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

- Gender inequalities are rightly highlighted as an aggravating factor in fragile situations (page 5), however the complex relationship between gender and conflict, as well as the gendered dynamics in displacement situations, are not explored. Gender analysis and gender transformational programming objectives, including in displacement contexts, should be consistently reflected throughout the Strategy. The emphasis in the document lies on promoting economic opportunities for women, which of course is immensely important but the Strategy could reflect more strongly a recognition of the social and political constraints – and flag how the WBG seeks to contribute to addressing these. This is partly achieved by #51 but this intention (and the emphasis on youth inclusion mentioned in #50) is not reflected in the Chapter on operationalization.
- Forced displacement is highlighted throughout the Strategy (#15, #88, #99, #102) and DRC commends the WBG's efforts to contribute to meeting the long-term development needs of people affected by forced displacement, as a critical complement to the efforts of humanitarian actors. Displacement is not merely the consequence of fragility, conflict and violence. If not tackled early on, displacement can become a cause of fragility and conflict, especially in contexts characterized by a weak State-citizen social contract and high inequality. The WBG should use its strong relationship with governments to strategically pursue improved policy and accountability for protection of the displaced, as a complement to financing.

Section II: Framework For WBG Engagement In FCV

A. Guiding Principles (page 12-17)

- The strategy makes a welcome reference to 'do no harm' (DNH), but seemingly defines this primarily as an "approach to avoid exacerbating tensions" (page 15) and does not make clear that DNH (and indeed Conflict Sensitivity) focus also on seeking to a positive impact on peace. It would be useful to strengthen the coherence in the document (using Do No Harm or Conflict Sensitivity terms consistently), and to make clearer whether the WBG is committing to mainstreaming conflict sensitivity or DNH into all programmes and operations in FCV settings. If such a commitment is indeed made, as seems the case for IFC and MIGA (page 38, #144), this should be reflected in the personnel section (incorporating conflict sensitivity in the enhanced FCV training curriculum), the policy/practice section (reviewing operational policies, analytical and M&E frameworks to include conflict sensitivity) and indeed in the Risk Management section (see comment below).
- An important reference is made (page 16, #53) to building trust in institutions, and in their fairness and inclusivity, speaking to the importance of strengthening communities' and citizens' ability to hold the State to account. In this vein, the emphasis on tax and fiscal institutions should have a clear focus on tax justice, not only on

regulations. • The Strategy has a strong emphasis on the private sector as being “at the center of a sustainable development model in FCV” (Exec summary point V), but also recognizes (#48) that “some groups may perceive private sector development as connected to elite capture and corruption, and this is often a source of grievances”. It is commendable that WB does recognize the need for a conflict sensitive approach in identifying private sector actors and the sector itself, as it can turn into elite capture and a hotbed for corruption (which may lead to further conflict). However, the elite capture risk is evidently more than just a “perception”, as both national and international corporations sometimes flout local laws and may create conflicts, unhindered by (sometimes complicit) State actors. In addition to fostering trust in public institutions, the Strategy could therefore usefully also reflect the need to establish better relationships between private sector actors and communities, including displaced communities, to ensure that private sector development is indeed inclusive and equitable. • On a related note, the WBG’s traditionally neoliberal, market-driven approach to private sector development should be approached with caution in countries and regions where political connections and patronage determine who benefits, and where those dynamics are the major cause of inequality which in turn drive conflict (more than poverty alone). • While supporting macroeconomic stability and debt sustainability is critical, the Strategy (#54, #83 and #91) should recognize the importance of global politics and regional dynamics (ex. proxy wars), leading for instance to certain countries facing sanctions with heavy impacts on regional macroeconomic stability. • Lastly, while the WBG policies are often tied with the IMF agenda, the latter is not always in favor of the poor and excluded, with benefits not always reaching displacement persons. The structural adjustment policies did not work out very well for many highly indebted countries, and risks related to conflict-inducing macroeconomic reforms should be carefully monitored and proactively mitigated. In its policy dialogue with governments, the WBG should place accountability for protection high on the agenda.

B. Pillars of Engagement (page 17-29)

• As mentioned in the feedback provided in June 2019, DRC notes the need for the WBG to pay more attention to protection-related obstacles facing refugees and internally displaced, and to more explicitly seek positive protection outcomes for the displaced. For example, on page 28 (#104), the need to “mitigate shocks caused by in-flows of refugees and IDPs” should include efforts to change policies going beyond the socioeconomic domain, as socio-economic conditions are often linked with protection issues such as lack of documentation, unhelpful regulatory frameworks etc. • On a related note, Recommendation #105 mentions that: “Conflict- and violence induced displacement is in most cases caused by endogenous drivers and cannot be addressed in isolation from the dynamics that caused it.” This statement points to the need to confront non-economic (political and governance-related) drivers of conflict and displacement, going beyond the socioeconomic aspects. In turn, confronting such issues will demand the WBG to establish more and stronger partnerships with non-traditional actors that can work more directly with communities and civil society actors (see below).

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

N/A

Section III: Operationalizing the WBG's Strategy for FCV

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

- Whereas #130 mentions the risk that private sector investment may unintentionally exacerbate conflict and violence, the specific initiatives that will be taken to prevent this (and to adapt programming when such unintended negative results become apparent), are not clearly outlined. Related also to the comments on #48 (above), increased emphasis on mitigating 'non-financial' risks could usefully be reflected in this section, underlining the need for conflict sensitive investment, to avoid elite capture and promote inclusion. This would entail reviewing and revising as necessary existing procedures and incorporating 'conflict sensitive business practice' tools.

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

- The FCV Strategy rightly points to the need to revise the methodology of conducting Risk and Resilience Assessments (so that conflict and fragility drivers are more clearly framed) and to increase the number of RRAs conducted in partnership and shared with relevant partners (page 37-38). Shared analysis is a critical foundation for developing joint responses in pursuit of collective outcomes and should be the norm (rather than the exception). The Strategy should delve deeper into how the WBG will ensure utilization of its various analyses (RRAs, peace and conflict lenses etc) for programme design and adaptation. Common challenges for this include heavy staff workloads, insufficient incentives to apply the analysis to program design, and disconnection between staff involved in analyses and those involved in program design. As a consequence, analysis reports may sometimes become seen as final outputs in themselves, rather than as critical tools to achieving strategic priorities. In order to counter such obstacles, the Strategy should describe better how the process of program design will link to/utilise the analysis, as well as how monitoring of results along the way will enable ongoing adaptation, including to identified negative consequences of programming on conflict (for conflict sensitivity).

C. Partnerships (page 41-43)

- The Strategy rightly underlines the need to work in partnerships to achieve humanitarian, development and peacebuilding outcomes, given the immensity of the challenges faced in FCV contexts. #160 opens the possibility for the WBG in exceptional circumstances to finance third parties, including UN and international organisations. The remainder of the section however focuses on UN partnerships, and makes a passing reference to 'broader engagement with civil society and the private sector', without detailing what the proposed in-country engagement might entail. NGOs and CSOs have access and stronger presence in communities, and in-depth contextual knowledge which can ground and complement WBG engagement with governments, and which could inform monitoring mechanisms for early identification of increased tensions and reduced resilience. Given the critical role of NGOs and CSOs in contexts of fragility, conflict and violence, it is probably a fundamental prerequisite for a successful operationalization and implementation of the FCV strategy that more coherent and systemic partnership modalities with such actors be developed.

D. Personnel (page 43-46)

N/A

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

- It is commendable that the WBG seeks to increase the flexibility and availability of appropriate financing to meet the specific needs in FCV contexts. However, it is not clear how the IDA19 Envelope allocations for different FCV pillars of engagement (e.g. prevention, remaining engaged or 'turning around') will take into account the non-linear and rapidly changing dynamics of conflict. As mentioned on page 17, "the four pillars of engagement are relevant across the FCV spectrum, as countries may experience several of these challenges at the same time". 'Prevention' is as much a feature when seeking to 'turn around' a situation, as it is prior to violence erupting. Similarly, it is important to be able to respond flexibly to different conflict and fragility situations in different parts of a country. While in one region there may be a need to invest in preventing the spread or escalation of violence, other parts of the country may be emerging from conflict. Having three separate allocations, which one assumes would also be administered separately or certainly be utilised in response to different situations, runs the risk of limiting the WBGs ability to adequately and effectively respond to varied needs across a country context, when the conflict and fragility dynamics are in constant flux.

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

- Numerous bilateral donors and international organisations (including SIDA, DFID and GiZ) recognize that Conflict Sensitivity is a crucial and core component of Risk Management strategies in Fragile and conflict-affected contexts. However, the FCV Strategy Risk Management section makes no reference to either Do No Harm or Conflict Sensitivity. While Risk Management tends to focus on the (reputational, financial, staff security) risks faced by an organization in a particular context, Conflict Sensitivity is concerned about understanding the intended and unintended impacts of the organization's engagement on the (conflict) context, in order to be able to mitigate possible negative implications and strengthen the positive impacts. The Risk Management section should distinguish more clearly between risks to the WBG (staff, finances and reputation) posed by FCV contexts – and the risks that WBG programs and operations can (unintentionally) pose to institutions and communities in FCV contexts if programs end up heightening the risk or occurrence of tension or violence. Conflict sensitivity should be mainstreamed into Risk Management strategies, and not be seen purely as a 'programmatic' issue.

Do you have any additional comments or suggestions?

Danish Refugee Council (DRC) warmly welcomes the World Bank Group (WBG)'s commitment to address the drivers and root causes of fragility, conflict and violence (FCV) with a long-term strategy that builds on the conclusions of the Pathways for Peace report. Should the opportunity present itself, DRC is ready to provide inputs on the revised OP 2.3 on Development Cooperation and Conflict, with particular

regards to the WBGs response to humanitarian crises and forced displacement. The FCV Strategy contains many good points, notably: The focus on gender, youth and the excluded; commitment to a conflict sensitive lens and Do No Harm, partnership expanded to include non-traditional stakeholders from the WBG's perspective; regional analysis; including middle and high income countries; a strong climate focus, commitment for medium-to long term development support for refugees and hosts, and the commitment to take higher risk and remain during conflict. The coherence between the programming and operational chapters of the Strategy could however be improved (ref comments above on DNH versus conflict sensitivity, and on youth and women's empowerment). For example, while the Strategy makes a few references to 'peacebuilding' (seemingly indicating that the WBG has the ambition to contribute to peace outcomes), in other sections there is square emphasis on economic development, with an underlying assumption that economic growth will, down the line, inevitably lead to increased equality. However, evidence to the contrary exists in several FCV contexts.
