useful ideas from the experience of the Philadelphia Group and to avoid repeating its shortcomings. Additionally, member states may wish to explore ways of enhancing New York–Washington engagement virtually, which recent experience has demonstrated is practical and cost effective.
- 3.3. **Align advocacy to member states on issues of common concern,** such as increasing financing for development flows in the face of current crises, and creating policy coherence on trade, investment, tax, and remittances in conflict-affected situations.

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