

World Bank Group Engagement in Fragility, Conflict, and Violence (FCV)



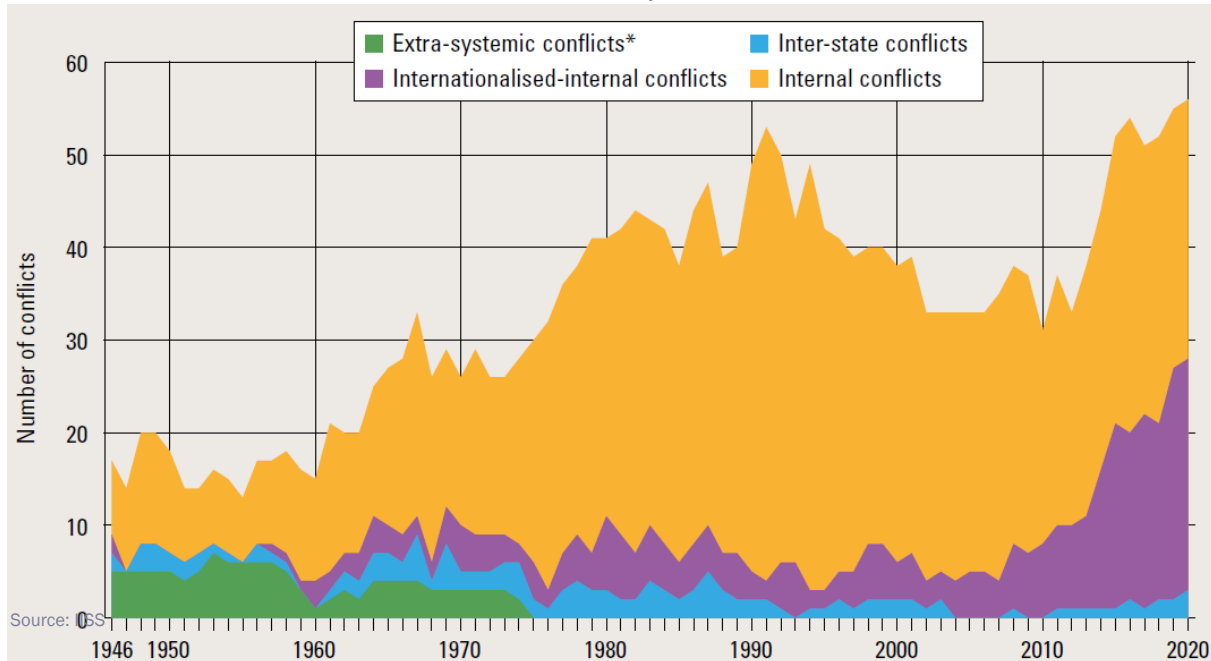
Tokyo, February 21, 2023

The number of active conflicts has risen in recent years...

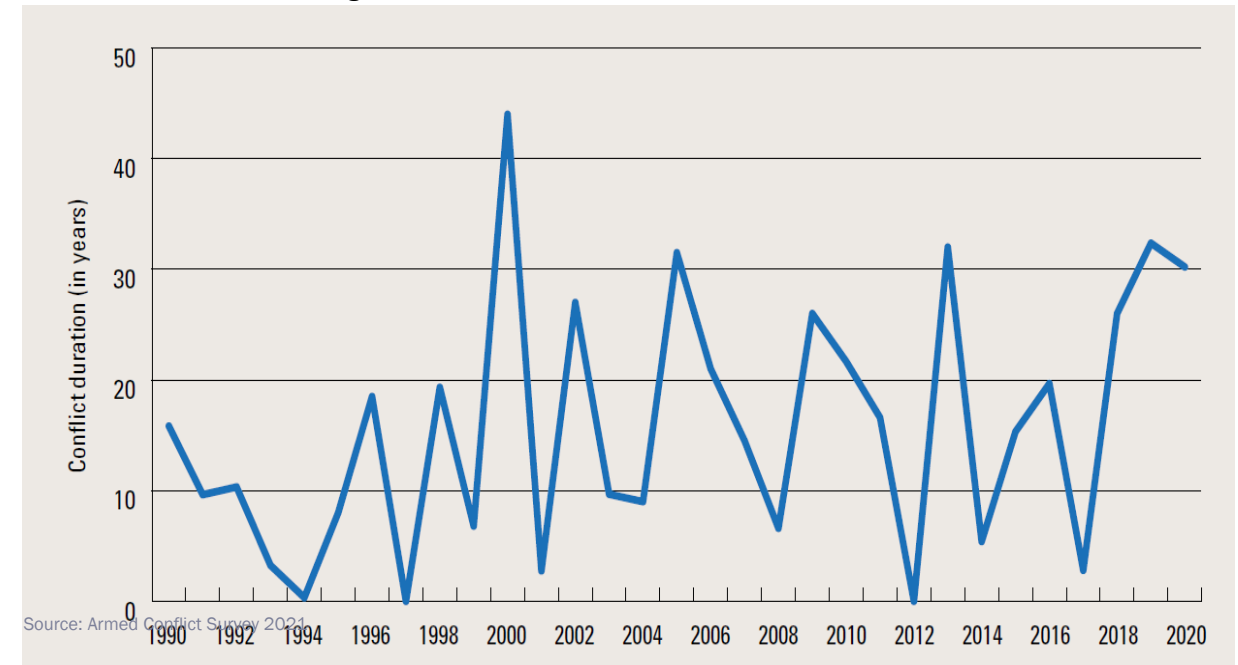
2020 witnessed the highest number of active conflicts since 1945...

...in part due to the persistence and increasing duration of active conflicts, which nearly doubled in 3 decades - from 16 years in 1990 to over 30 years by 2020

Global Conflict Trends, 1945-2020

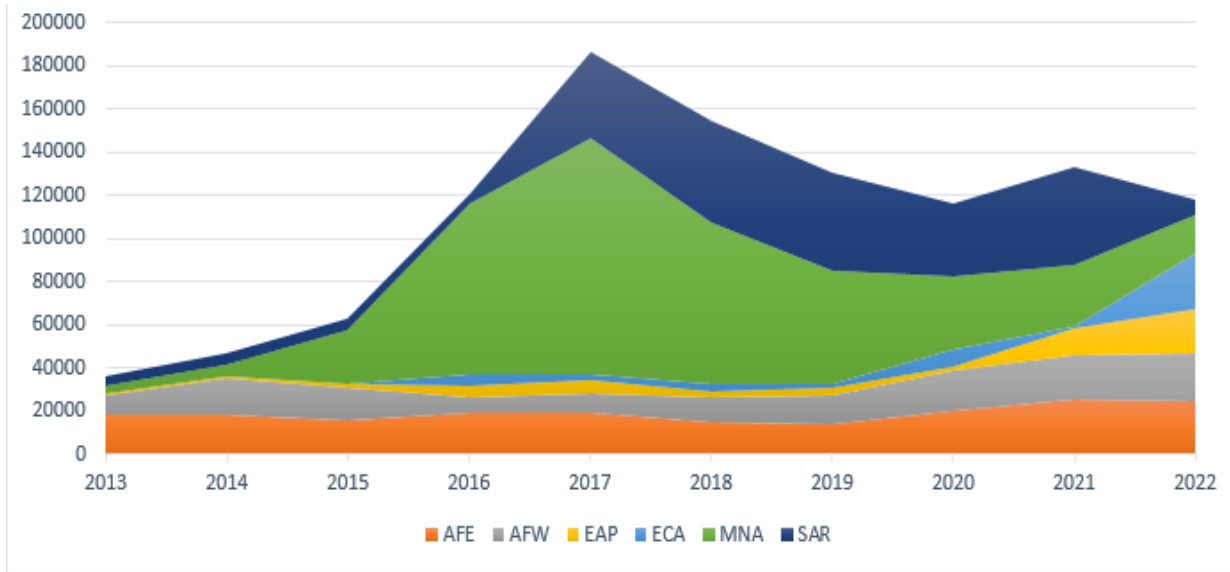


Average duration of armed conflict worldwide, 1990-2020



The human cost is high – conflict fatalities are much higher than a decade ago

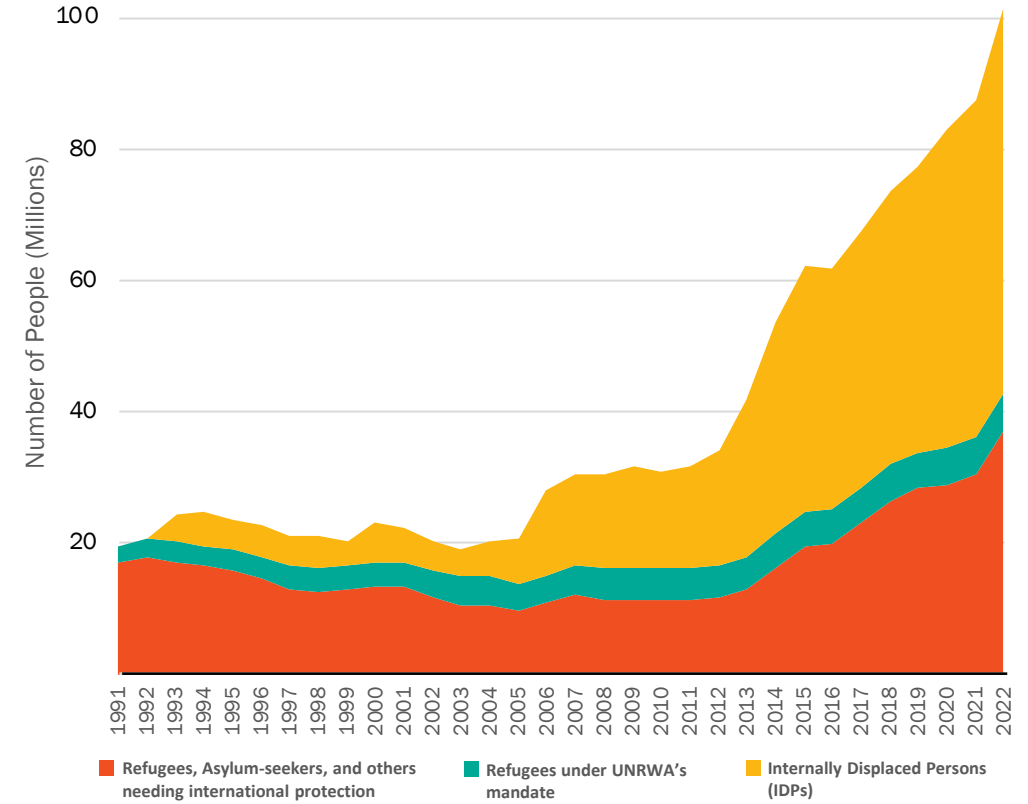
Conflict-induced fatalities



Source: ACLED

The number of forcibly displaced has also continued to rise since 1991

Number of Forcibly Displaced Persons, 1991-2022

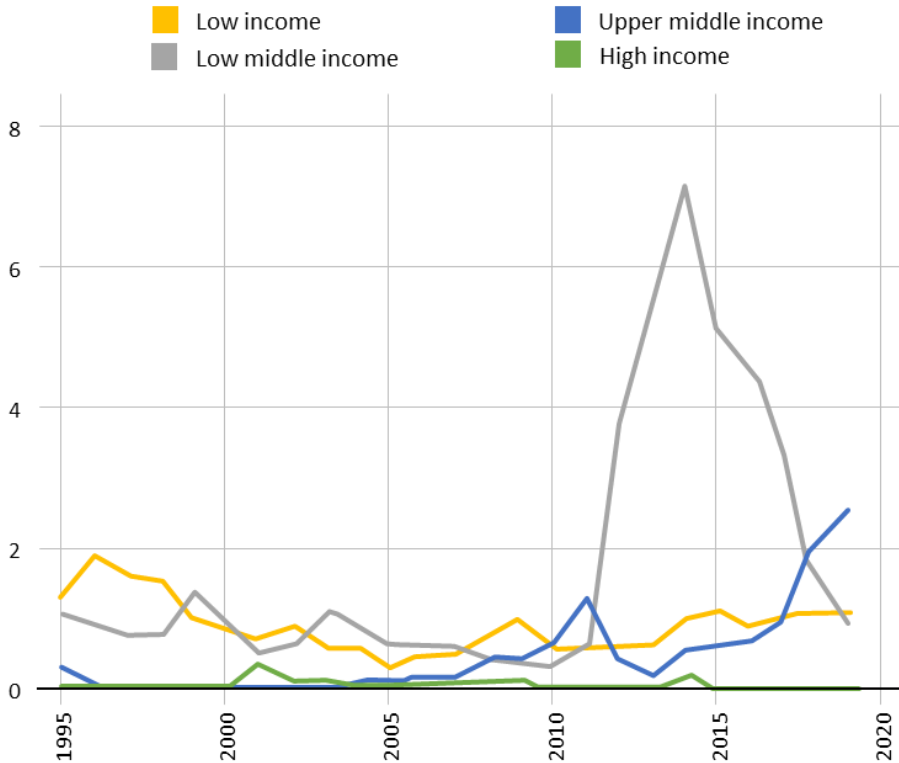


Source: UNHCR

FCV is central to persistent development challenges in MICs

Over the past decade, there have been more deaths from political violence and homicides in MICs than LICs

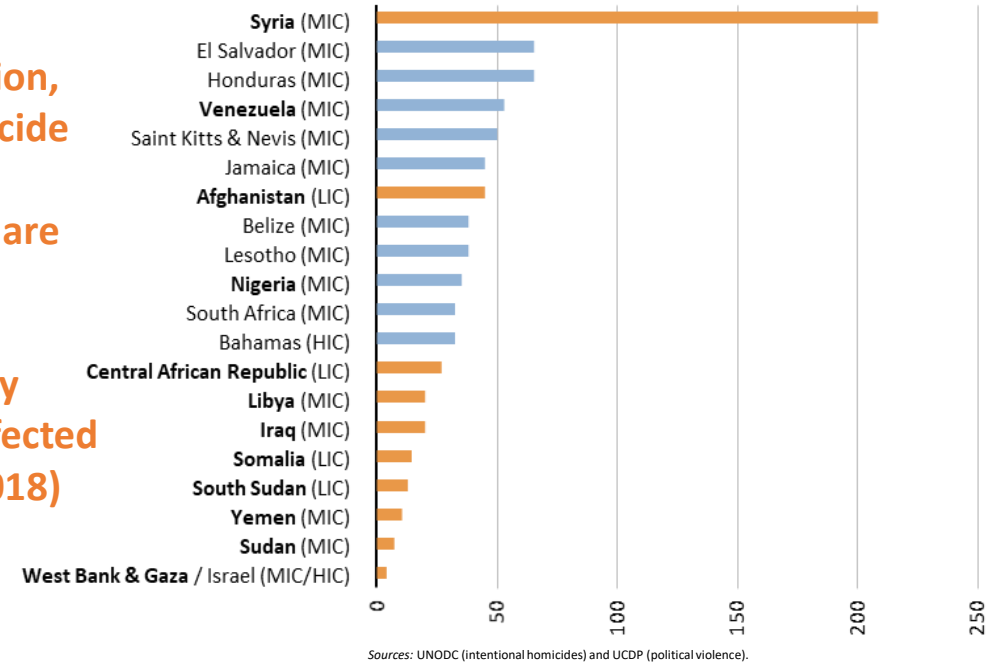
Deaths from Political Violence per 100,000 People
(by 1995 income type)



Source: UCDP

With one exception, intentional homicide rates in five LAC countries (MICs) are higher than the political violence death rates in any other conflict-affected country (2010-2018)

Average Annual Deaths per 100,000 People, 2010-18
10 countries with highest intentional homicides rates and
10 countries with highest political violence rates
(by 2010 income type). **FCS in bold.**



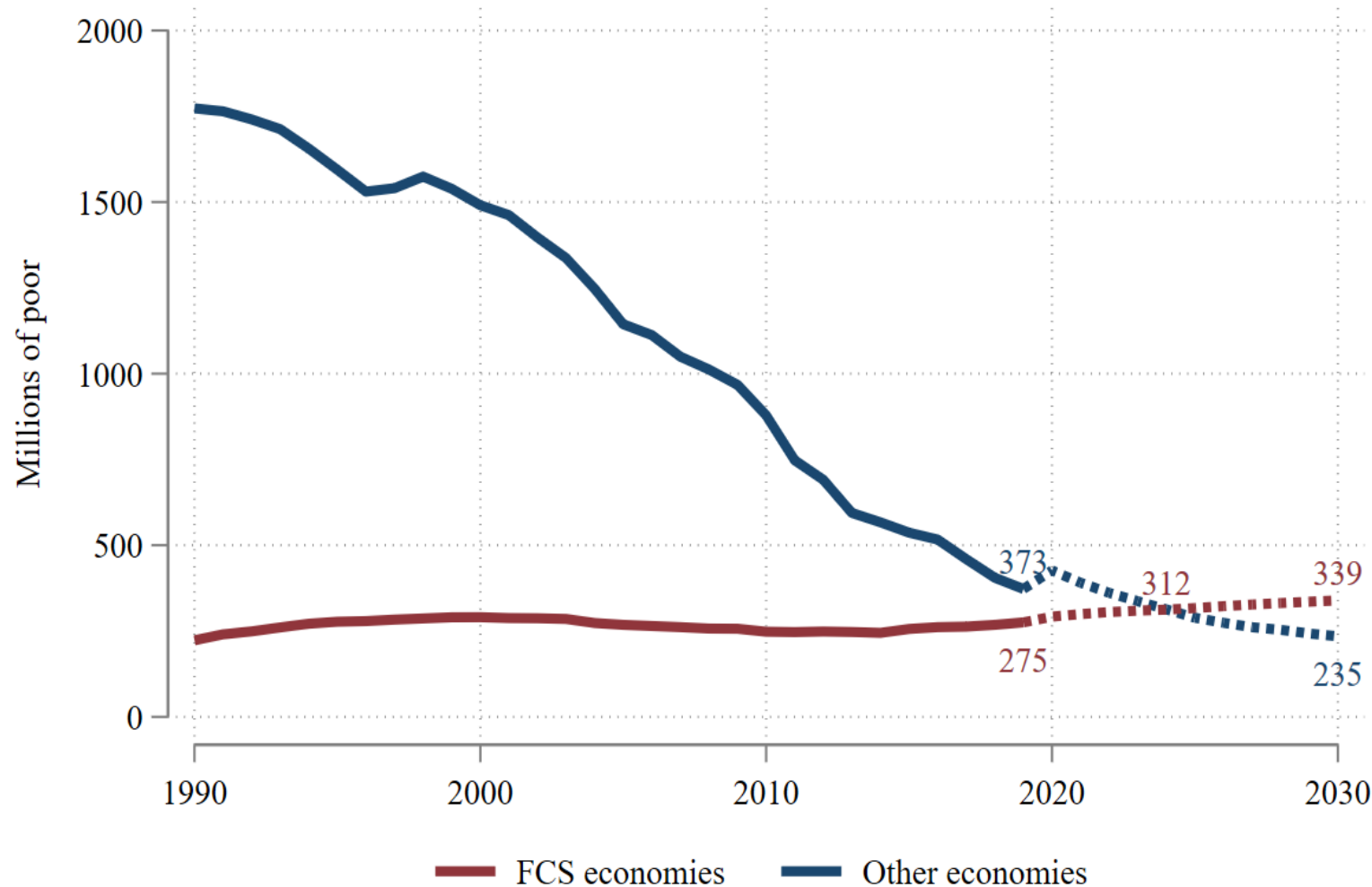
Sub-national FCV can result in economic development disparities, despite progress in national economic growth

In certain FCV-affected parts of the Philippines (e.g., BARMM), per capita GDP and institutional weakness are similar to FCS and LICs such as Myanmar, Guinea and slightly above South Sudan.

Per capita GDP in the BARMM is half of the national figure.

Extreme poverty continues to grow and concentrate in FCS, despite precipitous drops in the rest of the world, threatening the achievement of the twin goals

Millions of extreme poor

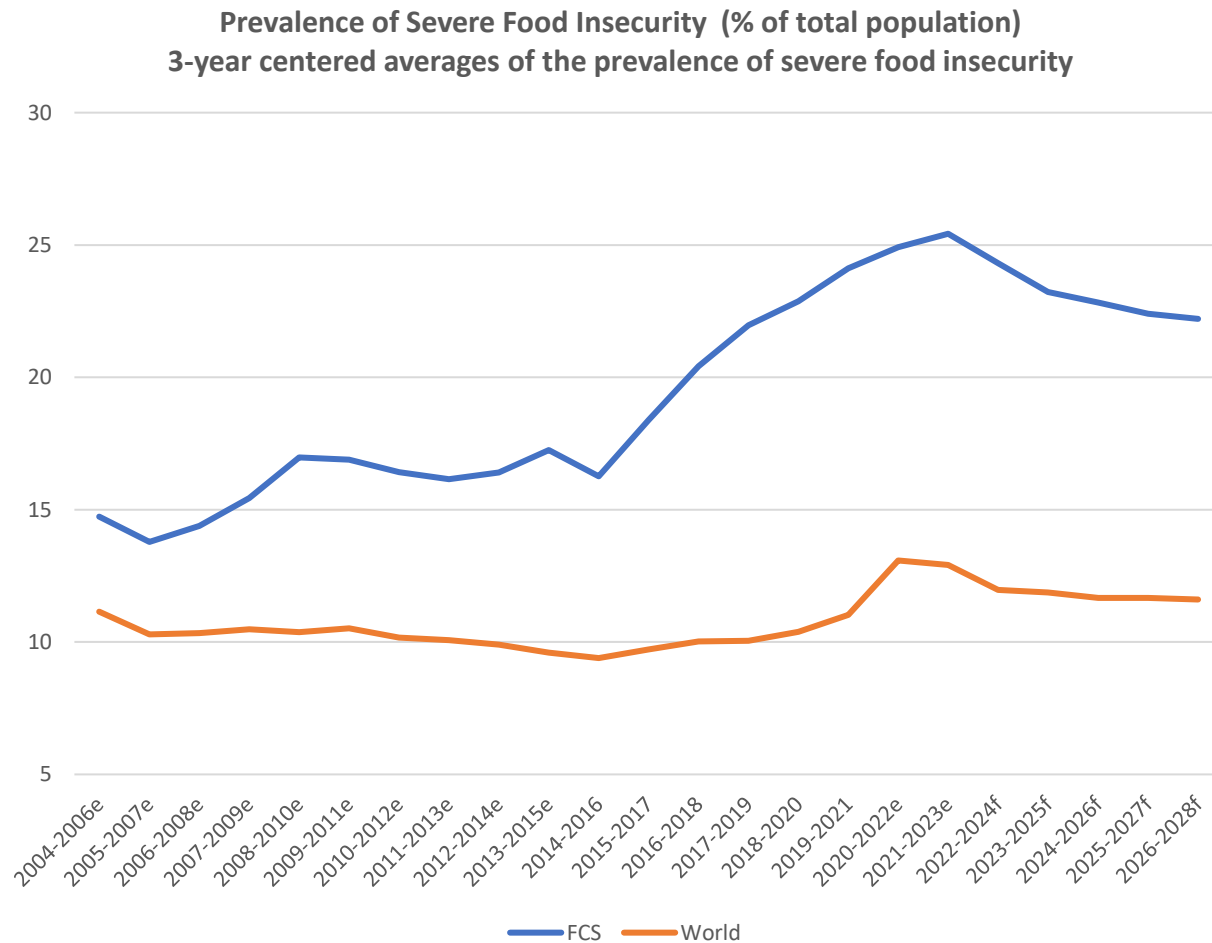


By 2024, projections are that the total number of extreme poor in FCS may surpass that in non-FCS

By 2030, an estimated 59% of global extreme poor will be in FCS

FCS are particularly vulnerable to persistent, compounding risks ...

Food insecurity is more prevalent in FCS countries, and is estimated to remain above 240 million people until 2027



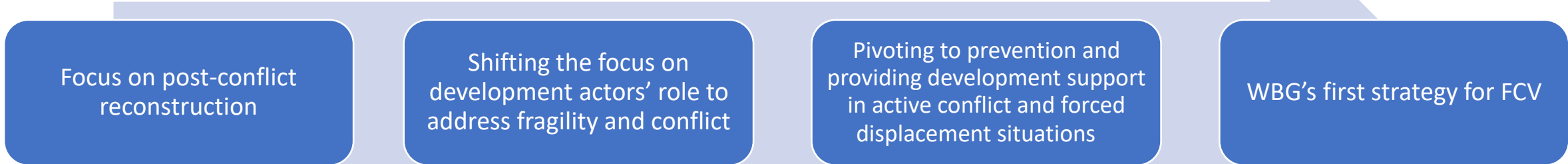
Source: Andree, 2022

FCS countries are 13 of the 20 countries most vulnerable to climate change, 9 of which are also food insecure

Country (FCS list countries in orange, *indicates food insecurity warning)	Rank-Climate Vulnerability
Ethiopia*	163
Sierra Leone	163
Mauritania*	165
Solomon Islands	165
Benin	167
Afghanistan*	168
Tonga	168
Uganda	170
Micronesia	171
Dem. Rep. of the Congo*	172
Rwanda	172
Eritrea	174
Central African Rep.*	175
Mali*	176
Liberia	177
Sudan*	178
Guinea-Bissau	179
Chad*	179
Somalia*	181
Niger*	182

Source: 2020 ND-GAIN Country Index (published 2022); WBG FY23 FCS list; food security per FAO/ WFP food security warning

WBG evolution – from focusing on post-conflict reconstruction to addressing full spectrum of fragility



Afghanistan Reconstruction Trust Fund (ARTF)

2002

Afghanistan Reconstruction Fund established

2006

First classifications of fragile situations



2011

World Development Report on Conflict, Security and Development

2017

Launch of IDA18



2018

UN-WBG joint report on prevention *Pathways for Peace*



2020

Launch of FCV Strategy 2020-2025

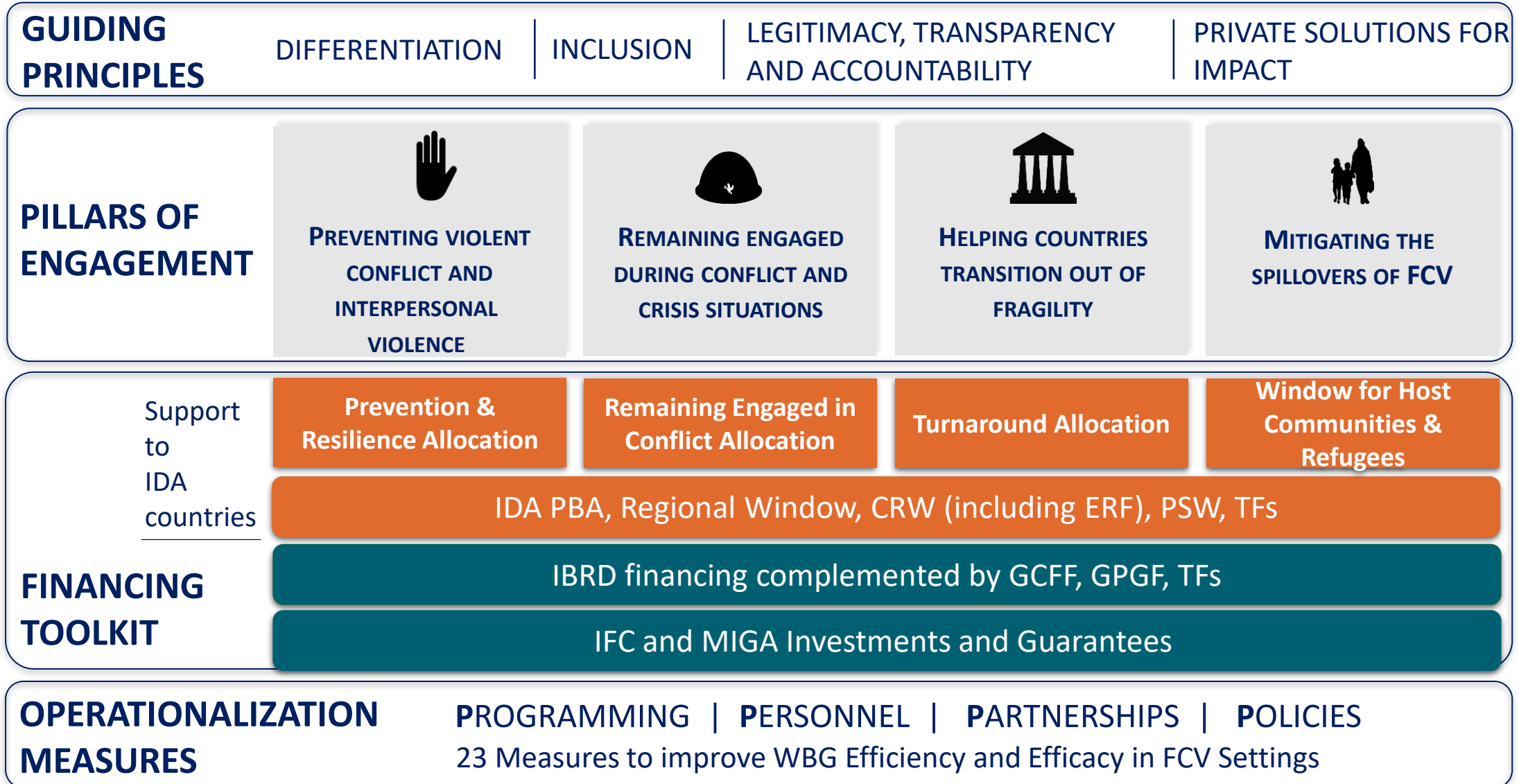
2020

Launch of IDA19 and first FCV envelope

2022

Launch of IDA20 with stronger FCV focus

WBG's FCV Strategy: a strong foundation to engage on FCV



The FCV Strategy includes measures to strengthen the WBG's operational effectiveness and impact at the country level...

...implemented through an FCV-specific approach to:



PROGRAMMING



PERSONNEL



PARTNERSHIPS



POLICIES

WBG CPFs, CPSDs in FCV settings systematically address the key drivers of fragility based on RRAs or FCV Assessments

Selectivity and flexibility in program design

Mission-driven partnerships with HDP (including DFIs and MDBs), security & private sector actors at the country level

Enhanced project supervision & implementation support (e.g., GEMS, TPM, HEIS)

Updated policy framework for engagement in humanitarian crises, forced displacement, dealings with security actors

Greater adaptability of CPFs and operations to rapidly evolving on-the-ground dynamics

Greater recognition of FCV experience for WBG staff career development

Comprehensive FCV-specific learning & training for all staff working in/on FCV settings

Additional staff on-the-ground to support client capacity, project design & implementation

Scaled-up IFC advisory funding and implementation facilities (e.g., FCS Africa)

Enhanced WBG upstream coordination & capacity building to create markets

Recognition of the importance of higher risk tolerance and tools to mitigate risks

The WBG's toolkit to address FCV challenges



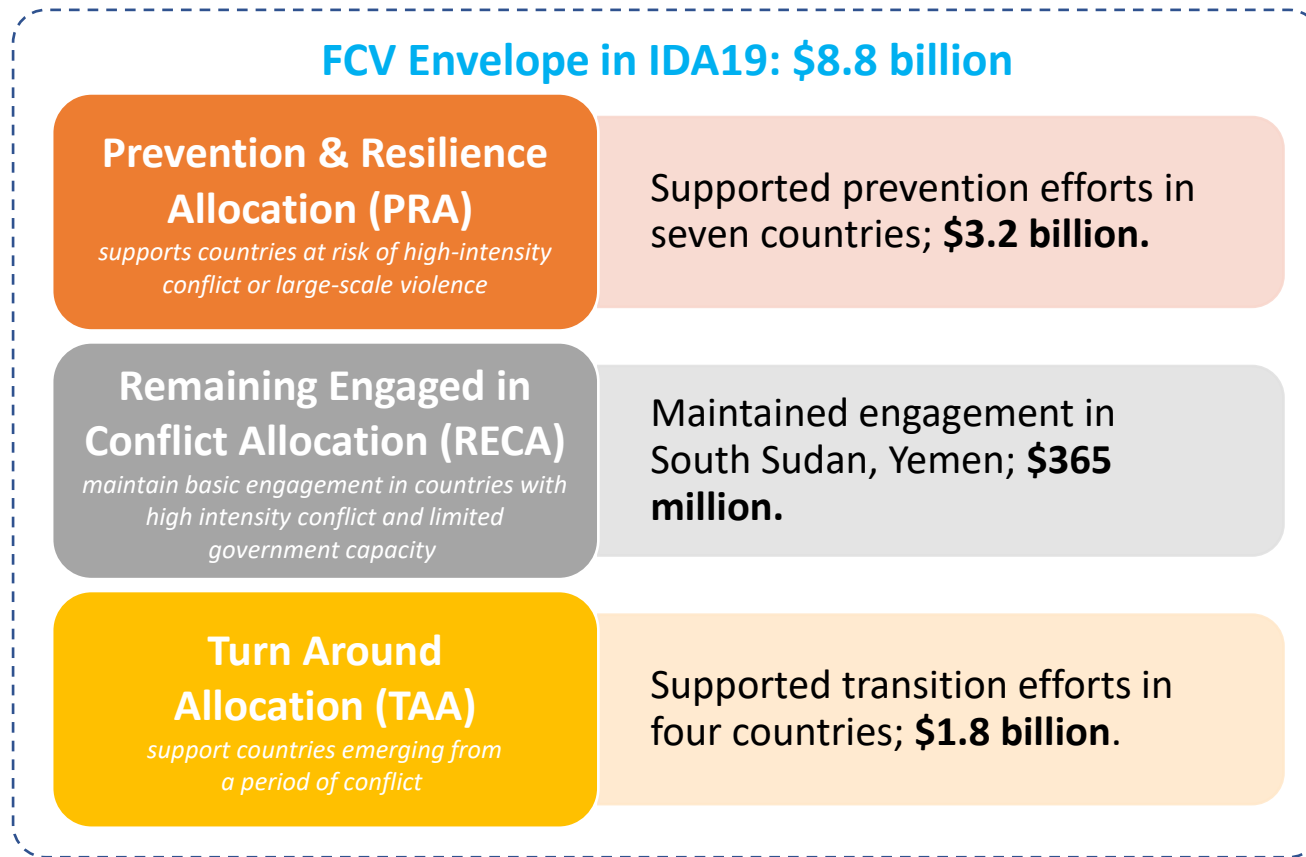
RRA: Risk and Resilience Assessments

GCRP: Global Crisis Risk Platform

CPGA: Crisis Preparedness Gap Analysis

- WBG's core FCV analytic tool; provides recommendations on how the WBG can address FCV drivers, strengthen resilience.
- Provides monitoring, analytical and knowledge-sharing support to WBG engagement on compound risks.
- Helps mainstream crisis preparedness into country engagement; identifies entry points for support.

FCV Financing incentivizes policy dialogue and engagement focused more directly on FCV drivers and sources of resilience



IDA20

FCV Envelope will increase by 17 percent compared to IDA19

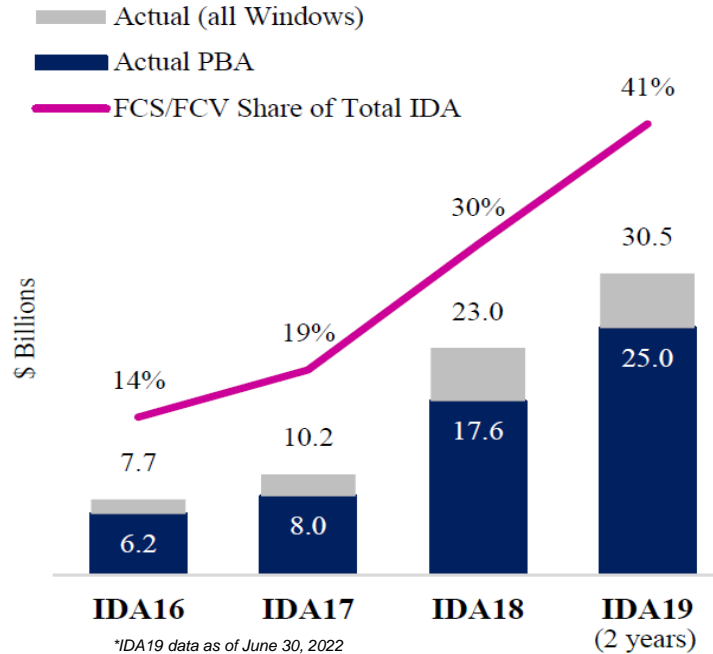
Window for Host Communities & Refugees (WHR)
promotes medium- and long-term opportunities for refugees and host communities in IDA countries

IDA18-IDA19: **\$3.4 billion** of dedicated funding under the Refugee Sub-Window/WHR financed 60 approved projects in 16 countries. For IDA20, **\$2.4 bn** has been set aside for WHR operations.

WBG's Significant Achievements on FCV Agenda

from 2022 Update on FCV Strategy Implementation

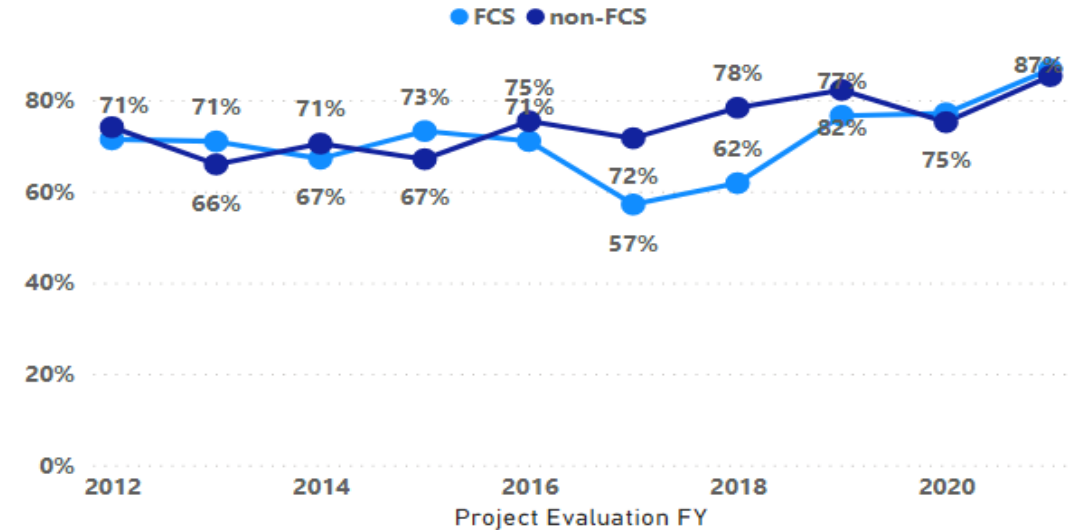
Sharp increase in share of IDA to FCS



In addition:

- ✓ IBRD FCS financing increased by 34% since 2016
- ✓ Over \$4bn supporting refugees and hosts
- ✓ IFC's portfolio in IDA17 + FCS reached \$11.7bn by end FY21
- ✓ MIGA FCS at record \$2.24bn
- ✓ \$3.72bn of IDA financing implemented through UN agencies between FY16-21

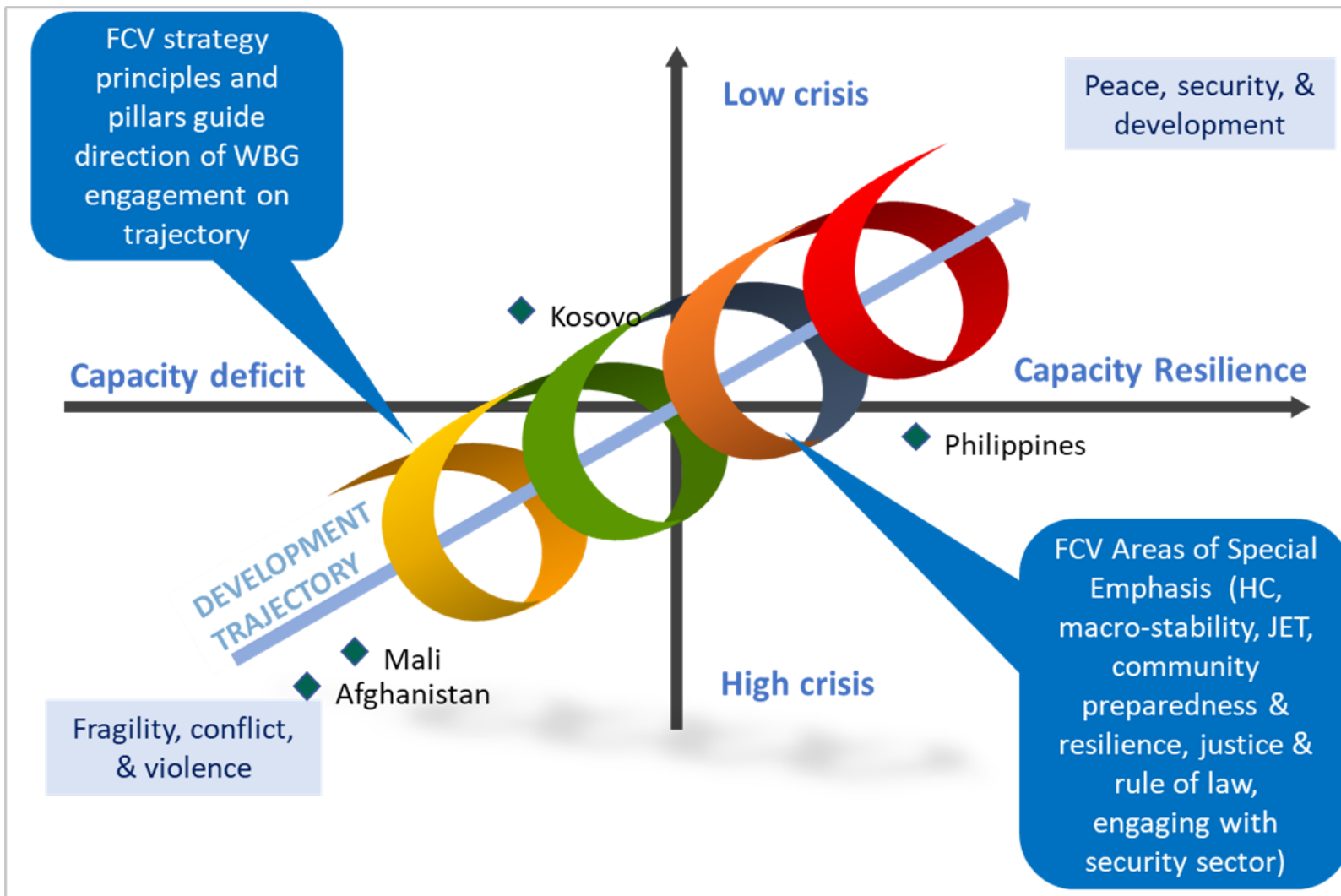
FCS project performance at an all time high and on par with non-FCS



- ✓ Country engagement informed by FCV diagnostics
- ✓ Updated operational policies
- ✓ WB and IFC FCS staff footprint increased substantively since 2017

FCV challenges that need our attention

from 2022 Update on FCV Strategy Implementation



Strategic Challenges

- Improving our ability to adapt in challenging & volatile FCV contexts
- Furthering our contribution to prevention and transition
- Addressing FCV challenges in MICs
- Fostering private sector development

Four strategic challenges that need our attention examples from Asia

1: Improving our ability to adapt in challenging & volatile FCV contexts

Challenge of remaining engaged in protracted situations like Myanmar

2: Furthering our contribution to prevention and transition

Engaging further upstream where fragility is latent or emerging, and investing in resilience and crisis preparedness (PNG and Pacific, Timor-Leste, MICs)

3: Addressing FCV challenges in MICs

Investing in entry points with relevant to MICs (e.g., sub-national conflict, climate, spillover of the ongoing Myanmar crisis, compound risks of Ukraine shocks) and financing instruments

4: Fostering private sector development

De-risking approaches (e.g., blended finance for non-PSW eligible countries) and better leveraging WBG approaches (upstream)

2023 Midterm Review (MTR) of the WBG FCV Strategy

- MTR will build on challenges identified in the 2022 annual update
- There will be internal and external consultations
- Timeline: June 2023
- Will coordinate with the ongoing discussions on the WBG Evolution Roadmap

THANK YOU - ARIGATO

Questions for discussion

- Which of the four strategic FCV challenges (e.g., remaining engaged, prevention/transition, MICs and private sector)?
- What more can be done differently to improve outcomes considering FCV drivers and risks, based on your experiences?
- Where do colleagues need more support, flexibility and solutions? Where do you see greatest needs for our support?
- How do we capture, share and internalize lessons to improve engagements in FCV contexts?



[Fragility, Conflict and Violence Overview \(worldbank.org\)](https://www.worldbank.org)



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