External evaluation of the UN-IFI Partnership Facility

Key messages

1. About the evaluation

1.1   Scope and purpose

- The UN-IFI Partnership Facility was established in 2019 to strengthen collaboration between the UN system and International Financial Institutions in fragile and conflict-affected settings, including most notably with the World Bank Group (WBG). It has provided grant funding and advisory support in about fifty country contexts, alongside support to system-level learning.

- The Facility is constituted through a project funded by the UN Peacebuilding Fund, with the UN Peacebuilding Support Office as managing entity and the United Nations Office for Project Services as fund recipient and operational partner. It has received USD 11.2m funding from partners including Canada, Ireland, Japan, the Netherlands, Switzerland, and the United Kingdom.

- This external evaluation was commissioned to assess overall achievements, to identify lessons learned, and to make recommendations for a potential next phase of operations. The guiding intent was to evaluate the Facility as a whole, rather than individual grants in specific countries.

- The headline evaluation questions concerned the Facility's strategic positioning, its relevance to broader institutional agendas and country needs, and the effectiveness / efficiency of its delivery model. The key findings for each of these questions are outlined below. The recommendations that follow focus on how to embed and scale up the lessons learned to date.

1.2   Design & methodology

- The core methodological challenge was that the Facility supports small interventions in very large, very complex systems. A separate inception report discusses the resulting technical challenges, and the approach that we developed to overcome them. This drew on an inclusive design phase, and detailed evaluability assessment, in June-August 2024.

- Our overall analytic-methodological framework is realist evaluation. This looks for patterns in contribution pathways, i.e. "what worked where under which conditions". The supporting evaluation instrument thus focused on (i) context & enabling conditions; (ii) observed project contributions; and (iii) planned & emergent outcomes.

- We selected three primary case studies representing different contextual challenges and top-level outcomes of the UN/WBG partnership, namely Chad, The Gambia, and Somalia. This was accompanied by lighter-touch review of cases selected by purposive sampling (stakeholder perceptions of good/interesting outcomes) and random sampling.

- Alongside comprehensive document review, the team conducted ~60 interviews comprising financial partners / donors (10%); the UN Secretariat and UNOPS as managing agency (30%), and the WBG's Fragility, Conflict and Violence Group (20%). At country/project level (40%) the focus was on UN agencies and Resident Coordinator offices and WBG Country Management Units.

2. Strategic positioning

2.1   Relevance & contribution to broader agendas

- The Partnership Facility was established in support of the Partnership Framework for Crisis-Affected Situations agreed between the UN and the WBG in 2017. In assessing its relevance we

looked beyond this to how the Facility is contributing to <u>current</u> normative and policy agendas for how these partner institutions work in fragile settings.

- It is also important to consider the <u>broader IFI landscape</u>. Since the launch of the Facility we have seen formalisation of conflict/fragility policy frameworks for the Islamic Development Bank (2019), Asian Development Bank (2021), African Development Bank (2022), and International Monetary Fund (2022). A recent dialogue between the Heads of the Group of MDBs and the UN Secretary-General has reiterated the importance of country-level partnerships, especially in fragile settings.

- Within this context, the Facility is small in size but sits upon an important growth edge for the UN, the World Bank, and other IFIs. The evaluation findings summarise an important set of experiences in how the work of these institutions can and should evolve in fragile places.

- The <u>overall premise</u> of the Facility—that good partnering is an essential enabler for the UN and IFIs to further their mandates in fragile settings—has become still more compelling over the evaluation period. This is due to (i) mounting evidence of worsening multi-dimensional vulnerability in such contexts, (ii) the rapidly changing institutional landscape of international cooperation. Both UN Member States and the WBG have recently reiterated these points.[1]

- A first area of contribution has been to address "<u>multi-dimensional risks of crisis</u>", in the sense described in *Pathways for Peace*, the Sustaining Peace agenda, and the WBG's FCV strategy (Pillar 1 prevention/resilience, and Pillar 4 transitions out of fragility). Our interlocutors emphasised the criticality of peace-positive engagement by the WBG alongside conventionally-defined Track 1 / Track 3 peacebuilding. The Facility's work has overall been highly intentional in embedding this perspective into the partners' respetive country engagement processes, including allocations under the IDA20 FCV Envelope.

- A second area of contribution has been support to <u>aid coherence</u> and collective outcomes across the humanitarian-development-peace nexus. It is clear that the Facility addresses historically weak connections between the UN's peace and security pillar and the wider development sector, and it was widely noted that it is "unthinkable" to support aid coherence in fragile settings without strong engagement of IFIs. In doing so the Facility supports an important dimension of reforms to the UN's Resident Coordinator system, with respect to peacebuilding and "HDP" outcomes.

2.2   Coherence and complementarity

- The challenge posed by stakeholders was not to the relevance of the Facility's contribution—which was widely recognised—but to its positioning vis-à-vis a broader structural challenge for the UN system. It was widely emphasised that (i) engagement with IFIs must now become "core business" for the UN system in both its peacebuilding and development roles, but also (ii) that this is an area of historical weakness.

- There is a risk of overlap between the Facility's work and other mechanisms that focus on and support the Resident Coordinator system (notably the Development Coordination Office, the UNDP/DPPA Joint Programme, and the Climate Security Mechanism). To their credit, stakeholders were pragmatic about this and noted that within a context of global challenges to funding and support for the RC system, it has been a net-positive to have focused attention on IFI partnerships in some critical contexts.

- It is nonetheless important to think carefully about system-level coherence. Most notably the Facility's pipeline for <u>project development</u> has been informal and opportunistic, with substantial

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[1] For example A/76/L.86 OP14 (2022); A/RES/79/1 (2024) and Pact for the Future; Mid-Term Review of the World Bank Group Strategy for Fragility, Conflict, and Violence (2023); IDA21 Proposed Strategic Directions (2024) para 27.

time invested in identifying viable and/or important cases. While there have been good reasons for this in a "startup" phase to build proof of concept, there is scope to be more intentional about system-level priorities for how the UN supports sustaining peace and transitions out of fragility. This should be reflected in the division of labour between the backstopping / policy planning mechanisms mentioned above.

- The experience with supporting the WBG partnership should be borne in mind in expanded engagement with further IFIs. It is clear that there has been a substantial learning curve in addressing a system-level challenge, and engagement should be guided by a medium-term vision.

3.   Outcomes achieved

3.1   Strategic alignment

- Effective Facility projects supported a range of different "touch points" at which there was purposive alignment of UN and IFI strategies. Somalia and the Democratic Republic of the Congo are good illustrations of this, where the days of tightly orchestrated donor forums and high-level partnership compacts are long past. By contrast, the emphasis in the "phase 1" Results Framework on formally joint analytic and strategy products was unnecessary and sometimes counter-productive.

- In practice, Regular Track projects worked best when they expanded the opportunity space for UN-IFI dialogue and collaboration over an extended period. This collaboration spanned both "strategy" and "implementation". It occurred within a variable rhythm of country operations, where sprints of activity for high-level strategy and problem framing were bracketed by longer periods of more granular sector- and program-level work.

- There is stronger evidence for this medium-term approach than for delimiting project scope around a specific high-level policy process, e.g. Recovery and Peacebuilding Assessments and allocations from the IDA20 FCV Envelope. Stakeholders noted that these processes tended to stretch out over extended periods, requiring multiple extensions or adjustments, and that consistent follow-through was equally as important as the intial momentum.

- Along similar lines, Fast Track projects strengthened UN involvement with high-level policy processes in the short-term, but faced a very consistent "cliff-edge" in sustaining the necessary level of effort. Support through this modality should be pragmatic about outputs, perhaps defined separately to the medium-term outcomes targeted in the existing Results Framework, and focus on speed and responsiveness.

- It is important to note that the liaison and advisory support provided by the Facility team both preceded and followed grant-funded projects. This longer-term and more flexible accompaniment of country-level counterparts, below the threshold for a grant-funded project or bracketing it, added significant value.

3.2   Operational coordination & delivery

- While the Facility has focused primarily on strategic alignment, based on shared data and analysis, the operational dimension of UN-IFI partnerships is a growing area of need / interest. This has been driven chiefly by exponential growth, over the last half-decade, of WBG programmes that engage UN entities as delivery partners. There is a clear opportunity to capture and disseminate learning from these third-party implementation (TPI) and monitoring (TPM) arrangements, and the Facility has rightly financed an upcoming joint workshop for this purpose.

- PF projects have supported operational collaboration between UN Country Teams and IFIs primarily through regular track grants that enable flexible, consistent support for areas of need

relating to information management and data, process coordination and programmatic coordination. The flexibility of the co-financed UN-WB Liaison function is a model worth replicating.

- While TAA/PRA processes are typically viewed from a strategic alignment perspective, there is also a need to support the operational effectiveness of monitoring processes. Within the Regular Track project in The Gambia, for example, the intent was to flexibly support implementation of a TAA allocation, based on UN-WBG collaboration to share data and analysis. This model is one that merits further exploration.

3.3   System-level learning

- The Facility has supported a range of Headquarters-level policy products and analysis, including general "IFI literacy" through regular digests and the UN-IFI Partnership Monitoring Reports. While most stakeholders found these interesting, there were also consistent questions about who they were for, and what problem they solved. It was noted that knowledge / communications products that are useful for visibility do not always provide the "unvarnished" or "nuts and bolts" perspective that is needed by practitioners, and that the latter may require a different format and level of detail (perhaps disseminated less broadly).

- At country level we found that stakeholders—Resident Coordinators, UN Country Teams, and Country Management Units—had a strong appetite for more targeted harvesting of experiences on the practical challenges that they were facing. The current initiative to capture lessons around Third Party Implementation is a good example of such a recurring issue area, and provides good proof of concept for the Facility's role and value-added.

- There is clear demand for learning on both strategic/policy issues as well as operational effectiveness, as long as they tackle specific, practical challenges with tangible outcomes. Conversely there was concern that given the size, diversity and turnover of the UN's global workforce, coupled with the Facility's small size, efforts at IFI literacy amounted to "boiling the ocean".

4.   Delivery model & efficiency

- The Facility's Secretariat is a system-wide resource that would be extremely difficult for UNCTs or RCOs to replicate or otherwise access. It has clear economies of scale in pooling resource mobilisation and expertise for this quite specialised area. As a standing capacity, moreover, it allows flexibility in the timing and sequencing of support. We regard the latter as essential given the complex and highly non-linear contexts that surround UN-IFI partnerships in fragile settings—and which are not amenable to linear, "projectised" planning.

- The strategic use of institutional entry points—to date mostly the World Bank's FCV Group—has been an essential enabler to identify good-fit cases for country-level collaboration. Expanded engagement with further MDBs should reflect this learning and look for cases that can reinforce a medium-term vision for the partnership (and conversely avoid overstretch).

- The delivery partnership with UNOPS has overall been agile and responsive to country needs (e.g. as measured by disbursement of project budgets and deployment of Fast Track advisors). By contrast there were a number of challenges with the use of an intermediary partner at country level (i.e. passing funding through another agency, separate from project delivery within the Resident Coordinator's office). The question of capacity to manage more complex projects, beyond receiving advisory or surge support, may need more systematic attention both within project appraisal and in identifying / disseminating lessons learned.

- The indirect costs of the Partnership Facility are relatively high, but this is justifiable given its focus on a growth goal / emerging challenge for both partner institutions. In large part these costs are a

consequence of a pilot-size budget and consequent need for a bespoke implementing arrangement with UNOPS. This cannot be directly compared with "peer" mechanisms—notably core support to the Resident Coordinator system or Peace and Development Advisers—that operate at much greater scale. It is also worth noting that the Facility Secretariat has a significant advisory function that extends before and after project funding, and that this is not properly regarded as overhead.

- There are nonetheless opportunities to reduce transaction costs going forward. The Fast Track modality should prioritise speed and responsiveness for recurring and relatively well-understod needs, rather than bespoke design for the context. There will also be efficiencies in simplifying the Regular Track modality to support coordination capacities, and moving more design/strategy work in-country. (The latter will in any event be prudent given ongoing cuts to Peace and Development Advisors, who have typically been the primary in-country interlocutor for the Facility.)

Recommendations

Our starting observation here is that over four years of operation, the Facility has accumulated hard-won experience in "what works" to strengthen UN-IFI collaboration. It is clear that this responds to specific policy commitments for how the UN system and the World Bank will (or should) work with partners in fragile and conflict-affected contexts. It is also evident that the policy entry points exist to expand this collaboration, carefully and avoiding over-stretch, to further IFIs.

Within this broader context, we believe the main challenge for the Partnership Facility is to how to scale up its approach from a smaller group of early adopters—the enablers and enthusiasts who crop up consistently across its more successful projects—to the wider mainstream of UN-IFI delivery in fragile settings. This can only be based on a clear value proposition that is anchored in the partners' own mandates and missions—not just partnering as a mandated activity in its own right, but as an enabler for the sustaining peace agenda, for the IDA21 Proposed Strategic Directions, for Agenda 2030 ("leaving no one behind"), and to other existing and emergent normative agendas.

With this in mind our recommendations focus on three overall roles for the Facility, namely as:

- **service provider**: drawing on its economies of scale as a shared, system-wide resource in a specialised technical area;
- **learning platform**: using its whole-of-system perspective to rapidly capture and transfer learning between country contexts; and
- **portfolio manager**: clarifying system-level priorities for UN-IFI collaboration in fragile settings, and reflecting these in resource allocation.

These roles are already present in the Phase 3 project document to varying degrees. Looking forward to the next phase, the following recommendations should thus be understood as evolutionary and incremental, in the sense of adding-removing-enhancing-subtracting from the current design.

Role 1: PF as service provider

The Facility is a centre of expertise in an area that is growing rapidly in importance but still very specialised. There is an opportunity to achieve greater economies of scale in this work—as a shared, system-level resource for UN-IFI collaboration—by establishing a more streamlined offer. This can be separated into three "tiers" of support:

- **Tier 1: Advisory and liaison.** Define a clear, plain-language offer or "menu" of the thematic issue areas and processes where the PF can provide advisory support. At a planning level it is

important to define the value proposition for both RCOs / UNCTs and the UN peace & security pillar, and include a protected time/budget.

- **Tier 2: Surge support** (Fast Track). There is clear value in the Facility developing and maintaining a pipeline of experts or informal roster. The default should be to provide a short-list of candidates to the "client", subject always to country-level requirements, to avoid unnecessary bottlenecks in recruitment. (Conversely, stakeholders did not feel that the cost and administrative complexity of a formal roster were warranted at this point.)

- **Tier 3: Standing capacities** (Regular Track). There is good evidence for the effectiveness of flexible in-country support, and we agree with the current project document's focus on dedicated UN-IFI "liaison" roles. This must however be carefully targeted given its high cost relative to the small size of the Facility.

We also suggest the following to **reduce transaction costs**, above all the opportunity cost of the Facility team's time, for these three tiers of support:

- For advisory and liaison support, explore the scope to progressively transform recurring issues and challenges from a context-specific advisory service (one-to-one, not scalable) to a learning resource (one-to-many, highly scalable). This point is discussed further below.

- For surge support (Fast Track), focus on efficiency and responsiveness rather than high levels of tailoring to contextual needs. It may help to identify recurring tasks and accompanying role designs, including initially (i) collaboration on PRA/TAA processes; and (ii) high-level strategy processes such as RPBAs. The overall time window should also be extended in many cases to "bracket" the intensive phase of support with process and role design before-hand, and a reasonable level of follow-up support afterwards.

- For Regular Track support, establish a flexible and repeatable model from which RCOs (and other stakeholders) can elaborate on their specific needs. If it is essential to have detailed work on scoping or role design, there is a strong case for using the Fast Track modality rather than tying up scarce PF resources for extended periods. This will be especially important given the expected downscaling of Peace and Development Advisors over the next few years.

- For Regular Track support, avoid wherever possible three-way contracting arrangements at country level, i.e. where the fund recipient is different to the primary "client". In general the Facility should equip the primary "client" (normally the Resident Coordinator's office) to handle coordination and management issues in-country, including a budget for incidentals.

Role 2: PF as learning platform

The Facility has a currently unique system-wide perspective for the capture and transfer of lessons learned, and to use concrete experiences at country-level to inform policy discussion at Headquarters-level. Conceptually this can be described as identifying innovators who are at the front of the adoption curve; identifying potentially useful lessons and experience; and finding channels to share this with the wider "mainstream" audience of RCs/UNCTs (Rogers 1962/2003).

This is potentially the most scalable and cost-efficient dimension of the Facility's work, and we suggest the following as the main lines of effort:

- Systematic capture and transfer of (unvarnished) lessons learned. The Facility's current reporting products are essentially for improving visibility, showing possibilities, and building momentum. We agree that it is critical to cultivate stakeholder support for the Facility—there is no long term

without this—but it is equally important to develop products that have the frankness and granularity to meet practitioners' needs.

▪ On the supply side this can be started simply and informally, perhaps with tools akin to those used by the DPO/DPPA Policy and Best Practice Service (After-Action Reviews for key processes, End of Assignment Reports for surge support, etc). On the demand side the PF might further explore entry points such as inductions and professional development for Resident Coordinators (e.g. the former Montreux retreats) and Peace and Development Advisors.

▪ Scope learning initiatives at the level of specific thematic issues or functional challenges which need to be "solved" by in-country leadership. The upcoming UN-WB workshop on Third-Party Implementation modalities and experiences, which has had a very high level of interest, is a good proof of concept in this regard.

▪ De-prioritise IFI literacy as a general goal. At global level the size and turnover of the UN's workforce mean that it is easy to imagine this task absorbing the PF's full budget while yielding minimal results (as one interlocutor put it, "boiling the ocean"). To the extent this activity is retained, we suggest focusing on the development and dissemination of a small number of highly scalable products.

Role 3: PF as portfolio manager

There is space to be more intentional about system-level priorities for collaboration between the UN and IFIs, and to manage the overall PF portfolio to signal and support these priorities. This should specifically reflect the Facility's positioning in PBSO as a potential "hinge" between goals for upstream prevention / sustaining peace, and the country-level mechanisms and objectives of the UN Development System.

We suggest approaching this through a working-level process to connect and synthesise perspectives—facilitating better conversations about the Facility's forward agenda—rather than a formal body to make decisions about who gets what. This is particularly essential in deployment of the third "tier" of support (standing coordination capacities) as the project document anticipates deployment in just 4-5 "key contexts" globally.

Specifically this more active portfolio management approach could include:
▪ Drawing upon both UN and WBG processes for upstream conflict prevention, e.g. the RMR process and the Bank's Crisis Risk Monitor, while being mindful that timelines for UN and WBG strategy and resource allocation are measured in multiple years.
▪ Identifying system-level priorities for strengthening partnerships with IFIs beyond the WBG. It is a valid, indeed very compelling, selection criterion to find good "proof of concept" that can build confidence with new partners (and feed into system-level learning).
▪ Coordinating on priorities viz. general support of the Resident Coordinator system in fragile contexts (via DCO), and the deployment of Peace and Development Advisors (with UNDP-DPPA), given that both are critical enablers for Facility-supported projects. This could include exploring entry points for transfer of lessons learned by the Facility, for example within induction and training support for key personnel.
▪ Retaining flexibility to respond to emerging threats / opportunities—one interlocutor suggested a 70/30 rule for proactive vs reactive grants which may be a good starting point.