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Section I: Fragility, Conflict, And Violence In The World (page 3-11)

We welcome the World Bank Strategy on Fragility, Conflict, and Violence as an effort to identify and respond to specific challenges that the Bank faces in its development interventions in fragile, conflict-affected, and violent contexts. It is critical to recognize that many of the World Bank Group's priority countries face increasing levels of conflict, displacement, instability, and interpersonal violence, and that the Bank's interventions in these contexts can exacerbate the drivers of FCV, and its impacts particularly on the poorest and most marginalized. In this light, the Bank Group's Strategy should overall be framed in terms of what specific and additional considerations and measures should be taken in FCV contexts in order to ensure that Bank investments and operations do no harm to people or the environment, and that marginalized groups are not excluded from accessing and receiving project benefits. We appreciate that climate change is recognized (p. 5, para. 16) as both an immediate and long-term threat, increasing vulnerability to shocks and crises with potential to create regional and global spillovers. The response, at both policy and program levels, needs to be proportionate. In this context, the recognition (p. 8, para. 23) that "all roads lead to governance" applies fully to natural resource management (NRM), a frequent source of both internal and external conflicts. A prime example of this is the "resource curse" (witness Venezuela), which deserves explicit recognition, both in FCV analysis and response. Helping countries avoid dependence on fossil fuel revenues is thus an important risk management strategy. "Working differently with data" (p. 9, para. 29) is also welcome; applying this to the Bank's poverty reduction mandate means recognizing that this is achieved not only through GDP growth, but by maintaining and enhancing natural and human capital. In fact, in the face of increasing disaster risk, the relative importance of NRM also increases, and calls for the integration of natural capital accounting in FCV risk reduction strategies. We have serious concerns around the statement in para. 31: "There must be a recognition that some risks may materialize during the life of a project and cannot be fully mitigated." (p. 9). As it stands, this language undermines one of the primary objectives of the Performance Standards, which is stated clearly in PS1: "To adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment." PS1 goes on to state that the mitigation hierarchy "will favor the avoidance of impacts over minimization," and recommends compensation/offset "where residual impacts remain." Stating that risks may not be "fully mitigated"—without even mentioning avoidance—indicates this objective is no longer important in FCV contexts. This language even suggests the mitigation hierarchy can be shortcut or ignored altogether, contradicting specific policies that have detailed requirements for how to implement the mitigation hierarchy in different contexts. The emphasis on avoidance over minimization is repeated throughout the PSs, and PS5, PS6, and PS7 all include detailed information for which types of mitigation

measures to apply, and how plans for mitigating risks should be completed. PS7 also requires the client to agree on mitigation measures with affected indigenous communities. This language, however, suggests that these policies are not relevant in FCV contexts. We would suggest removing this language, and instead clearly stating an intention to uphold the principle of avoidance over mitigation, as well as committing to develop further guidance on mitigating risk in FCV contexts in accordance with the mitigation hierarchy and existing policy.

Section II: Framework For WBG Engagement In FCV

A. Guiding Principles (page 12-17)

We welcome “Inclusion” as a guiding principle of the strategy, but there must be more of a focus on identifying the differentiated impacts of FCV on particular marginalized groups. While there is a focus on the “vulnerable” throughout the strategy, it remains unclear how to identify who those people or groups are or might be and why targeting specific people/groups is important. For example, persons with disabilities, ethnic minorities, women, children, youth, and refugees are among those that must always be considered as more directly impacted by fragility, conflict, or violence, yet each of these groups are impacted differently by the fragility, conflict, or violence. We recommend that the strategy clarify that, at a minimum, the term “vulnerable groups” should be understood to refer to all groups referenced in the Bank Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups, in addition to groups who might be identified in regional, country level, and project level risk assessments (including in Risk and Resilience Assessments) as vulnerable in the particular context. Inclusion should also be understood more broadly to encompass both proactive inclusion of disadvantaged and vulnerable groups in project design and access to project benefits, as well as the prevention of exclusion of or discrimination against these groups, in line with the Bank’s commitments expressed in the Bank Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups and the new ESF. We also welcome the identification of “differentiation” as a guiding principle for the Bank’s work in FCV contexts. We would stress that this principle of differentiation should in particular extend to how the Bank conducts risk assessments and adapts project and stakeholder engagement designs accordingly in a more sensitive and thorough way in these contexts. Specifically, RRAs, SCDs, and project level risk assessments should include analysis of issues such as the environment for free speech and public participation in the country, status of land rights, corruption, marginalization of specific groups, and a political economy analysis including identification of beneficial ownership and interests of key players in the project context. Accordingly, project design and in particular plans for stakeholder engagement should be adapted to take into account the findings of this analysis. For example, where governments are involved in marginalization and persecution of specific groups, stakeholder identification should be conducted by an independent party, and it may be preferable and safer for the Bank to hold consultations separately from the government agencies (and in some cases, outside of the country in order to reach civil society and communities in exile) with these groups to ensure that they can speak freely and that they have the opportunity to input on project design and risk mitigation proposals. Guidance should be developed for enhanced grievance mechanisms, reprisal-sensitive stakeholder engagement, and community project monitoring and reporting and how these mechanisms can be mainstreamed in FCV contexts. “Strengthening sources of resilience” as the first pillar of FCV engagement (p.13) is a wise preventive strategy; reinforcing environmental safety nets, through maintaining or enhancing ecosystem services,

should be included as a key example. Similarly, “mitigating spillovers of FCV,” as the 4th pillar, also requires increased engagement to improve natural resource governance, and should be noted. Increased emphasis on resilience in Country (and Regional) Partnership Frameworks (p. 14, para. 46) also highlights the importance of climate adaptation, and combined adaptation & mitigation, since fossil fuel development will lead to greater climate risks and stranded assets. We also recommend that “do no harm” be added as a guiding principle of the strategy in order to emphasize the overarching nature of this commitment across the Bank’s work in FCV contexts.

B. Pillars of Engagement (page 17-29)

We welcome the commitment to “directly addressing key drivers and strengthening factors of resilience” (p. 18, para. 63) since this is preventive rather than reactive. As “a holistic approach,” the role of climate and nature as an essential element of sustainable development should be explicitly included. We welcome the reference to scaling up work to prevent Gender Based Violence (p. 20, para 72) given the particularly high risk of GBV in FCV settings. However, we have serious concerns about the fact that this section discusses only the need to respond to violence against women and girls, ignoring the risks to boys. Rates of sexual exploitation of young boys and men are often significantly higher in FCV contexts, although stigma causes such abuse to be reported at even lower rates than abuse of women and girls. The strategy also neglects to address child sexual exploitation as distinct from gender based violence, despite the fact that the risks, impacts, appropriate mitigation measures, and responses can be quite different. The mandate to “do no harm” (p. 21, para. 77) is important as a minimum threshold, and this should explicitly extend to climate change and the environment. “Improving human and social capital for FCV-impacted people” (p. 27, para. 100) is an excellent start for reducing fragility/increasing resilience. However, sustainable development also requires maintenance and ideally improvement of natural capital. In addressing the needs of the forcibly displaced and their host communities (p. 27, para 102), disaggregating project level objectives and indicators by refugee status or nationality of origin is important in ensuring that programs are tailored to target the distinct needs of refugees and host communities. In addition, stakeholder engagement efforts for projects involving refugees should be sure to specifically include the needs and voices of refugees in the design of consultations and grievance mechanisms.

C. Areas of Special Emphasis (page 29-32)

Among these areas, we especially appreciate “(iv) Scaling up community approaches to address drivers of fragility and support the dynamics of resilience, including efforts to address environmental challenges. Community-driven operations empower communities” (p. 30, para. 113). Environmental challenges are experienced most acutely at local levels, and solutions that engage local actors are likely to be most sustainable. In this context, applying payments for environmental services (PES) to improve NRM can be an important tool in FCV settings.

Section III: Operationalizing the WBG’s Strategy for FCV

A. Policies, Processes, and Practices: Ensuring the WBG is Fit-for-Purpose (page 33-37)

Additional guidance is needed around several key areas, including on the methodology for determining countries to be included in the list of FCS as well as the content and process of developing Risk and Resilience Assessments (RRAs). RRAs should include an assessment of the governance situation in the country and how governance issues could contribute to fragility, conflict, or violence. RRAs should also consider how restrictions on free speech, freedom of assembly, freedom of association, and access to information could affect stakeholders' ability to participate in consultation processes or seek remedy for project-related grievances. The process of preparing RRAs should include consultation with stakeholders, in particular national civil society and representatives of marginalized groups, including refugees or ethnic minorities present in the country. RRAs should be publicly disclosed and accessible to national stakeholders including on the Bank's website. Project documents and CPFs in FCV contexts should include a summary of RRA findings and specific design elements that answer challenges and recommendations raised in the RRA. The Bank Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups is an important tool to ensure "disadvantaged and vulnerable" groups can access project benefits and will not be harmed, and it will be even more important to ensure the Directive is being implemented as written in FCV contexts. But the Directive only applies to investment lending, so the specific due diligence required under the ESF is not required for other lending instruments, leaving "disadvantaged and vulnerable" groups even more vulnerable to the impacts of fragility, conflict, and violence. The strategy must take this into consideration and make provisions for ensuring there is adequate scoping and mitigation planning to prevent "disadvantaged and vulnerable" groups from being harmed or being left out of project benefits for all lending instruments and in private sector operations. Generally, the Strategy should not itself seek to interpret or change existing, or create new policy. For example, the possibility that IFC and MIGA can seek occasional policy derogation from the Board of Directors (p. 35, para 132) is a significant change that would be better suited for a new, more detailed policy or directive level document that is developed in a transparent, consultative way as opposed to a brief reference in a strategy document. The strategy itself states that "operational guidance should be adapted and updated to remain fit for purpose" (p. 8, para. 25). Likewise, the second sentence from paragraph 135 on page 36 should be removed as it directly contradicts current policy, including CAO Operational Guidelines, which allow complaints to be filed after IFC has exited a project. The World Bank Group's involvement in a project provides legitimacy and status that often serves as a catalyst for a project that might not otherwise have existed, and indicates to other investors—as well as project-affected communities—that social, environmental, financial, and reputational risks will be managed well. At minimum, the World Bank Group should continue to be held accountable for the role it plays in any negative impacts resulting from projects it finances. Aligning with other parts of the strategy, which promote remaining engaged even in difficult settings to ensure that most vulnerable groups are not harmed by the Bank's disengagement (p. 14, para 45; p. 20, para 76), the Bank Group should exit projects when necessary with a responsible and measured approach, retaining responsibility and monitoring of lingering impacts of the project on people and the environment.

B. Programming: Maximizing Impact On-The-Ground (page 37-40)

Including ESG advisory work in "Upstream project development" (p. 40, para. 154) is a welcome element, consistent with the emphasis on improving governance, and improved natural resource governance (enhancing and maintaining natural capital) should be noted as a needed and cost-effective

element in achieving better outcomes in FCV settings. Stakeholder engagement is especially critical in FCV settings, and the strategy should be clearer about how existing guidance for stakeholder engagement will need to be adapted or enhanced to account for contextual challenges and to ensure opportunities for meaningful stakeholder input and participation.

C. Partnerships (page 41-43)

D. Personnel (page 43-46)

World Bank Country Office staff should be trained on the benefits of engaging with civil society organizations. Particularly where marginalized and vulnerable populations might be less accessible to World Bank and government staff, CSOs can help to identify and flag instances of exclusion of these groups in stakeholder engagement efforts, project design, and access to project benefits. In many countries, there is not established trust between governments and civil society, and often that lack of trust extends to country office staff. Training is needed for country office staff to ensure responsiveness to and understanding of the value of engaging with civil society organizations.

E. The Financing Toolkit for FCV Settings (page 46-51)

F. Risk Management in FCV Settings (page 52-53)

In operationalizing the strategy, particularly when recognizing increased risks that exist for project failure or environmental and social harm to occur, it is critical to stress the importance of accountability and redress processes for impacted communities. The Strategy discusses the need for flexibility and the need for recognizing the increased risk and possibility of failure, but it is also important for the Bank to consciously take responsibility for its role in financing projects that have increased risk of harm or failure and to commit to accepting accountability measures, including redress, in those cases. Where the Strategy stresses the importance of handling failures with a “learning perspective,” (p. 53, para 201) the Strategy should also add a discussion of the importance the “accountability lens” alongside this approach, to clarify that accountability in the case of project failure will not take a backseat and will continue to be a strong commitment of the Bank Group in its investments. Similarly, the Strategy should explicitly clarify the importance of ensuring that strong Safeguards can and will be upheld in any situation where the Bank is engaged. This should be the starting point of the strategy’s discussion of risk and risk mitigation in FCV settings. The Strategy’s discussion of flexibility should be centered in the principle that strong Safeguards are of utmost importance in FCV contexts.

Do you have any additional comments or suggestions?

The action plan for operationalizing the Strategy should include provision for a mid-term review as well as a concluding evaluation that will be conducted by the Independent Evaluation Group.
