

FEEDBACK ON THE WORLD BANK DRAFT STRATEGY ON FRAGILITY, CONFLICT, AND VIOLENCE (FCV)

Submitted by Mercy Corps

Framework for World Bank Engagement in FCV

A. Guiding Principles:

- **Clarify the Bank's role in good governance.** In some cases the strategy says that the World Bank Group (WBG) wants to focus on economic development and “not interfere in the political affairs of a member country” but in other places the text says the WBG has a role to play in influencing critical policy reforms. In FCV environments economic development is inherently political and the strategy should explicitly acknowledge this (in paragraph 45) and for the WB to clarify how it would adjust its approach if a government is responsible for FCV conditions in the country (i.e. what processes and protocols would this trigger for the WBG).

B. Pillars of Engagement:

- The strategy should be informed by a **rigorous gender and social inclusion analysis of the different impacts of climate change** on the population. **In many contexts, women are more vulnerable to the effects of climate change than men** as they constitute the majority of the world's poor and are more dependent for their livelihood on natural resources. For example, negative coping strategies to respond to flooding have different impacts on different groups of people, including men, women, girls, boys, and the elderly, and can exacerbate inequalities. In Peru, for example, impacts on livelihoods resulted in increased male-migration for employment, leaving women, for the most part, to deal with the burdens of post-flood health challenges. There are also intersectional vulnerabilities exacerbated by climate change (e.g. displaced women, displaced lower caste women in Nepal, etc.). Intersectional identities can result in greater vulnerabilities and less access to solutions like land or water management proposed by the World Bank and governments.
- The Bank should not wait until fragility is exacerbated by environmental stresses but work to aggressively support “semi-fragile” states prepare for climate change impacts as there are dual benefits to this proactive approach. For example, as recommended by USAID's Policy Summary: The Nexus of Fragility and Climate Risks, the strategy and Bank operations should:

“Take advantage of opportunities to increase perceptions of governance legitimacy, including where lack of attention or investment is generating grievance, through timely, rapid, and effective responses to weather-and climate-induced risks to affected populations. Building preparedness capacity to address climate risks from floods, for example, can render the impacts of these events less deadly and less costly over time. Such investments also reinforce the state's efforts to address climate challenges more proactively than reactively. At the same



time, this can contribute to increased state effectiveness and, if done in ways that are perceived as responding to public interest, can also enhance perceptions of legitimacy where all affected populations benefit from government support.”

- In building community resilience to coping with climate and natural resource-related shocks and stressors, **the strategy should acknowledge the government and private sector's role in helping to both prevent (in cases like floods) and mitigate the effects of (in cases like drought) climate-related shocks and recurrent crisis.** The strategy could do more to call out how the bank will help communities and household build their ability to cope and adapt to various climate risks through the role of improved governance and the private sector. The Bank's history in natural resource products is providing funds to communities to run small scale water and natural resource rehabilitation schemes, without supporting local and national governance mechanisms that could sustain this, and without building in incentives for private sector investment into the system.
- In the section on violent extremism, the text could make it clearer **that in most cases violent extremism springs from conflict and fragility and may exacerbate it, but it rarely causes conflict and fragility.** It is important that conflict analyses consider violent extremism as both a symptom of and contributor to FCV, recognizing that its drivers are frequently embedded in broader systems drivers. The Bank should always qualify "extremism" with "violent" so as not to undermine freedom of speech or belief.
- We commend the Bank's explicit effort to remain engaged in the midst of crises and active conflicts. We believe the language can more strongly reflect the ability of the Bank and partners to actively lay the groundwork for peace in these settings, including through partnering closely with governments to deliver humanitarian assistance. This closely relates to the governance-related drivers discussion in a previous section.
- Given the Bank's historical focus and its core area of expertise, **conflict analyses should take particular care to challenge the relationship between economic factors and FCV and ensure that solutions are not unduly biased toward economic drivers of FCV.** These are important contributors to FCV but often manifest in context-specific ways that directly relate to governance, such as specific dynamics of inequality, unequal access to services that limit productivity, etc.
- Under the section on addressing key drivers of fragility, we recommend specifying the partners to include civil society and local governmental authorities and making clear that interpersonal violence includes GBV.
- While we welcome the World Bank's holistic approach to conflict prevention, the strategy does not currently include measures of what sources of resilience, or capacities for peace might be, beyond typical governance indicators like accountability, transparency, rule of law, etc., and economic inclusion. While these elements are essential for addressing long-term drivers of fragility, they will take time to materialize. In the meantime, new grievances, aggravated perceptions of exclusion and other sources of violence will rapidly evolve. While the strategy highlights investment in analysis of evolving conflict dynamics, this will not lead to effective near-term action if the Bank does not have a menu of specific, appropriate responses and corresponding measures to tackle near-term conflict risks. **We propose the World Bank makes clear which short-term conflict prevention efforts it will invest in, including at a minimum Do No Harm training for all staff and government officials with whom it works, a specific conflict assessment and scenario planning linked to each of its economic investments, capacity-building for businesses in community outreach**

and Corporate Social Responsibility (CSR) approaches that can prevent conflict and capacity building across all actors in improved dispute resolution mechanisms.

- We welcome the emphasis on monitoring and evaluation. These measures should include the impact of the World Bank's investments on key risk factors, including the reduction in support for violence, increased dispute resolution capacity across governance institutions, improved social cohesion, and the effectiveness of intervention on reduced climate sensitivity across households. The World Bank's initiatives should, in short, measure the effects of their interventions on resilience, not just presumed sources of resilience.
- We commend Point 79 and believe it can be further emphasized and developed, in accordance with other parts of the strategy. In particular, a **robust analysis of conflict drivers--both proximate and longer term, structural drivers--**should inform such initiatives. These initiatives should be highly contextualized and driven by local actors in such a way as to not reinforce civil society power imbalances (i.e. by working with usual suspects in local civil society/peacebuilding who may be unable to advance beyond the status quo that created conflict dynamics).
- We appreciate the Bank's focus on partnership with humanitarian and development actors to maximize positive outcomes in FCV settings. At the same time, **the strategy must recognize a fundamental discord in the measures and implementation modalities of humanitarian, peace and development funding, as well as both cultural and structural barriers that limit meaningful coordination.** Simply operating in the same areas will be insufficient, as humanitarian aid can often work at cross-purposes with a development approach. For example, communities that have relied on relief for a prolonged period of time, despite the presence of local markets may not be interested to purchase goods from markets, thus undermining the potential to develop local economies. Similarly, investments in the private sector without explicit short-term violence prevention objectives could exacerbate perceptions of exclusion, and fuel further tensions. **The strategy should propose how the World Bank can use its convening power to strengthen meaningful synergies across the triple nexus and ensure that shared metrics of success and complementary approaches guide investments across the three areas.**
- The pivot to prevention is strong. However, it is important to note that in FCV settings much of the violence we are trying to prevent is linked to past conflicts and unresolved grievances between the state and communities or between groups. The strategy should mention the importance of strengthening restorative and transitional justice capacities.
- In the private sector sections, suggest modifying language to say "inclusive and conflict-sensitive" private sector development, recognizing that sometimes private sector investments can reinforce existing elite relationships.

Operationalizing the WBG's Strategy for FCV

A. Programming: Maximizing Impact On-the-Ground

The strategy should specify how it will ensure civil society oversight - locally and internationally - throughout implementation (CSO oversight boards, public consultations during rollout, etc...).

B. Partnerships

The Partnerships section should include a clear focus on meaningful partnerships with CSO actors in all FCV settings. This only appears in the section focused on remaining engaged during conflict – This section should include explicit references to engaging with international humanitarian organizations, NGOs, civil society, and local actors operating in insecure settings.

C. Personnel

- The personnel section is strong and includes the importance of recruiting competent national staff. The section should also clarify efforts for diversity and inclusion within national staff.
- The section on personnel should discuss how WB teams working in FCV settings will be trained on and receive on-going mentorship in conflict management and conflict sensitivity.

D. The Financing Toolkit for FCV Settings

While the strategy elsewhere makes a commitment to addressing economic exclusion and inequality to address drivers of fragility, it is unclear how the private sector engagement approach will do this. The articulation of private sector engagement largely seeks to mitigate risks for the private sector, but appears business as usual in how it address risk factors faced by the local population. Large funding mechanisms like IFC and MIGA will necessarily work with large private sector institutions. **While these are critical to creating growth and jobs over the long-term, they can deepen near-term perceptions of inequality or privileging economic elites over excluded groups.** Furthermore, depending on the investment, private sector support can deepen vulnerability to climate change, if not focused on green growth, climate resilient agriculture or shared resource arrangements. An FCV strategy must include a clear plan for how private sector engagement will address non-economic drivers of fragility (i.e. climate, natural resource degradation) as well as mitigate near-term risks, like increased perceptions of exclusion. This may include deliberate community outreach campaigns, CSR requirements, conditions on inclusive and fair hiring practices, etc.

E. Risk Management in FCV Settings

The WBG strategy draft states that all projects will include robust risk and impact analyses on the different impacts of the FCV context on demographic groups, and the possible impacts of Bank programming. However, it does not **include mitigation plans for unanticipated or developing negative effects, which are common in fragile environments (coups, conflicts, natural disasters, and other disruptions).**

Further Suggestions

- The strategy focuses on the WB's role as a longer-term development actor that can strengthen core state institutions. **While this addresses state functionality, it does not address governance grievances, which the Bank acknowledges are a key driver of FCV. The WBG needs to clarify how it will engage with government actors that contribute to FCV conditions - what redlines and processes will this trigger for the WBG.**
- While the WBG's FCV strategy is appropriately focused on addressing long-term systemic drivers of fragility, it does not propose **a comprehensive approach to addressing near-term risks, including those that may unintentionally emerge from the Bank's very own investments in FCV settings.** These could include fresh or heightened perceptions of exclusion, commodity price spikes, natural disasters, or health epidemics among others, which have rapidly compounding downstream effects. The Bank's strategy should comprehensively discuss measures to help governments, markets and local actors prevent, respond and

mitigate the effects of these shocks so that longer-term measures are effective. This must include, as the strategy does, a focus on community resilience to climate change, but should go beyond this to include government and private sector investments in climate change adaptation, strengthening private sector and government capacity for outreach and communication with citizens, building horizontal social cohesion, strengthening dispute resolution capacity across all actors, and reducing support for and participation in violence.

- We commend the WBG for a transparent and open consultation process and significant adoption of civil society recommendations and feedback on the original concept note into the current draft strategy.

CONTACT

Megan Doherty
Senior Director | Policy and Advocacy
medoherty@mercycorps.org

About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.



45 SW Ankeny Street
Portland, Oregon 97204
888.842.0842
mercycorps.org