

Multilateral Aid Review: Assessment of UN Peacebuilding Fund (PBF)

Summary	
Organisation: UN Peacebuilding Fund	Date: February 2011
Description of Organisation	
<p>The Peacebuilding Fund (PBF) was established in 2006 on request of the UN General Assembly and the Security Council. It is an integral part of the new international peacebuilding architecture, along with the Peacebuilding Commission (PBC) and the Peacebuilding Support Office (PBSO). The PBF was set up to:</p> <ul style="list-style-type: none"> • support interventions of direct/immediate relevance to early peacebuilding processes and address critical gaps where no other funding is available; and • support countries at a later stage of their peacebuilding processes where no Multi-Donor Trust Fund has been established and/or where critical peacebuilding interventions remain underfunded. <p>The PBF is managed, on behalf of the United Nations Secretary-General, by the Assistant Secretary-General for Peacebuilding Support, supported by the PBSO. The UNDP Multi-Donor Trust Fund Office (MDTF Office) is the PBF fund administrator. At the country level, projects are typically approved by a Joint Steering Committee, co-chaired by the Government and the Head of the UN in country, in accordance with a pre-agreed Priority Plan.</p> <p>Neither the PBF nor the PBSO directly implement interventions. Funds must be channelled through a UN entity, or “Recipient UN Organization” (RUNO). UNDP has been by far the major RUNO, having received about 70% of PBF funds in the first years and 50% in 2010. Projects funded by the PBF are jointly prioritised by the government of the country and the United Nations and can be implemented by national authorities, UN agencies, other international organisations or non-governmental organisations (NGOs).</p> <p>The PBF has two funding facilities:</p> <ul style="list-style-type: none"> • The Peacebuilding and Reconstruction Facility (PRF) – which allocates a funding envelope to a country in support of underfunded critical peacebuilding interventions in line with an agreed strategy/plan (usually the Priority Plan). • The Immediate Response Facility (IRF) – which provides funding for critical, urgent interventions on a one-off basis for which other funding sources are not available. <p>As per its TOR, the PBF supports interventions in four broad thematic Areas:</p> <ul style="list-style-type: none"> ○ Implementation of peace agreements and political dialogue ○ Promotion of coexistence and peaceful resolution of conflict 	

- Economic recovery and immediate peace dividends
- Rebuilding essential government services and infrastructure

This fund is active in 16 countries (with 3 more in the pipeline), including those on the Peacebuilding Commission's (PBC) agenda. It has 48 Donors (the top 5 are Sweden, UK, The Netherlands, Norway and Japan). As of December 2010, the fund had received a total of \$361 million donor deposits since its inception, of which \$241 million had been allocated. The fund can receive both un-earmarked and earmarked funds and contributions on and off budget. Of un-earmarked contributions, 89% is classified as ODA.

Contribution to UK Development Objectives	Score (1-4)
<p>1a. Critical Role in Meeting International Objectives</p> <ul style="list-style-type: none"> + The PBF was designed to fill a critical gap in the international community's response to conflict. Its purpose is to provide a common platform for donors, addressing critical funding gaps for peacebuilding while also playing a catalytic role for future funding and peacebuilding support at country level. + Evidence suggests that the PBF has been improving. + Country evidence shows that the PBF has performed well as a flexible funding source in several cases. Recent independent donor reviews found that it is beginning to establish itself well as a relatively predictable source of aid in unpredictable circumstances that are often underfunded. - As a relatively new mechanism the PBF has had to overcome several challenges since its inception to fulfil its purpose and to be truly pivotal. Some were managerial, some related to the lack of a shared strategic vision among stakeholders. = The PBF is a unique and essential part of a major effort to improve the international peacebuilding architecture. 	<p>Satisfactory (3)</p>
<p>1b. Critical Role in Meeting UK Aid Objectives</p> <ul style="list-style-type: none"> + In terms of purpose and mandate the PBF's interventions are strongly in line with major UK priorities, including those in the Strategic Defence and Security Review (SDSR). + Its main thematic areas of intervention reflect many of the priorities highlighted in DFID's "Building peaceful states and societies" practice paper. - Since its relatively recent inception in 2007, the PBF has had teething problems and has struggled to live up to its potential. Evidence presents a mixed picture in terms of relevance at a country level. = Most evidence suggests that PBF is critical in delivering HMG objectives and its relevance is likely to continue and improve, thanks to convincing leadership, and its 	<p>Satisfactory (3)</p>

<p>unique features and role in the international peacebuilding architecture.</p>	
<p>2. Attention to Cross-cutting Issues:</p> <p>2a. Fragile Contexts</p> <ul style="list-style-type: none"> + The PBF is designed for these contexts. Conflict-sensitive review criteria exist. There is some country-level evidence for conflict-sensitivity in practice, e.g. timing of interventions. - Conflict-sensitive review criteria have not been applied consistently enough. Reporting is not systematic. = As a fund focusing on peacebuilding and conflict prevention, it tries to identify strategic and catalytic interventions suitable to the context. <p>Gender Equality</p> <ul style="list-style-type: none"> + There is some evidence of PBF-funded interventions targeted specifically and successfully at the role of women in reconciliation and reconstruction (highlighted in the PBF's 2009 Annual Progress Report). + Some recent developments are aimed at improving the incentives to prioritise gender equality and the role of women in peacebuilding, and the PBF's 2009 results framework reflects gender and the empowerment of women prominently. = The PBF's policies and structures to promote gender equality are having some impact but are not always clear. <p>Climate Change & Environmental Sustainability</p>	<p>Satisfactory (3)</p> <p>Satisfactory (3)</p> <p>Not Scored</p>
<p>3. Focus on Poor Countries</p> <ul style="list-style-type: none"> + All countries receiving PBF funds are at the bottom end of fragility and peace indices. Most countries are below average recipients of ODA compared with other fragile states. + The majority of PBF funds have been released to countries with higher likelihood of funds being used strategically for peacebuilding due to countries being on the PBC agenda or in-country systems for peacebuilding support being firmly in place. - As a relatively new mechanism, the PBF has taken some time to get up to its current level of reach. Eligibility criteria were less clear to all stakeholders in its first two years of operation but were clarified in response to reviews in a 2009 revision of its Terms of Reference. = The PBF has a demonstrably strong focus on poor countries and its revised eligibility criteria have enhanced its strategic orientation. 	<p>Strong (4)</p>

<p>4. Contribution to Results</p> <ul style="list-style-type: none"> + The PBF can demonstrate delivery against objectives at project output level. + There is some evidence from evaluations and reviews of critical interventions for peacebuilding. + Current management has achieved positive results. It is a unique and innovative financing instrument. - Especially in its early stages there is evidence of low performing projects and weak management. - There is evidence of low or slow delivery due to capacity constraints of UN and government implementing partners on which PBF depends. = The PBF operates in the most fragile of contexts and relies on partners for implementation. Its work is high risk. It relies heavily on UNDP (50-70% of PBF projects in a given year) for delivery. Although there is an upward trend, the PBF results management is not yet satisfactory. 	<p>Weak (2)</p>
Organisational Strengths	Score (1-4)
<p>5. Strategic and Performance Management</p> <ul style="list-style-type: none"> + Line of sight between PBF strategy and funded interventions is good. Following a revision of its TOR, the mandate is very clear. + There is good evidence that evaluations are acted on. A global results framework, previously missing, is improving. - The PBF had a range of problems in its early stages following inception in 2007. It notably suffered from a lack of strategic vision and difficulties in measuring results. - The governance structure is complex. = There are shortcomings but the management response to internal and external reviews has been very positive. Following UN internal and donor-led reviews, some early problems have started to be addressed. 	<p>Satisfactory (3)</p>
<p>6. Financial Resources Management</p> <ul style="list-style-type: none"> + The PBF relies to a large extent on the performance of the UNDP MDTF Office for its financial resources management. However, they add value over and above this as the PBSO makes its own decisions on funding levels and is responsible for setting clear guidelines. + It involves other parts of the UN System in decision-making processes, has adapted its modalities to be increasingly flexible and has much improved allocation criteria both with regard to country eligibility and for determining levels of funding. - In spite of improvements in clarifying allocation criteria, the PBSO still needs to do more to communicate the rationale behind its funding decisions to Member States. 	<p>Satisfactory (3)</p>

<p>It could do more to manage poorly performing projects but must also take into account political constraints in the fragile contexts where its projects are implemented</p> <p>= The PBF succeeds in adding value to UNDP's MDTF Office's financial resources management.</p>	
<p>7. Cost and Value Consciousness</p> <p>+ There is some evidence of cost effectiveness being taken into account. Ongoing work at PBSO is improving guidance for country partners and should improve VFM.</p> <p>+ There is evidence that UNDP is working with development partners to strengthen VFM returns and that UNDP has succeeded in significantly reducing budgeted administrative costs.</p> <p>+ The PBF operates in difficult and complex situations which can be expected to be more expensive than a stable developing country.</p> <p>- Its cost effectiveness depends to a large extent on the procedures of its administrative agent, i.e. UNDP's MDTF Office, and the Recipient UN Organisations (RUNOs), particularly UNDP.</p> <p>- VFM and cost control has not been as strong as DFID would like to see. Up to 11% admin costs (3% PBSO, 1% MDTF Office, 7% RUNO) compares with 7% for direct funding through UNDP. There has been confusion over rules and use of administration charges. There is limited country level evidence for VFM being pursued.</p> <p>= In spite of recent improvements in the right direction, cost control has not been pursued systematically. Notwithstanding the challenging operating contexts where most PBF projects are implemented the evidence points to continuing weaknesses.</p>	<p>Weak (2)</p>
<p>8. Partnership Behaviour</p> <p>+ Comprehensive coordination systems and MoUs are in place at multiple levels. Country systems are used as far as possible.</p> <p>+ Modalities have been adjusted in response to criticism to ensure smoother partnerships.</p> <p>+ The Advisory Group at global level and some country level steering committees have civil society representatives as well as partner governments.</p> <p>+ Many interventions are targeted directly at vulnerable beneficiaries who have been affected by violent conflict.</p> <p>- As a new fund, it took a while for the various partners to understand its modalities. At country level, evidence presents a mixed picture of partnership.</p> <p>= Overall, there is good evidence of national government and civil society involvement, HQ-level coordination and increasing improvements over the past two years also at</p>	<p>Satisfactory (3)</p>

country level.	
<p>9. Transparency and Accountability</p> <ul style="list-style-type: none"> + The PBF has a consultative approach to making funding decisions, both at HQ and in the field. + The PBF has a comprehensive and accessible website. + The Fund Administrator (UNDP) has key role in the IATI. - There is scope for improvement of accountability mechanisms at country level and on country-level reporting. - The PBF does not have a disclosure policy. - The Fund Manager – PBSO – is not involved in IATI. = There is good accountability but limited transparency. 	Weak (2)
Likelihood of Positive Change	
<p>10. Likelihood of Positive Change</p> <ul style="list-style-type: none"> + A number of critical reforms are underway and there is strong evidence that management has driven progress against reforms. + DFID has formed a close partnership with PBSO and key donors and their voice is respected. + We are optimistic about further improvements in PBF management and delivery over the next few years, provided PBSO retains key talent. There are critical opportunities coming up to further drive reform. - PBF is only one third of the UN peacebuilding architecture and PBSO will need to step up its leadership in other areas so as not to undermine the good progress being made on the Fund side. It will also need to take care to retain and enhance its flexibility and risk-taking traits to have added value and a comparative edge. - There is a risk of it becoming inflexible if it develops too many restricting provisions such as the 15% gender marker. = Especially in light of reforms already launched, management commitments and strategies outlined in the 2011-2013 Business Plan, and the commitment and joint engagement of other donors, there is good prospect of positive change. 	Score (1-4) Likely (3)