Classification of Fragility and Conflict Situations (FCS) for World Bank Group Engagement

Purpose and use of the classification

- 1. The FCS classification aims to inform strategic and operational decision-making within the World Bank Group (WBG) by providing a disaggregated classification of countries in scopeⁱ that are affected by fragility and conflict—also known as Fragility and Conflict Situations (FCS). It is part of WBG commitments made in the context of the 18th replenishment of the International Development Association (IDA) and the Global Capital Increase for the International Bank for Reconstruction and Development (IBRD). The classification is also fully in line with the WBG Fragility, Conflict, and Violence (FCV) Strategy to strengthen its impact and operational effectiveness.
- 2. The FCS classification provides a methodology for conducting an annual assessment to identify countries most affected by fragility and conflict. This assessment, which is based on publicly available and reliable information, is intended to inform effective and context-appropriate WBG engagement. It distinguishes between countries based on the nature of the FCS-related issues they are facing to allow for a differentiation of approaches, policies, and instruments and to help adapt the WBG's engagement to difficult and complex situations.

Typology of FCS

- 3. To capture the FCV situations which are of concern to the WBG, the classification is based on methodologies that distinguish countries in *Fragility* and/or *Conflict* situations. The following definitions are used for the purposes of informing the FCS classification and are not intended for other institutional or legal purposes:
 - **Fragility**: *Fragility* is defined as a systemic condition or situation characterized by an extremely low level of institutional and governance capacity which significantly impedes the state's ability to function effectively, maintain peace and foster economic and social development.
 - Conflict: Conflict is defined as a situation of acute insecurity driven by the use of deadly force by a group
 — including state forces, organized non-state groups, or other irregular entities with a political purpose
 or motivation. Such force can be two-sided involving engagement between multiple organized, armed
 sides, at times resulting in collateral civilian harm or one-sided, in which a group specifically targets
 civilians.

Methodology

- 5. Countries/territories in a situation of Fragility are identified by the combination of the following indicators:
 - 1) (a) the CPIA scoreⁱⁱ for IDA countries (for which CPIA scores are disclosed)ⁱⁱⁱ that is <u>below</u> 3.0; **or** (b) the presence of a UN peacekeeping operation^{iv}; **or** (c) flight across borders of <u>2,000</u> or more per <u>100,000</u> <u>population</u> from the origin country or territory, who are internationally regarded as refugees in need of international protection,^v; and
 - 2) Those that are not in conflict (see methodology below), as such countries have gone beyond fragility.

Sources of data for the CPIA are the World Bank, the African Development Bank, and the Asian Development Bank; the UN Department of Peace Operations for the presence of peacekeeping missions; vi and the UN High Commissioner for Refugees (UNHCR) for numbers of refugees.

6. Countries/territories in *Conflict* are identified by the combination of the following indicators:

- 1) Countries in ongoing conflict, as measured by (a) an absolute number of conflict deaths above 250 according to ACLED *and* 150 according to UCDP; and (b) above 2 per 100,000 population according to ACLED *and* above 1 according to UCDP; **or**
- 2) Countries with a rapid deterioration of the security situation, as measured by (a) an absolute number of conflict deaths above 250 according to ACLED *and* 150 according to UCDP; (b) between 1 and 2 (ACLED) *and* 0.5 and 1 (UCDP) per 100,000 population; and (c) more than a doubling of the number of casualties in the last year^{vii}.

The sources of data for conflict deaths are the Armed Conflict Location & Event Data Project (ACLED) and the Uppsala Conflict Data Project (UCDP). VIII To maximize the robustness of the classification, a country will be included in a certain category only if it meets threshold criteria in both databases.

Governance

- 7. The FCS classification and associated list of countries is to be updated annually by the FCV Group, in close consultations with key World Bank business units^{ix} over the course of the assessment.
- 8. The new list is in effect at the beginning of a new Fiscal Year for a year, released via webpage on July 1st.

The presence of a UN Peacekeeping operation reflects a decision by the international community that a significant investment is needed to maintain peace and stability in the country/territory.

For the purpose of WBG engagement, countries in scope include low- and middle-income countries; and exclude high-income countries, Part I countries of the IDA voting rights classification and countries that are not WBG members and do not have active WBG engagement.

The CPIA (Country Policy and Institutional Assessment) indicates the level of institutional capacity and policy environment, and provides a rating of countries against a set of 16 criteria grouped into four clusters: economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. The list will use the lowest score of CPIAs from the World Bank (IDA resource allocation index), the African Development Bank (overall CPIA), and the Asian Development Bank (Policy performance score).

iii See footnote i.

People internationally regarded as refugees in need of international protection include refugees, people in refugee-like situations, and other people in need of international protection such as Venezuelans displaced abroad.

vi This is updated continuously at https://peacekeeping.un.org/en/where-we-operate.

vii In order to avoid that singular but highly fatal incidents results in countries being included on the list, cases where 75% of the annual fatalities are stemming from a three-day period, and the remaining 25% fatalities do not meet the threshold number for absolute conflict deaths based on both ACLED and UCDP data, the country will be deemed to *not* have met the threshold for absolute number of conflict deaths.

Both ACLED and UCDP aim to record, report, and map conflict-related fatalities (stemming from state-based, non-state, and one-sided violence), and are considered by practitioners, researchers, and governments as reliable sources of such data. The use of two sets of data is necessary to even out discrepancies. For the purposes of this list, i) non-state conflict from the UCDP data; and ii) fatalities from protests, riots, and strategic development from the ACLED data has been excluded.

Key WB business units include Regional VPUs, Operations Policy & Country Services (OPCS), Development Finance (DFI), Treasury (TRE) and Human Resources (HR).