World Bank Group Strategy for Fragility, Conflict and Violence (FCV) Consultation Meeting with the Private Sector Representatives

Feedback Summary

Date: June 25\textsuperscript{th}, 2019

Location: Toronto, Canada

Audience: Private sector representatives and private sector-focused development professionals

Overview and Key Issues Discussed: The World Bank Group (WBG) FCV Strategy concept note was presented by Tracy Washington, Program Manager for IFC’s Fragile and Conflict Situations (FCS) and International Development Association (IDA) Unit. Participants were then invited to ask questions and to express their views. The following summary highlights key points, recommendations, comments and feedback raised during the meeting.

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<th>Specific Feedback from Stakeholders</th>
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<tr>
<td>1. Theme: Gender and youth</td>
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<td>Participants stressed the importance of focus on gender and youth. These groups are particularly vulnerable, but the private sector provides opportunities to empower them. It was also noted that addressing gender issues requires a great deal of cultural sensitivity. For example, in some cases when women are getting paid and have good jobs, there could be more tension at home potentially resulting in domestic violence. These issues need to be considered when trying to address gender-related issues in the FCV context, and it also helps to include men in the discussion. Youth in FCV context are also frequently marginalized, but education and economic opportunities can provide them hope for the future. The private sector can play an important role in this regard.</td>
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| 2. Theme: Fragility lens            |
| Participants mentioned the importance of looking at private sector development in FCV through a fragility lens that may go beyond the ESG requirements. There is a range of existing fragility indicators and frameworks, such as women’s empowerment principles, that can help guide private sector engagement in the FCV context. Participants inquired how conflict analysis is applied to private-sector projects and to what extent this information could be publicly disclosed, given client confidentiality issues. |

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<th>3. Theme: The structure of the private sector in FCV</th>
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Participants mentioned the full spectrum of economic actors present in FCV ranging from large foreign investors to regional companies to domestic SMEs and microenterprises, and that these different categories of the private sector actors require differentiated approaches.

### 4. Theme: Corruption and political risk

Many private companies, including from the diaspora, are interested in business opportunities in FCV countries, but are discouraged by the political risk involved and government corruption in FCV countries—even in their home countries. In this context, one of the participants asked whether it is possible for IFC to make investments conditional in certain countries to influence government behavior in terms of corruption, to help address the political risk issue for private investors.

### 5. Theme: Need for capacity building

Weak local capacity is a common impediment for private sector participation in FCV environments. For example, in the context of Public-Private Partnerships (PPPs) in the infrastructure space, the process often involves a transition from a private operator to the public counterpart. One of the participants expressed that it would add value if the World Bank Group could support local institutions with capacity building to facilitate the transition process. The participant suggested to extend the project runway to 7-9 years (e.g. powerplants) to build-in a “transition phase” as a solution to the weak capacity impediment. The rationale is that the longer concession period would make the projects more viable for investors. This could encourage the private sector to be more willing to engage in these types of projects.

### 6. Theme: Project pipeline development

One important factor to draw private sector participation, especially in PPP space, is to have a long-term pipeline of viable projects, which gives comfort to investors. Canada is already trying to leverage its successful model in implementing PPPs to support other countries, but in the FCV context the lack of pipeline it is one of the main obstacles for greater engagements in PPPs. One of the participants expressed that donors could play a role in supporting the private sector in developing a pipeline of bankable projects.

### 7. Theme: Reconciliation and resilience

Participants saw opportunities for private investment to act as a tool to support the reconciliation and resilience of FCV countries. One of the participants wrote a paper on this subject for the UN.

### 8. Theme: Sector-specific engagements

Participants mentioned interests in sectors such as power, tourism, health and educations as possible areas of focus for the private sector.

### 9. Theme: Scope of countries supported by FCV Strategy

One of the participants inquired whether the strategy could consider engagement in Cuba, given its importance for the region. However, Cuba is not a member of the World Bank Group, which precludes the WBG from engagement in the country.

### 10. Theme: Climate change

Participants mentioned climate change as a factor, which can drive/exacerbate FCV risks and threaten progress of development by intensifying challenges, reducing state capabilities and contributing to forced displacement.

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**List of Participants:**

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<tr>
<th>Name of Participant</th>
<th>Company</th>
<th>Position</th>
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<tr>
<td>Scott Jolliffe</td>
<td>Gowlings</td>
<td>Partner</td>
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<tr>
<td>Luc Lissoir</td>
<td>Gowlings</td>
<td>Partner</td>
</tr>
<tr>
<td>Paul Harricks</td>
<td>Gowlings</td>
<td>Partner</td>
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5. Garett Bloor  Pres. Canada-Africa  President, Canada-Africa CC
6. Elissar Sarrouh  CAIDP*  Vice President
7. Don McCutchan  Gowlings  Partner
8. Gregory Binioswky  Gowlings  Partner
9. Stu Olley  Gowlings  Partner
10. Nadia Tobia  Tobia Architects  Principal
11. Jennifer King  MEDA*  Snr. Prj. Manager
13. Shelina Visram  Toronto Centre  Director
15. Frances Fortunes  MEDA  Snr. Prj. Manager
16. Julius Egbeyemi  Global Affairs Canada  Senior Policy Advisor

CIADP: Canadian Association of International Development Professionals
MEDA: Mennonite Economic Development Associates

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