16 November 2020
WFP Executive Board
Second Regular Session
15h00 – 17h45

BREAKING THE SILOS

Pathways to More Integrated Programming, Funding and Implementation

BACKGROUND FRAMING PAPER

This background framing paper reflects on the potential areas of systematic integration that national governments, international financial institutions, United Nations agencies, the donor community, and other key actors could consider in order to bring about the breakthroughs needed to achieve critical national development goals, build resilience to future crises, and foster sustained peace.

1. Within the weeks and months following its onset, the COVID-19 virus compounded countless global challenges all at once, stretching the resources and capacities of nations with little regard to their level of development. Just over a year after a call from the UN Secretary-General to increase resolve and strengthen resource commitments and collaboration for global development through a Decade of Action, developing nations and their global partners now face potentially decades of lost gains within an atmosphere of shrunken liquidity, a shifting focus of the world's wealthiest nations inwards to resolve domestic losses and civil strife, and a more fragile foundation for peace.

2. But even before the pandemic struck, the rate of progress in achieving the 2030 Agenda was insufficient by most measures.[1] The launch of the Decade of Action served as a signal that progress on development and lasting peace would still require breakthroughs rather than the iterative approach of gradualism. But if there are some positive lessons that could be drawn from the pandemic, it is that the pervasive nature and speed with which the virus spread forced us all to quickly re-evaluate and recalibrate our assumptions about the ways in which we communicate and cooperate, and has laid bare to all the absolute interdependence of the global system.

3. The pandemic also presaged the potential impacts of the looming, far larger, climate crisis, which by most predictions will have wide-ranging impacts many times the severity of what we are currently witnessing. The worst effects of climate change will also be felt disproportionately by

[1] *The Sustainable Development Goals Report 2020*, a United Nations publication issued by the Department of Economic and Social Affairs, link.

the poor and vulnerable in every nation, underscoring the urgency with which our global agreements—from Paris to Busan to Addis—were penned. In many respects, the pandemic has been the decisive summons to an indispensable decade of action, and likely more decades of action to follow.

4. Our collective experience to date has already produced some of the fruits of what is possible through focused, whole-of-government approaches from national governments and truly integrated support from multilateral institutions and other key stakeholders. Learning and drawing from these experiences while understanding the weight of the moment encourages us to reflect on the urgently needed breakthroughs that can be made possible by dismantling our own silos—not only between global institutions but importantly between governments and the many global partners that support them. Making this shift calls for strengthening government's leadership role on development and focusing acutely on concrete ways for its development partners to enhance and integrate efforts on the front lines of these challenges—at country level—from developing coherent advice and addressing knowledge and capacity gaps, to undertaking joint planning and offering government the most efficient and effective mix of resources that prioritise unambiguously country-level impact over institutional performance.

THE PRIMACY OF NATIONAL GOVERNMENTS IN DRIVING DEVELOPMENT

5. The last few decades showed that accelerated progress at scale on development is possible, but only if it is government led. Between 2008 and 2016, Peru reduced under-five stunting from 28 to 13 percent[2], outperforming the rate of global decline by 30 percent. Brazil's *Fome Zero* (Zero Hunger) programme reversed the trend of rising inequality within the country, lowered the mortality rate of under-fives by 45 percent within 11 years, and reduced the number suffering from moderate and acute malnutrition by five percent within just five years.[3] Through successive targeted poverty reduction programmes, China reduced its poverty rate from 97.5 percent to 4.5 percent within 38 years (1978-2016)—lifting almost 700 million people out of destitution.[4]

6. These national programmes all shared the characteristics of having both strong political and policy commitments, backed at the highest levels and executed in a coordinated fashion across the breadth and depth of government. Focused national programmes such as these also thrive within an environment of financial and social accountability. In an era in which every dollar counts more than ever, transparency and strengthened institutions can ensure that, apart from creating a more level playing field and sustaining peace, economic gains are not lost or slowed due to leakage and corruption. For all the growth African countries have made over the past decades, illicit capital flight combined with tax evasion and corporate tax avoidance has deprived Africans of USD 88 billion, or 3.7 percent of the continent's gross domestic product—almost the equivalent of overseas development assistance and foreign direct investment inflows combined.

---

[2] Huicho et al, *Drivers of stunting reduction in Peru: a country case study*, The American Journal of Clinical Nutrition, Volume 112, Issue Supplement_2, September 2020, link.

[3] Silva, José Graziano da, *The Fome Zero (Zero Hunger) Program: The Brazilian experience*; Brasília, 2010.

[4] Wang, H., Zhao, Q., Bai, Y. et al. *Poverty and Subjective Poverty in Rural China*. Soc Indic Res 150, 219–242 (2020). https://doi.org/10.1007/s11205-020-02303-0

These, along with the other key areas of focus outlined in the Addis Ababa Action Agenda, have never been more critical.

THE INTERNATIONAL COMMUNITY'S EMBRACE OF OUR SUPPORT ROLES

7. Global institutions supporting national development have led the charge in standard-setting and creating and collecting the evidence for best practices in policy development, financing and implementation. These same institutions take on tremendously challenging and highly specialised roles in supporting governments in line with their respective areas of expertise. But the case for our collective ability to offer truly catalytic joint support to governments by integrating our advice, our resources and our global infrastructure is only starting to be made. Such new ways of working are particularly important across the humanitarian-development-peace nexus to support joint multi-sectoral planning and the development of collaborative tools for risk identification, crisis preparedness and early response.

8. Recognizing this, in 2017, the United Nations and the World Bank formalised a partnership to jointly tackle situations of crisis. The 2019 UN-WB Partnership Monitoring Report showed that, in over 50 countries, this collaboration contributed to strengthening the humanitarian-development-peace nexus, with increased information and data sharing, along with joint planning and analysis being core drivers of success.[5] Resilience Context Analyses have been piloted in Lebanon and South Sudan to provide common situation analyses amongst key ministries and all key humanitarian and development partners to inform joint strategic planning and programming. Through Recovery and Peace Building Assessments in Cameroon and Zimbabwe, the World Bank, United Nations and the African Development Bank carried out a joint assessment phase that led to common country strategies. Early discussions on similar efforts are ongoing in Burkina Faso, Liberia, Libya, Myanmar and Yemen.

9. The global response to the COVID-19 pandemic highlighted further instances of joined-up collaboration that combined the provision of technical advice and expertise, targeted financing, and implementation support to governments addressing the impacts of the shock. In some cases, such new ways of working built on ongoing efforts to enhance coordination at the local level. In Liberia, the International Monetary Fund, the World Bank, and the UK Department for International Development provided additional and repurposed financing to ensure a timely response to support Government's response while targeting transfers to the most vulnerable. In Haiti, the IMF had already been leading an effort to convene key partners to support the government in the development of the national social protection strategy, including WFP. When COVID-19 struck, this coordinated effort, involving development and humanitarian partners, provided a ready platform to jumpstart the scale up of food and cash transfers to vulnerable populations, with co-financing from the Inter-American Development Bank and the World Bank.

10. Earlier this year, the World Bank released its strategy to further contribute to global efforts to address the drivers and impacts of fragility, conflict, and violence (FCV) and to strengthen the

[5] See http://documents1.worldbank.org/curated/pt/542911571851125027/pdf/United-Nations-World-Bank-Partnership-Framework-for-Crisis-Affected-Situations-2019-UN-WB-Partnership-Monitoring-Report.pdf

resilience of the most vulnerable and marginalised populations. The World Bank's Crisis Response Window also offers a new USD 500 million tool for helping countries take earlier action. The Early Response Financing mechanism can mobilise up to USD 50 million per country during the early stages of an emerging health or food security crisis, together with key partners working in the nexus.

11. These are but a few examples of the global system at its best, coming together in support of governments committed to the interests of their citizens, including the most vulnerable, relying on each actor's value-add, and speaking with one voice. However, such experiences also remain ad hoc and somewhat limited to date, only hinting at the potential of scalable, collective and government-led action. The climate crisis may be manifesting itself only gradually, but when those effects are inevitably felt more swiftly, more devastatingly and at a far larger scale than we have witnessed to date, ad hoc forms of collaboration will not be enough to prevent or respond to its worst impacts. It is also difficult to underestimate the further complications that could be brought on by the discontent and anxiety of a growing youth population who feel that their leaders are not sufficiently addressing their needs, and whose prospects will be further suffocated by another global crisis. Building and sustaining peace whilst mitigating and preparing for the effects of climate change are inescapable challenges that necessitate significantly and urgently moving the dial on development.

BREAKING THE SILOS

12. National governments have the keen ear of all the international institutions and diplomatic missions they host. They also have the most to gain from more integrated support from their development partners. With the success of our roles hinging on our capacity to support national plans and institutions, governments can begin immediately and meaningfully to reap the benefits of increased coherence from the international community simply by more regularly inviting relevant actors to the same table and soliciting a unified, integrated approach. This will encourage partners to seek each other out, coordinate and align, while also ensuring that government remains the clear and visible driver of change.

13. At the same time, the volume of resources—technical and financial—available to governments will be commensurate with their willingness to commit their policies and programmes to be more bankable, meet higher levels of accountability and transparency, and spread their benefits in a more equitable way, up to and including those who are furthest behind. Fortunately, creating resilient economies that can withstand shocks is invariably derived from economic growth plans that strengthen domestic production and consumption across all demographics, which is a key outcome of most development strategies.

14. Bringing together the full support of the international community in creating and implementing national programmes that address the diverse needs of communities, including cross-cutting demographics like youth and women, thus generates increased efficiencies in planning, resourcing and implementation that benefit all. In partnership with other key actors, multilateral institutions will be able to mobilise expertise and resources more freely and plentifully, including from the private sector and nations and organisations driving efforts on increased South-South

and triangular cooperation. The benefits countries receive will ultimately be commensurate with other factors that build socio-economic resilience and galvanise inclusive growth, such as investing in capacity building, enhancing mutual accountability, combatting corruption and strengthening the rule of law.

I. Towards More Coherent Advice

15. National governments often receive mixed messages from United Nations agencies, international financial institutions and their bilateral government development partners. While receiving diverse, multifaceted advice from a variety of sources is critical to good decision-making, members of the international community are often unaware of the advice the others are providing to governments, sometimes even to the same offices and ministries. While recognizing that international institutions have different responsibilities and roles to play, nonetheless the sending of mixed messages to governments already juggling multiple domestic interests, however inadvertent, deprives the advice provided by our institutions of the strategic coherence that can make our messages “hit home” and strengthen the resolve of governments.

16. Though currently in the process of reform, the United Nations itself has developed a mechanism for aligning the voice, programming and funding of United Nations agencies at country level behind national priorities through a reinvigorated Resident Coordinator’s Office, which leads the formulation of the country-level United Nations Sustainable Development Cooperation Frameworks (UNSDCFs). Along with regular meetings of the United Nations Country Team, these mechanisms allow for regular knowledge-sharing and alignment behind government goals and provide visibility on efforts and resource pools available so as not to duplicate or contradict efforts.

17. However, United Nations reform alone is not nearly enough. Increasing the wider involvement of international financial institutions and bilateral development partners in resolving planning misalignments, reducing the administrative burden for governments and galvanising impact—drawing on the value-add of each institution—is critical. This could be done by reprioritising and revisiting the scope of an existing coordination mechanism such as Development Partners Groups, or creating a new one.

18. To date, Development Partners Groups have served as a relevant—though not ubiquitous—platform for coordinating the efforts of international partners, facilitating learning, and building partnerships between them. Where they exist, governments could further strengthen their leadership of the groups, shape the agenda and articulate concrete ‘asks’ from the international community. Key to the chosen forum, whether new or existing, is government ownership, strong and dedicated coordination and follow-up, and institutional buy-in backed up by concrete resources, whether financial, technical or asset-based. Thus, it may take a different form in each country depending on the ecosystem for collaboration already in place.

19. Creating a new coordination mechanism with a fresh mandate that is recognisable across the globe—not unlike UNSDCFs—could constitute a stronger signal for a new way of working, but importantly it should avoid conveying the message that better and more systematic coordination

is an “initiative” or strategy, but rather a fundamental and permanent shift in the way we do business. Regardless of its name, this mechanism should facilitate for all involved a better understanding of the investments being made in the country and the concrete gaps in achieving national priorities. Secondly, it should allow governments to have full visibility on the resources available to them and be supported in choosing the right mix of expertise and financing that can help them reach national goals.

20. To the extent this mechanism is also supported with tools that enhance transparency and accountability, for example through real-time tracking of public spending on development, it could also help reduce fiduciary risk for donors and allow them to channel resources that would otherwise be dedicated to monitoring towards actual development activities. In Burkina Faso, for example, the Government of Germany supported the digitisation of development finance cooperation through a blockchain technology called *TruBudget*, which allowed the government and development partners to trace investments at all stages in real time and contributed to an environment of trust and cooperation.

21. Lastly, the chosen mechanism needs to enlist and maintain high-level buy-in, seating decision-makers from government and the country representations of each institution at the same table. This will require concretely integrating collaboration, partnership and country-level impact—not just institutional performance—into the key performance metrics of each organisation. That is, collective results need to be important enough to all involved amidst the plethora of pressures and responsibilities country-based staff face.

II. Towards More Coherent Resourcing

22. Governments can make better decisions about the assistance available to them when the full range of loan and grant financing across development partners is transparent and reflects the coherent advice and support offered by the international community. Governments must also balance their own ambitions for growth with the risks associated with growing indebtedness. Easing governments’ ability to identify the best mix of grant and loan financing—especially when countries can only take on a limited number of loans—importantly conveys our acknowledgment that it is governments that set priorities and not the institutions supporting them. Ultimately, financing from each partner should form part of a visible and coherent strategy for each country that is mutually reinforcing. This should begin already from the global and regional strategies of each partner, but the most concrete results will be manifested in the collaboration by country teams that are listening actively and honestly to governments.

23. With so many different agencies on the ground clamouring for limited resources, the United Nations can also do more to ease the burden on governments, and indeed on donors, by consolidating functions and resources at country and/or regional level based on the strength of each agency’s existing expertise and footprint, thus building on economies of scale. Often, multiple agencies compete for the same project funds, taking up valuable time and resources but also ensuring that organic collaboration that may have otherwise arisen will be limited. While roles and resources for different agencies will in this way vary from country to country, each

organisation can benefit overall by focusing strategically on the key issues and geographies where they contribute most to national objectives.

24. Donor governments can play two critical roles here. The first is with regard to shaping incentives in a way that diminishes the aforementioned collaboration problem—project-based funds provided by donors are often the sole channel for United Nations agencies, international organisations and civil society organisations to grow their country-level capacities in order to fulfil their mandates. Often, this makes resource mobilization a matter of institutional continuity rather than a process of consultation and exchange that identifies the best actor(s) for a specific role. By more explicitly focusing on how donor grant funded work (including through the UN System and the International Development Association) can be "blended" with loans and grants from international financial institutions—including at project level—all development actors could better focus and align their activities and country capacities. More integrated planning starting at the resourcing stage would result in closer cooperation among partners and better and more coherent results. More flexible funding from donors to UN agencies linked to this "blended" approach would also make it easier to collaborate across silos.

25. Debt financing is critical for development. Discussions on debt, including on enhanced debt management and transparency, can help achieve sustained, inclusive growth. Countries looking to invest more on social spending often confront fiscal limitations due to competing priorities. Greater cooperation and clarity are urgently needed around how countries can have the fiscal space needed to invest in and achieve the SDGs while maintaining good macroeconomic and financial management and balancing issues such as security expenditures.

26. Sustainable development should be rooted in sustainable financing. Joint consideration of how limited capital can be more catalytic and strategic for non-state actors at the national and sub-national level can contribute better to longer-term impact. We can do more to seek out, listen to and support the ideas, strategies and ambitions of civil society and the private sector, which ultimately shape and drive long-term development and inclusive growth. Increasing the participation of historically underrepresented demographics—especially women—in business, government and financial decision-making is also critical to changing how money is prioritised and distributed, ultimately impacting significantly, and positively, long-term growth and inclusivity.

III. Towards Supporting Implementation

27. International financial institutions and donor governments often discuss loan financing of national programmes bilaterally with governments, independent of the rest of the development community. They do so for various reasons, one of which is that the United Nations and other development partners rarely work directly on the kind of large-scale infrastructure that those loans finance. However, technical and issue-based organisations have important first-hand experience in extending or putting in place the lower order hard and soft infrastructure that extends larger investments. Given many agencies' presence in rural and remote areas, the United Nations also supports the building of community mechanisms, structures and tools that allow those living along "the last mile" to benefit and thrive from broader national investments. This

not only ensures that no one is left behind, but also adds value to national investments by making participation in the economy more inclusive and empowers and animates the individuals and communities that benefit from them. Such results would be easier to achieve if stakeholders come together early and have a country-level policy dialogue before supporting countries to do what is needed to achieve their goals.

28. In many of the most extreme contexts, the United Nations has itself implemented public programmes, but increasing government capacity in many developing countries means that our support is usually best placed advising governments on implementation or helping to overcome bottlenecks and solve chronic problems. Multi-sector and multi-partner processes for common context analysis, joint strategic planning and programming can lay the foundation for new ways of working. Bringing in the United Nations and other technical agencies earlier in financing discussions, even informally, can provide the visibility and foresight the United Nations Country Teams need to more efficiently plan their own focus areas, project funding and interventions around those of governments, while making infrastructure investments go further and reach more people. Combining UN grant funding with loans from international financial institutions to scale the social, environmental and economic impact of development investments has particular potential to strengthen the case for investments in human capital more broadly, where the economic or capital returns are not direct or immediate, and where private sector crowding is unlikely.

29. While these and other solutions can sometimes have higher transaction costs, and in the cases where technical agencies are brought on in an advisory capacity, also higher short-term real costs, improved and more efficient implementation means better return on investments over the medium to longer term. Programming successes are also more likely to stimulate further national investment in development.

MOVING FORWARD TOGETHER

30. Like all systemic change, the outcomes sought through the High-Level Event require decisive, high-level leadership that is translated into transformative ways of thinking and working that must permeate all levels of our institutions—governments, multilaterals and the United Nations alike—and allow us to transcend our respective silos. Ultimately, the fruits of those labours will be borne out by those who sit on the front lines of the colossal challenges that face us—those in line ministries, district-level hubs and field offices, who work tirelessly for those most in need. Many of these same individuals are already doing so through their day-to-day interactions with their counterparts and are uniquely placed to see both the need and the opportunity for more coherence more often.

31. Their efforts can be reinforced by the realignment of incentives around country- and district-level, people-centred impact, rather than institutional results. Vindicating the efforts of those serving at the front lines by voicing clear and unequivocal support from government and institutional leadership has the potential to create new synergies, utilise the full potential of existing resources and lower barriers to entry for the national actors that will ultimately drive forward progress towards more sustainable development.

ANNEX: KEY FACTS AND FIGURES

- The IMF has reported that economic growth is expected to fall to **-4.4 percent** this year. And over the next five years, the COVID-19 pandemic could cost an estimated **USD 28 trillion** in output losses. The IMF projects a ***partial*** and ***uneven*** recovery in 2021, with global growth expected at **5.2 percent**.
- The World Bank has reported that the COVID-19 pandemic **has knocked more economies into simultaneous recession than at any time since 1870**, and it could lead to a lost decade characterized by weak growth, a collapse in many health and education systems, and a new round of sovereign-debt crises.
- **Poverty is expected to rise in 2020 for the first time since 1998.**
- UNDP estimates **global human development**—a combination of education, health, and living standards—**could fall this year for the first time since 1990**
- The World Bank's new poverty projections suggest **an additional 110 to 150 million people will have fallen into extreme poverty by 2021**, living on less than USD 1.90/day.
- Even before the pandemic, more than half of the world's population – some four billion people - had either inadequate or no access to social protection. This includes two out of every three of the world's children.
- ILO estimates suggest a global decline of 10.7 percent of labour income during the first three quarters of 2020, which amounts to USD 3.5 trillion, or 5.5 percent of global gross domestic product for the first three quarters of 2019.
- ILO reports more than one in six young people have lost their jobs since the pandemic began.
- **Of the 690 million hungry (i.e. chronically food insecure) people in the world, about 60 per cent live in countries affected by conflict.**
- WFP estimates that by the end of the year, **the number of people suffering acute hunger could be as many as 270 million, compared to 149 million in 2019.** The pandemic is having its **greatest impact in Latin America** where there has been a **269 percent rise** in people facing severe food insecurity. Spikes in food insecurity are also evident in West and Central Africa (135 percent increase) and Southern Africa (90 percent increase).
- WFP reached a record 97 million people with food assistance in 2019 and is mobilising to meet the food needs of up to 138 million people in 2020 – but tackling the rising tide of hunger requires the biggest humanitarian operation in WFP's history.

- In conflict-affected countries, **a simple plate of food can cost more than a day's wages.** WFP research has found that in **South Sudan**, people on average would have to spend 186 percent of their daily salary on ingredients for a basic stew. Put another way, if someone **in New York State** had to pay the same proportion of their salary on these ingredients, their **meal would cost USD 393**. Prior to the pandemic, the projected cost of someone's daily income spent on food was estimated at 27 percentage points less than the final figure.