

World Bank Group Strategy for Fragility, Conflict, and Violence 2020 – 2025

Addressing the challenges of fragility, conflict, and violence is critical to achieving the World Bank Group's twin goals of ending extreme poverty and boosting shared prosperity. By 2030, more than half of the world's extreme poor will live in countries characterized by fragility, conflict, and violence (FCV)¹. Preventing and mitigating FCV challenges is key to making progress toward the Sustainable Development Goals (SDGs) and to the international community's broader efforts to promote peace and prosperity.

The global fragility landscape has worsened significantly in recent years, impacting both low and middle-income countries. Violent conflicts have increased to the highest levels observed in the past three decades², and the forced displacement crisis has been the largest ever recorded³. Inequalities are rising and fueling grievances and perceptions of injustice. Without swift and effective action, FCV risks could both erode gains made in the fight against poverty and undermine the prospects for further progress.

Faced with these dynamics, the World Bank Group (WBG) has been changing the way it works in FCV settings. This work has evolved from a focus on post-conflict reconstruction to addressing challenges across the full spectrum of fragility, and a "pivot to prevention"⁴. The WBG can meaningfully engage to preserve institutional capacity and human capital that will be critical for the country's future recovery. And when signs of recovery emerge, the WBG can support governments that are embarking on transformational change.

To meet the growing challenges, the WBG is significantly scaling up the volume and types of financial support it provides for FCV in both low and middle-income countries. The \$14 billion available in IDA18 for IDA countries affected by "fragile and conflict-affected situations" FCS is double the level of

IDA17, the previous three-year replenishment period. IDA18 has also introduced a more tailored engagement in different situations of fragility, including investing in conflict prevention, supporting refugees and host communities, preventing and responding to gender-based violence, engaging in situations of active conflict, and supporting transitions from conflict to peace.

Looking forward, the 19th replenishment of IDA (IDA19)⁵ will scale up resources to countries affected by FCV, including through an FCV Envelope that offers a structure of incentives and accountabilities for countries to reduce FCV risks.

Recognizing that the private sector lies at the center of a sustainable development model in FCV settings, International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) are significantly scaling up their efforts. IFC committed to increasing its share of investment commitments in IDA and FCS to 40 percent by Fiscal Year 2030, with 15-20 percent in low-income IDA and IDA FCS countries, requiring at least a five-fold increase in investment volumes from the current level. Similarly, MIGA has prioritized FCS since 2005, and its portfolio with FCS stood at a record \$2 billion in 2019. IFC and MIGA efforts were further boosted by the introduction in IDA18 of the \$2.5 billion Private Sector Window (PSW), which allows them to further scale up their investments in FCS. IFC has also strengthened its engagement in FCS through the Conflict-Affected States in Africa (CASA) and FCS Africa initiatives, and its advisory support through the Creating Markets Advisory Window (CMAW).

The objective of the WBG's FCV Strategy is to enhance the WBG's effectiveness to support countries in addressing the drivers and impacts of FCV and strengthening their resilience, especially for their most vulnerable and marginalized populations. This work is critical to achieving the WBG's twin goals. The strategy sets out a new framework for understanding FCV and a robust set of measures to increase the effectiveness of WBG development support to both low- and middle-

¹ The "FCV" concept groups three issues that are often related: (i) deep governance issues and state institutional weakness; (ii) situations of active conflict; and (iii) high levels of interpersonal and/or gang violence.

² United Nations and World Bank, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict* (Washington, DC: The World Bank Group, 2018), xvii and 12, <https://openknowledge.worldbank.org/handle/10986/28337>. (Based on 2016 data.)

³ The UN High Commissioner for Refugees, *Global Trends: Forced*

Displacement in 2018 (Geneva: UNHCR, 2019), 13, <https://www.unhcr.org/en-us/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>.

⁴ The 2018 joint UN-WBG report, *Pathways for Peace*, called on the WBG to "pivot to prevention" by further prioritizing inclusive approaches to development that can help prevent and mitigate FCV risks before conflict and violence take hold.

⁵ The IDA19 cycle begins in July 2020 and concludes in June 2023.

income countries that are dealing with diverse challenges across the FCV spectrum.

An essential premise for the FCV Strategy is that, given the diversity of FCV challenges, there can be no one-size-fits-all approach. Operating in FCV settings means often rapidly changing circumstances, differing levels of insecurity, fragile and volatile political situations, macroeconomic instability, low institutional capacity, a weak enabling and investment climate for the private sector, higher risks of violence against vulnerable populations, and significantly higher risks and costs of engagement. The WBG approach must therefore be adapted to the distinct circumstances of FCV settings, with Country Partnership Frameworks (CPFs) and programs tailored to addressing the root causes of fragility.

Building on operational and analytic experience in FCV settings, the FCV Strategy articulates a differentiated approach to FCV. It is structured around a set of guiding principles and four pillars of engagement that are designed to strengthen the WBG's approach and address challenges across the full spectrum of FCV. They are:

- 1 Preventing violent conflict and interpersonal violence** by addressing the drivers of fragility and immediate to long term risks and strengthening the sources of resilience and peace before tensions turn into full-blown crises.
- 2 Remaining engaged during conflict and crisis situations** to preserve hard-won development gains, protect essential institutions, build resilience, and be ready for future recovery.
- 3 Helping countries transition out of fragility**, by promoting approaches that can renew the social contract between citizens and the state, foster a healthy local private sector, and strengthen the legitimacy and capacity of core institutions.
- 4 Mitigating the spillovers of FCV** to support countries and the most vulnerable and marginalized communities that are impacted by cross-border crises, such as forced displacement or shocks resulting from famines, pandemics, and climate and environmental challenges.

In addition, the WBG will place special emphasis on six high-priority issues in FCV settings: (i) investing in human capital; (ii) supporting macroeconomic stability and debt sustainability; (iii) creating jobs and economic opportunities; (iv) building community resilience and preparedness, especially regarding the impacts of climate change and environmental degradation; (v) engaging on justice and the rule of law; and (vi) developing approaches to dealing with the security sector within the WBG's mandate and comparative advantage. Throughout WBG engagement in FCV settings, a special focus will be put on gender in line with the WBG Gender Strategy.

To carry out the FCV Strategy, the WBG has set out 23 measures to strengthen its effectiveness in FCV settings. While full operationalization of the strategy will take place through WBG regional implementation plans, country programs, and operations covering FCV, these measures are crucial to strengthening the WBG's approach to the distinct nature of FCV settings. The measures are organized along "Four P's": policies, programming, personnel, and partnerships.

Implementation of the strategy will occur at four levels to ensure that the WBG adapts its approach to the distinct nature of FCV settings:

- 1** through 23 operational measures outlined in the strategy;
- 2** through corporate strategies, initiatives, and commitments where FCV is prioritized, such as the IDA19 Replenishment, the IBRD and IFC Capital Increase package, the FY20-22 HR Strategy, and MIGA's FY21-23 Strategy;
- 3** through FCV country and regional programs; and
- 4** through analytics and operations in FCV impacted countries.

For more information on the World Bank Group Fragility, Conflict, and Violence 2020 – 2025 Strategy, please consult this link:

<http://documents.worldbank.org/curated/en/832821582824032543/pdf/Executive-Summary.pdf>.