UN-World Bank Partnership Framework for Crisis and Post-Crisis Situations

In follow up to the Executive Director’s letter of 21 November 2008 on our collaboration with the World Bank, I am sending you further information and a request for action:

1. Crisis and post-crisis countries have suffered from the incompatibility of World Bank and UN-systems. This has impacted negatively on our ability to work effectively together. Now it is up to us to use these new opportunities for the benefit of children. I am pleased to provide an overview of the United Nations (UN)-World Bank Post-Crisis Partnership Framework, and highlight key changes and possibilities for UNICEF’s engagement with the World Bank, particularly at the country level. The Partnership Framework entails new opportunities for the UN and for UNICEF, and we should be prepared to take an active role in utilizing them.

2. Our partnership with the World Bank is crucial. Yet, our collaboration in crisis and post-crisis contexts has tended to be either very limited, or ad hoc and based on particular circumstances. We have seldom seen systematic engagement and joint strategic planning to the benefit of the country concerned. We have long needed clearer and more predictable institutional arrangements, more co-ordinated interaction with host governments, better alignment of planning and programmes, and streamlined funding procedures.

3. The Partnership Framework represents a new way of doing business with the World Bank. It recognizes that our relationship is a strategic partnership based on comparative advantages and complementarities. The UN’s long term presence on the ground, relationship with governments, strong humanitarian and human rights roles, social sector programmes and leadership in peacekeeping and peacebuilding offer key areas for increased collaboration with the World Bank.

4. The Partnership Framework and the Fiduciary Principles Accord open up new opportunities for funding for UNICEF Country Offices. It is critical that these new avenues, both at the country level as well as in the World Bank’s global funding windows (see below), are utilized to the benefit of children in post crisis-situations. A process has now been initiated to encourage the Regional Development Banks to sign up to the Framework and the Fiduciary Principles Accord. The African Development Bank has established a Fragile States Facility to address the needs in post crisis countries. Furthermore, the Fiduciary Principles Accord is likely to be used as a precedent to access other global World Bank-administered mechanisms.

5. The Partnership Framework reflects the renewed effort of major partners--such as the World Bank, UN, and European Commission (EC)--to engage sooner and more systematically after crises. The UN Development Group (UNDG) and the World Bank recently signed a tripartite declaration with the EC committing to greater collaboration on
post-crisis assessments and recovery planning (already been put into action during the Gaza crisis). We expect that as these collaborative platforms begin to deliver results, other actors will join. Specific technical guidance on these platforms is being finalized by UNDG and UNICEF. The Partnership Framework comprises the following components, outlined below: Partnership Framework, Operational Annex and Funding Instruments. The documents can be found on the EMOPS and PARMO ICON sites:

http://www.intranet.unicef.org/iconhome.nsf/Site%20Pages/Page03
http://www.intranet.unicef.org/PFO/PFOInfoV3.nsf/Site%20Pages/Page0304

UN-World Bank Partnership Framework: A new way of working together

6. The Partnership Framework document sets out the preamble, guiding principles, and three areas to facilitate progress toward an effective and strategic partnership in crisis and post-crisis situations: (a) communications, (b) assessment, planning, and operational frameworks, and (c) funding policies and procedures. The Operational Annex establishes principles and concrete operational commitments by the World Bank Group and the members of the UN Development Group (UNDG), to strengthen collaboration in each of the three areas.

7. The UN-World Bank Partnership Framework formalizes how the World Bank and the UN-system should work together. This includes strategic communication at all levels and a commitment to improved cooperation on post-crisis assessments, planning program response, streamlining and expediting funding procedures, and learning. The Operational Annex provides greater detail to the Partnership Framework document. UNICEF should take this opportunity to engage World Bank counterparts at all levels. It is crucial that the UNICEF Country Representative be in regular contact with the Resident Co-ordinator (RC)/Humanitarian Co-ordinator (HC) and/or the Special Representative of the Secretary-General (SRSG) in order to initiate and maintain this strategic relationship and to position children’s issues in UNDG-World Bank discussions and planning. This will form part of the overall relationship of the UN and the World Bank in accordance with communications protocols and points of contact at the country leadership (UNCT) and headquarters levels under the Partnership Framework.

Assessment, Planning and Operational Frameworks

8. The Partnership Framework calls for increased collaboration on specific tools for post-crisis assessment and planning. While each crisis is unique, each requires early action to assess the situation and plan for recovery. A standard procedure is to conduct a rapid assessment at the earliest possible time to enable the design of the immediate response. It is also at this stage that early recovery needs are addressed and an early recovery strategy is developed.

9. The Partnership Framework calls for greater joint use of the Post-Conflict Needs Assessment (PCNA) and Post-Disaster Needs Assessment (PDNA). These tools are to be
jointly used by all UNDG agencies, the World Bank and the EC. PCNAs have provided national and international actors an entry point for conceptualizing, negotiating, and financing a shared plan for post-conflict recovery. The PDNA determines programmatic recovery needs and the valuation of damages and losses caused by the disaster, and leads to a Recovery Framework. The PCNA has undergone adaptations to engage earlier and focus on early recovery and rapid implementation of peace dividend activities.

10. It is important for UNICEF, both as an agency and as a cluster lead, to pro-actively engage in the development and implementation of the PCNA and PDNA throughout their phases, in order to ensure children’s issues are addressed. HQ is ready to support Country and Regional Offices to familiarize them with these methodologies in order to be in a position to effectively contribute to them.

11. Inter-agency/Cluster guidance on PCNAs can be found at HYPERLINK "http://www.undg.org/?P=147#s2" http://www.undg.org/?P=147#s2. An inter-agency/cluster guide on PDNAs is expected in June. Tailored technical guidance for UNICEF’s use of both tools is forthcoming in 2009.

**Funding**

12. Many of the problems between multilateral partners in post crisis-situations have been related to funding mechanisms, with competition over administering Multi-Donor Trust Funds (MDTFs) and delays in disbursements due to the lack of recognition of each others’ fiduciary frameworks. The UN and World Bank have now developed a ground-breaking Fiduciary Principle Accord, which recognizes each others’ legal and fiduciary frameworks. The Accord enhances opportunities to receive funding from respective UN- and World Bank-administered Multi-Donor Trust Funds (MDTFs) in crisis and post crisis recovery. In this respect, it also entails new opportunities for funding of UNICEF-supported activities. With the Fiduciary Principle Accord, MDTFs now represent an opportunity to provide more predictable, co-ordinated and effective support to a nationally-owned post-crisis recovery process, utilizing the comparative advantages of the World Bank and the UN.

13. It is agreed that the choice of an administrator for the funding facility should be guided by the specific country situation, the capacity of the government, the likely timing of transition to government executing arrangements and the comparative advantage of different agencies (including the activities to be covered, requisite speed of disbursement etc). The fundamental difference between the World Bank- and UN-administered MDTF in a post-conflict context is that World Bank MDTFs are characterized by their longer term perspective and the need for adequate key institutional or government capacity for them to function effectively—as they mainly fund governments. The UN MDTFs do not need to wait for key government institutions to be established and functioning to deliver key social services and peace dividends – as they mainly fund UN agencies. Therefore, they are well-placed to respond to immediate and medium-term needs. UNICEF should be aware of, and optimize, the added value of our presence on the ground before, during
and after a crisis, as well as flexible implementation arrangements in order to support national partners in designing the appropriate mechanism to meet national needs.

14. The funding facility should always fall under one governance structure, but the set-up can vary to reflect the local situation. A two window model allows for the division of administration responsibilities and could be established to benefit from the comparative advantages of both the World Bank and the UNDG. Two-window approaches are ideal where there is a need to establish government capacity over a three- to five-year timeframe while simultaneously ensuring basic needs and rights are addressed. Alternatively a single window model would be most appropriate if the activities of the fund predominantly fall within the comparative advantage of either the World Bank or the UNDG. Lastly, sequential funds could be established, preferably with minimal overlap in time. Whichever the structure, it is important that needs are met and UNICEF avoids perceived competition between the UN and World Bank. In the design of any MDTF, Country Offices should review information available on the intranet, and contact PARMO for additional guidance.

15. An important contribution of the Partnership Framework and the Fiduciary Principles Accord is the simplification of funding modalities, and the ability for the UN and World Bank to receive funds administered by either entity. There are now standard-form agreements to be used where the chosen funding platform is a donor trust fund administered by the World Bank or a MDTF administered by a UN organisation. A Disbursement Agreement or grant agreement should be used when transferring funds from a World Bank-administered fund for crisis and post-crisis situations. The Standard MoU, which is a version of the UNDG-standard MoU for joint programme funding should be used when transferring funds from a UN-administered MDTF for crisis and post-crisis situations. The standard agreements should now improve the speed of disbursements. These two documents, and other relevant documents, are also available on the PARMO ICON site (www.intranet.unicef.org/PFO/PFOInfoV3.nsf/Site%20Pages/Page0304). Because the documents have already been agreed, they are not to be re-negotiated.

16. The World Bank’s internal policy framework for crisis and post-crisis response provides for greater collaboration with the UN within specified areas. The World Bank’s Rapid Response to Crises and Emergencies (2007) stipulates that grants allocated directly to the UN (in countries where the government has very limited capacity) must be limited to early recovery and include capacity-building measures to enable a timely transfer of implementation responsibilities to the government. UNICEF is well placed, as both agency and cluster lead, to explore World Bank grant support to key sectors/clusters within the early recovery context. The World Bank has already expressed interest in maximizing peace dividends and has voiced particular interest in co-operation with UNICEF in the areas of education and health. Our experience in national capacity development should also form a cross-cutting element of our work with the World Bank. Funds specifically dedicated to early recovery interventions are now more accessible for UNICEF and child-related issues. One example is the World Bank’s new State- and Peace-Building Fund, which replaces the LICUS and Post-Conflict Funds. Country
Offices should link with their country-based World Bank counterparts to determine procedures for accessing this and other applicable funds.

17. More detailed, technical guidance on MDTFs can be found on www.intranet.unicef.org/PFO/PFOInfoV3.nsf/Site%20Pages/Page030201.
Next Steps

18. **Country level:** The Partnership Framework highlights the importance of UNICEF Representative’s relationship with the Resident Co-ordinator (RC)/Humanitarian Co-ordinator (HC) and/or Special Representative of the Secretary-General (SRS). UNICEF Representatives should become familiar with World Bank funding instruments and programmes in their countries and actively explore opportunities for collaboration. I particularly encourage those of you working in crisis and post-crisis countries to take the initiative in launching discussions with your UNCT on approaches and systems for implementing the Partnership Framework.

19. **Regional level:** While the Partnership Framework is silent on the role of the regional level, I encourage Regional Directors to similarly identify and establish contacts with their counterpart Regional Vice President/Managing Director at the World Bank.

20. **Headquarters:** HQ focal points stand ready to support you. They will be accountable for effective information-sharing, coordination with Country and Regional Offices and with other agencies, and for troubleshooting problems which cannot be resolved at country level. UNICEF’s NYHQ focal points are as follows:

For questions or support on implementing the Partnership Framework’s Operational Annex, please contact EMOPS (James Rogan, "mailto:jrogan@unicef.org" jrogan@unicef.org).

For guidance on the use of funding instruments and all related questions, please contact PARMO (Jonathan Cauldwell, "mailto:jcauldwell@unicef.org" jcauldwell@unicef.org).

For questions or support on general World Bank affairs, please contact GMA (Björn Gillsäter, "mailto:bgillsater@unicef.org" bgillsater@unicef.org).

Please keep focal points informed of progress in implementing the Partnership Framework.

An MDTF receives and pools contributions in trust (not income) from more than one donor; allocates the funds through a designated governance structure; disburses funds through an Administrative Agent/Fund Manager (which can be performed by both the World Bank and UN agencies), but not against an existing programme framework/plan. The World Bank or a UN agency, including UNICEF, can perform the role of Administrative Agent.