

Name: Nadia Daar

Title: Head of Washington DC office

Organization: Oxfam International

Type of Organization: Civil Society Organization

Country: USA

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

Glad to see many of the comments during the concept note stage have made their way into the draft strategy. Touches on a lot of things and demonstrates a thoughtful approach and a one World Bank Group approach. The strategy recognizes that chronic poor governance is a particularly acute challenge in FCV contexts, yet at the same time states that the WB supports governments emerging from violence to pursue transformational change. This assumes changes in governance and broader political economy, overlooking the tendency for political elites to transform and adapt to new conditions in ways which sustain their influence, and mean that it is very difficult to address the structural causes of conflict (of which poor governance is both a cause and a symptom). It should be made explicit that this strategy would not just apply to countries classified on the Bank's FCS list but also to situations of conflict/fragility even if in otherwise stable/middle income, etc countries. Risks related to instrumentalization, or conflict-sensitivity, are not mentioned explicitly, and perhaps could be better reflected upon given i) the increased scale of WB investment in FCV and ii) the stated challenges in engaging in FCV contexts would, if taken to their logical extension, raise questions around these issues which need to be grappled with. paragraph 23 (p. 8) assumes that client governments are open to the WB supporting governance reforms. this is naive, perhaps intentionally so. ... how does this fit with the guiding principles related to non-interference on political affairs (p. 13)?

Section II: Framework For WBG Engagement In FCV

A. Guiding Principles (page 12-17)

All the points around differentiation are welcomed (p. 14), as it reflects on issues arising from states being part of the conflict, or where poor governance is a key cause of fragility. But the specific measures detailed elsewhere don't necessarily specify HOW these will be integrated into WB planning, programming, and engagement in a specific country. What criteria will they use (broadly speaking) to determine whether their involvement should be scaled down due to a state's role in a conflict? i.e. where are the red lines for Bank involvement? Is there a threshold by which the WB would consider not engaging in FCV contexts (if so this should be clearly stated), or is the FCV strategy a way for the WB to justify their involvement? Some examples suggest that the WB often scales up despite these challenges (and this strategy opens that possibility further), following the rationale that increased engagement creates space for additional leverage/influence (which is not necessarily correct). If this is the case, the strategy should be explicit that in situations where the Bank is engaging with a government that is party to or complicit to conflict/violence, that it will explicitly use its leverage with that government to promote positive reforms. There is a lot of focus in the strategy on strengthening the

conflict/peace lens of country and regional analytical frameworks, but there is less detail on the “so what?” in terms of how the WB will escalate or deescalate its engagement/investment depending on the results of such analysis and monitoring.

B. Pillars of Engagement (page 17-29)

While “do no harm” is mentioned at various places in the document, the lack of reference to conflict-sensitivity and ‘do no harm’ when describing the four pillars (p. 13, 17-28) is a key missing piece, given that key elements of those pillars relate to sustaining/extending state presence and the ‘social contract’. In many conflict contexts, “the state” (conceptualization and manifestation) is contested, or those who embody state institutions are predatory and/or directly involved in violent conflict. We strongly recommend that the Bank make “Do no harm” a key pillar or (or possibly a guiding principle) of operating in FCV contexts. This is possibly a blind spot for the Bank based on our research findings as well as what came out of the consultations in phase 1 of the strategy development. (para.77) The Bank should be explicit that “exclusion” or perpetuating exclusion is a clear form of harm that must be avoided (it’s not just about accidentally excluding but looking at minority groups that are systematically excluded). Systematic discrimination against a population which will result in certain segments of the population missing out on the immediate or longer-term benefits of a WB funded program is considered exclusion and harm. This should be a red line for the Bank. On doing no harm, how will the Bank ensure its money is not fueling a war economy? Experience shows that even small cash transfer programs for example can be intercepted/“taxed” even once reached the intended beneficiaries. Going in with open eyes, understanding the local dynamics and conducting strong due diligence either directly or through third party monitors will be important. There are likely best practices to refer to here. (para 61) Inequality as a key driver of fragility: though it discusses exclusion of at-risk groups such as women and children, and even discusses elite capture in case of private sector (para 45), it’s silent on economic inequality, or elite capture as a driver of conflict. Inequality is not the same thing as economic exclusion or as poverty. It is about the gap between the wealthy and the poor and so you cannot address inequality simply by addressing challenges at the bottom. Redistribution is fundamental and if we don’t call it as it is, we cannot address it as a key driver. In many instances, some of the measures identified continue to be “blind” to some of the dominant characteristics of contemporary conflict. For example, pt. 97 (p. 26) states that “The WBG will increase its engagement with governments to ensure that grievances around exclusion are integrated into reconstruction programs and the incentives of spoilers are addressed”. It goes on to detail the importance of decentralization and increasing government engagement (decentralized systems or some levels of subnational autonomy). As seen from the example of Myanmar, there are risks if/when this is seen to be advancing the agenda of the national government/state/army. Any such efforts are often greeted with skepticism. There are other actors (subnational groups, non-state actors) that also need to be engaged, if not directly, at least recognized. In terms of analysis, the WBG should be encouraged to integrate systems-based analysis, so that it is possible to situate the breadth of WBG engagements within a broader conflict system. This will also allow for a more detailed understanding of how WBG engagements relate to specific conflict drivers/causes of fragility, etc. Para 81: Engagement with civil society is good, but instead of “often” it should be “always”. The “how” still needs work. (165) What about community engagement? That is missing. Yes, it is part of the safeguards (ESS10) but it warrants emphasis. The strategy briefly mentions civil society engagement and is silent on the role the bank can play in protecting civic space

particularly ensuring communities and civil society can safely speak out. There needs to be genuine and meaningful community engagement and integration of their views in the Bank's programming throughout their country engagement. Propose adding more on women, peace and security: Conflicts threaten devastating consequences for everyone – but women and girls face even more aggravated impacts. In general, women and girls have access to fewer resources to protect and sustain themselves, are more often the deliberate target of gender-based violence and are more often excluded from political processes essential for peace and security. At the same time, although women have led and supported peace and recovery efforts in communities across the world, they remain largely excluded from negotiations and decision making. As of 2015, our research found that ODA to support gender equality in fragile states has been rising – but only six percent of such assistance targets gender equality as a principal aim so we recommend this is increased. This could be given through WB trust funds directly to women's rights organizations (WROs) for example. Paras 72/101: more context for GBV/Women and risks: There are particular risks for women and girls as they try to gain access to food and income in contexts of conflict and displacement: "When women are displaced due to conflict or human rights abuses, they adopt new strategies to provide for themselves and their families. These new strategies often place them at risk for gender-based violence (GBV), including sexual exploitation and abuse, rape and domestic violence. Without safe economic opportunities, displaced women employ strategies such as [sex work], trading sex for food and leaving the relative safety of refugee camps to collect firewood to cook with or to sell." (Women's refugee commission). At the same time, for both women and men, interventions that do not consider and mitigate protection risks have the potential to further increase risk of GBV and other forms of harm. Understanding gender and power dynamics, community structures, household and caring responsibilities, and risks and mitigation strategies are essential for designing programs that are safe and that can maximize women's economic empowerment. Para 102/104: It is really important to support resilient livelihoods programming in cases of displacement and addressing structural and policy barriers to livelihoods (e.g: employment laws) Para 66: Early action and risk management is vital to prevent crises from manifesting and we appreciate the Bank's focus here. Para 91: macroeconomic support should be explicit that corruption in some fragile states will necessarily mean budget support is not an appropriate lending instrument in certain circumstances. This would be important to note in strategy or guidance notes. In terms of the four pillars of engagement, it is very positive that the WB has identified sectors such as education and health as areas to remain engaged in during conflict and crisis. but service provision is often instrumentalized by states (when party to conflict) either in terms of reach/presence, or in terms of content/ process. How will the WB engage in this phase to ensure that sustained services or engagements also contribute to sustaining peace/conflict prevention/peacebuilding, etc? (p. 13, 20)

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

On community approaches, it is important to bear in mind that while this is generally an agreeable idea, the way it is done is critical and we have seen both good examples that support social cohesion but also instances where such an approach was problematic and excluded ethnic minorities. Prior to scaling up and rolling out these interventions, a thorough, stand-alone evaluation/review of community driven development projects should be undertaken which specifically assesses their ability to contribute to social cohesion and identifies specific measures to improve such efforts. It is good to highlight

food security in the document but it may be worth giving it added emphasis by including it as a special area of emphasis: Conflict and insecurity remained the key driver of food insecurity in 2018 and continued to erode livelihoods and destroy lives. The worst food crises in 2018, in order of severity, were: Yemen, the Democratic Republic of the Congo, Afghanistan, Ethiopia, the Syrian Arab Republic, the Sudan, South Sudan and north Nigeria. These eight countries accounted for two thirds of the total number of people facing acute food insecurity – amounting to nearly 72 million people. Conflict, state instability and weak governance is resulting in a lack of investment in climate financing/adaptation necessary to support livelihoods and future food production so these are areas the Bank can and should invest. On investing in people/education: Excellent that this is a priority. Few points to consider as you operationalize: the role of the State as primary duty-bearer in guaranteeing the right to education must be clearly recognized and supported. International conventions describe the State’s obligation to respect, protect and fulfil the right to education. In some FCV contexts the State may be abdicating this responsibility or causing other harm through education provision, and there may be a role for non-state actors in delivering education services. Efforts to provide education through non-state actors such as NGOs should be a temporary alternative, linked to longer term strategies to transition provision of education services back to the government in a post-conflict setting, as well as medium-term capacity building for governments to enable them to assume these duties. In some cases, local governments may still be effective partners even when national governments are failing to deliver on their responsibilities. Furthermore, the World Bank should not provide funding either directly (through IFC) or indirectly (through governments) to for-profit education providers in humanitarian and conflict settings, or to any fee-based education provider. Increasingly prevalent “low-fee” private school chains may seem an easy answer with their “education in a box” approach, despite ongoing concerns about the quality of education offered by this model. However -- particularly in emergency and crisis settings when resources are severely limited – profit-making from education provision in humanitarian response is both morally questionable in its extraction of needed resources and can potentially skew priorities in service delivery away from an exclusive focus on serving beneficiaries. In addition, such schools have a track record of resisting government laws and regulations to ensure education quality; in an FCV setting where institutional capacity is weak, this for-profit service delivery is especially inappropriate.

Section III: Operationalizing the WBG’s Strategy for FCV

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

Para 132: There is a concern that governments/companies could use this strategy to request/demand waivers on certain policies from procurement to safeguards to feasibility studies etc. It is important that while the Bank allow for flexibility in times of urgent programming, that the strategy be clear that this is for exceptional circumstances and outline how decisions will be made. Accountability of the WBG in its operations in FCV setting: the strategy should be more elaborate on the Bank’s obligation to do no harm, stronger due diligence, and access to recourse and remedy for affected individuals and communities due to the heightened risk and vulnerability. para 135 stating that IFC/MIGA responsibility and due diligence ends on exit or on client failure is problematic: firstly, this could be incoherent with existing policy or could be inadvertently creating new policy which is outside the domain of this strategy. Secondly, we have seen cases where communities have brought complaints to the IFC and where they have subsequently exited and argued that they are no longer responsible for harm done. This is clearly unacceptable. Finally, policy or not, being a responsible actor in increasingly

challenging contexts, the institution should use any leverage (informal or formal) to seek remedy for harms done regardless of whether an exit has taken place. Experience also shows that quietly exiting a project when ESG failures have happened may be good for the IFC/MIGA, however for the communities that continue to bear the brunt of harm they now have financial actors involved who have low or no accountability. A more public IFC/MIGA divestment is encouraged to help put pressure on bad actors to improve their behavior. If anything is written on exiting projects due to ESG failures, we hope it will be more along the lines of the above, but another option is to remove this paragraph entirely.

Private sector development in FCV: There will be increased IFC funding available to operate in FCV countries including through the IDA Private Sector Window, however, there are issues of transparency and disclosure with the IFC which must be addressed. Secondly, the IFC must exercise more control over financial intermediaries operating in FCV settings and ensure mandatory disclosure of sub-projects to track and disclose end-financing appropriately.

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

Para 150 on “institution-building projects that have a longer-term horizon enable a strategic approach, support sequencing, and promote ownership of reforms.” In many contexts (eg. Lebanon, Myanmar), support in this area can also be seen to create parallel systems which don’t necessarily influence or shape fundamental institutional reforms across a state or ministry. WBG projects are also just one of numerous engagements a state may have (especially in FCV contexts where a state fields numerous “offers” - China, Russia, as well as the US, EU, WBG, etc). This competition can also lead to a fragmentation of support, which limits the ability of a single donor/partner to influence broader change. When coupled with the “resilience” of political/economic elites to fundamentally change and relinquish power/influence, references to “organic and trial-and-error approaches” appear somewhat naive and may again create conditions that further entrench state/elite capture or exacerbate conflict dynamics. It also appears contradictory to references for strengthening leverage and accountability measures which appear elsewhere in the strategy.

C. Partnerships (page 41-43)

Glad to see the WB acknowledging the need to work in different types of partnerships (formal and informal) to do this work successfully.

D. Personnel (page 43-46)

This is important to be thinking about. Good to be talking about the Young Professionals Program as it is not just about how to incentivize current staff but how to bring in new staff that bring a different set of skills.

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

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

Do you have any additional comments or suggestions?

Some of the details proposed above may be better suited for guidance notes rather than the strategy and we hope you will take this feedback into account in the development of those documents. We also hope you will continue to engage civil society in the course of writing those relevant documents which will help guide operationalization of the strategy.
