

Peacebuilding Commission

Ambassadorial-level meeting with the World Bank

14 March 2023

Chair's Summary

Executive summary

On 14 March, the Peacebuilding Commission convened an Ambassadorial-level meeting to discuss with the Managing Director of Operations of the World Bank Group, Mr. Axel van Trotsenburg, the need and opportunities for a strengthened strategic partnership between the United Nations and the World Bank in conflict-affected countries. Alongside with the Assistant Secretary-General for Peacebuilding Support and Member States, Mr. van Trotsenburg highlighted the World Bank's new approach under its Fragility, Conflict and Violence Strategy and related instruments, including evolution roadmap, while noting the widening gap between needs and resources and importance of building effective coalitions. Member States called for further collaboration between the World Bank and the United Nations, with more concerted and complementary efforts, especially through joint analysis. Going forward, they called for collaboration to be a starting point when engaging in fragile-affected countries, and for regular country-specific exchanges through PBC meetings. Based on the discussion, the Chair made a number of recommendations aimed at strengthening the collaboration between the UN and the World Bank in support of conflict-affected countries.

1. On 14 March 2023, the Chair of the Peacebuilding Commission (PBC), H.E. Mr. Ivan Šimonović convened an Ambassadorial-level meeting with the World Bank to discuss partnership between the World Bank and the United Nations, its benefits and challenges, and areas of potential future cooperation. The meeting provided an opportunity to hear from the World Bank on its activities in conflict-affected countries and its evolution roadmap.
2. In his remarks, the **Chair of the PBC** underlined the critical time for concerted peacebuilding efforts, as the world is seeing a rise in conflicts and crises and fading trust in international institutions. He noted with concern the decline in the Human Development Index and stressed that conflict-affected countries are particularly at risk due to violence and uncertainty. He added that sustainable development must be linked to peacebuilding and human rights and be transformative. He emphasized that strengthened collaboration between the United Nations and the World Bank is key to amplify impact on the ground. He highlighted that engagement between the World Bank and different streams of work coming from the Secretary-General's Common Agenda, especially the New Agenda for Peace, as well as increase exchange and cooperation through PBC meetings should be beneficial.
3. The **Managing Director of Operations at the World Bank Group, Mr. Axel van Trotsenburg**, highlighted that the growing number of fragile and conflict-affected

countries represents an increasing challenge to the international community calling for new approaches. He emphasized the importance of the humanitarian-development-peace nexus and noted the adjustment that the World Bank has made to engage with countries during conflicts, something previously impossible. He underscored the critical importance of strengthening the strategic cooperation between the United Nations and the World Bank. Mr. van Trotsenburg highlighted the good example of strategic collaboration between UNHCR and the World Bank around displacement analytics and policy advice, beyond channeling of resource. He noted the increase in resources to the International Development Association (IDA) with USD 93 billion for the three-year cycle and USD 17 billion spent last year, a significant increase from before the COVID-19 pandemic. He emphasized the importance of focusing on prevention and resilience, and the interlinkages between fragility and poverty, as fragile countries are badly off track to achieve the SDGs and mentioned in this context the importance of the upcoming SDG Summit in September. He shared that fragility was part of the Evolution Roadmap that will soon be discussed by the Executive Board. He called for an urgent need for solidarity and more resources to be allocated to the IDA countries.

4. **The Assistant Secretary-General for Peacebuilding Support, Ms. Elisabeth Spehar** commended the increasingly strong partnership between the PBC and the World Bank, but also called for a more systemic partnership to ensure holistic, long-term approaches to cascading crises. She highlighted the critical importance of a fair, inclusive, and resilient international financial system. She also recognized the need for a less siloed approach of the United Nations on the ground, including in partnering with international financial institutions (IFIs). She emphasized the importance of placing the SDGs at the center of what the United Nations and IFIs do. She raised concerns that in the past decade, Official Development Assistance (ODA) going to fragile and conflict-affected countries has not been spent in a manner directly targeting the drivers of conflict. She recalled the resolution of the General Assembly (76/305) on financing for peacebuilding, reiterating the need to ensure adequate, predictable and sustained financing for peacebuilding. She noted that since the publication of the joint United Nations-World Bank *Pathways for Peace* report, the Bank has strengthened its analytical work through the development of Risk and Resilience Assessments to identify and address root causes of fragility. She highlighted the work of the Partnership Facility, which supports joint analysis and liaison capacities between the United Nations and IFIs as a basis for a shared understanding of drivers of fragility and enhanced complementarity. ASG Spehar also emphasized the value of the United Nations-World Bank Steering Committee as a mechanism to explore how the two institutions can better cooperate in the face of growing risks..
5. Member States welcomed the briefings and made the following observations:
 - They expressed concern for the particular vulnerability of least developed countries towards violence and conflict and stressed the need to strengthen the strategic partnership between the United Nations and IFIs, with joint analysis at its basis. They commended the work of the Partnership Facility in this regard. They also

noted special needs of middle-income countries and the need to strengthen cooperation with regional level financial institutions.

- They highlighted the importance to take more preventive approaches, strengthen early warning cooperation and address root causes of conflict and drivers of fragility. They called for greater synergies between the World Bank and the United Nation’s funding tools, such as the Peacebuilding Fund (PBF).
 - They recognized the need for adequate, predictable and sustained investments in peacebuilding and expressed their hope to find solutions to incentivize such contributions. Noting that voluntary contributions are not sufficient, many of them called for allocating assessed contributions to the PBF.
 - They emphasized that close engagement with governments based on the principle of national ownership must remain at the heart of initiatives and projects. They encouraged the World Bank to strengthen its support for capacity building, domestic resource mobilization, accountable governance and the promotion of meaningful participation of women. They also encouraged the Bank to enhance its support for the involvement and empowerment of all relevant stakeholders including women and youth as well as private sector and underlined the importance of local solutions to address drivers of instability.
 - They noted the importance to collectively address cross-cutting challenges, such as the COVID-19 pandemic, forced displacement, food insecurity, climate change, and obstacles to meaningful participation of women and concerning situations surrounding the involvement and empowerment of youth.
 - They noted the need to strengthen interactions between the Commission and the World Bank, including by taking stock of progress, sharing experiences and good practices, and exploring avenues for enhanced collaboration on the ground.
6. In his closing remarks, the Managing Director of Operations called for international commitment in support of conflict-affected countries. He recognized the need to make sure that an increase in concessional financing for middle-income countries was in additive to concessional resources available to IDA countries. He stressed the need to think of cumulative total of resources, noting that if concessional resources from the World Bank increase but commitments from donor countries decrease, recipient countries are no better off. He also noted that the proliferation of World Bank trust funds has led to an inability to effectively leverage resources. The Managing Director highlighted a series of measures, notably the lowering of 1 per cent of the equity-loan ration, increasing the lending capacity by USD 4 billion extra per year over the next 10 years. He noted the World Bank would also pilot hybrid capital and recommend lifting the statutory lending limits of all the Multilateral Development Banks (MDBs). To conclude, he reminded the vital cooperation needed with local actors, decentralizing staff and empowering communities.
7. The Assistant Secretary-General reaffirmed the need to gather behind common goals such as the SDGs and added that this should form the basis for future cooperation between the United Nations and the World Bank. She concluded by calling for more synergies between

the World Bank, the PBC and the PBF and encouraged more targeted and specific interactions with the World Bank, especially in the country-specific engagements.

Chair's recommendations

- Strengthen strategic collaboration and complementarity between the United Nations and the World Bank, with joint analysis as a starting point for enhanced alignment and synergies and in connection to the SDG Summit and the Evolution Roadmap.
- Foster greater synergies between the World Bank and the funding tools of the United Nations in support of peacebuilding, such as the PBF.
- Continue frank exchanges between PBC and the World Bank both in New York and Washington aiming to be as concrete and straightforward as possible.
- Ensure systematic and impactful exchanges between the Commission and the World Bank on support for conflict-affected countries.
- Encourage financial contributions and explore creative incentives to long-term commitments more appealing to donors.
- Prioritize support for participation and partnerships with regional organizations, local communities and civil society organizations, especially women and youth organizations.