World Bank Group Engagement in Situations of Fragility, Conflict and Violence

Report to the Board from the Committee on Development Effectiveness

Meeting of July 7, 2016


The Committee welcomed the evaluation and was pleased that Management broadly concurred with the report’s findings and recommendations. Members noted the timeliness of the discussion in the context of the Forward Look, IDA18 replenishment and the general reassessment of the WBG’s engagement model in fragile and conflict situations. The Committee commended WBG Management’s engagement to date, acknowledging the implicit challenges to long-term development success in settings of fragility, conflict and violence (FCV). Members highlighted the WBG’s response to the call of the IDA Deputies for the Bank to “innovate and do everything it can to be a critical implementation agent for achieving the 2030 Agenda.” They welcomed the WBG’s progress in tackling FCV in MICs more strategically, in consolidating the FCV Cross-Cutting Solutions Areas and mainstreaming FCV strategy and knowledge into Global Practices and WBG projects.

Members noted that success in FCV situations requires sound knowledge of local conditions and a deep understanding of the political context as well as of the drivers of violence and conflict; being responsive and agile to detect fragile situations at country and regional levels; and shifting resources and instruments into new priorities. They indicated that a better understanding of potential weaknesses and the challenges of remaining engaged would allow the WBG to be more selective in its approach, despite potential operational, fiduciary and reputational risks. The Committee supported mainstreaming a strategic, long-term approach that would include a new agile engagement model in these countries. Members acknowledged Management’s effort to update its existing tools, such as the “Risk and Resilience Assessment” to assess impediments to country stability and sustainability. This new model would take into account political economy issues and include a multidimensional system for monitoring and diagnosing fragility and creating cross-cutting solutions for FCS and FCV, where possible. Members expressed concerns regarding the mismatch of available resources to address fragility challenges and inquired about the WBG’s prevention work.

Members urged Management to address the regional drivers of fragility, particularly with respect to disabling effects of cross-border spillover. They encouraged Management to address M&E system weaknesses. They underscored the importance of integrating the new multidimensional publicly disclosed system for monitoring and measuring fragility into Systematic Country Diagnostics (SCD) and Country Partnership Frameworks (CPF). Members stressed the importance of enhancing local institutional capacity, and considering the potentialities offered by South-South knowledge exchange. They acknowledged the WBG’s strategic advantages and capacity to assist affected countries in the long-term development challenges, including in creating and consolidating legitimate institutions and strengthening governance.

Members underscored the need to develop innovative financing mechanisms and to leverage the use of existing instruments or fast-response facilities. They encouraged IFC to move beyond the definition of FCS and incorporate FCV challenges into its strategy. They urged IFC and MIGA to play more significant roles to attract and maintain private sector investment. The Committee also highlighted the importance of building strong partnerships not only with the United Nations but with Multilateral Development Banks (MDBs) and local institutions and underscored the importance of donor division of labor based on respective comparative advantages. Management informed the Committee of ongoing
progress including a joint study with other MDBs on migrations issues, and with the UN and think tanks on building sustainable peace and development.