

World Bank Group Strategy for Fragility, Conflict and Violence 2020-2025

Feedback Note, July 2019

Danish Refugee Council

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.

On the backdrop of an all-time high number of 70 M forcibly displaced worldwide, DRC strongly agrees on the need to tackle the underlying causes of displacement, namely protracted and intractable conflict. DRC appreciates how the FCV strategy will establish guidance for more effective WBG support to prevent conflict and build peace in FCV settings. DRC appreciates the opportunity to provide feedback.

The Danish Refugee Council and its specialist unit, Danish Demining Group (DDG), works in 40 countries of which two thirds are affected by fragility, conflict and violence. Based on a mandate to protect and promote durable solutions for displaced populations, it is our mission is to assist refugees and the displaced, protect their rights and empower them towards a better future. Our work spans the full displacement cycle, comprising emergency response, promoting solutions to displacement and addressing root causes. We work at the community-level from where we seek to affect change towards peaceful, inclusive and resilient societies.

This note puts forward six recommendations to the WBG FCV Strategy concept note, drawing on the experience and lessons learnt by DRC from fragile and conflict-affected countries in Africa, the Middle East, Asia and Europe.

Recommendation #1: Recognize displacement as a Key Thematic Challenge (chapter 4)

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. The WBG has undertaken extensive analysis of the development potentials and risks posed by displacement, and DRC recommends that displacement is addressed as a key thematic challenge.

Recommendation #2: Prioritize clearly the bottom-up side of state-building

DRC welcomes the WBG's emphasis on building stronger, more legitimate state (national and local) institutions, i.e. *renewing the social contract between citizens and the State (p. 8)*. State institutions play a key role in managing conflict and change peacefully, but conversely can also fuel and drive conflict. DRC recommends that the WBG consider how and to what extent it can and will utilize its influence to strengthen Government commitment to peace including through its policy dialogue and financing frameworks.

DRC observes that top-down state building approaches do not automatically lead to improved service delivery and protection of populations, as demonstrated by experiences in, for example, Somalia and Afghanistan. In fragile settings where the State is struggling to build its legitimacy, DRC strongly recommends that the starting point be strengthened linkages between communities and local authorities, i.e. mobilising and enabling communities to claim their rights and working with local authorities to enable communities to access their rights. DRC specifically recommends that the WBG consider systematically both the *vertical* and *horizontal* dimensions of governance and that bullet three on “Helping countries escape the fragility trap” (page 7) reflect these two dimensions as follows:

- a) Enable, through adapted forms of financing and policy dialogue, a stronger bottom-up people-centered focus on the ‘demand’ side of governance, strengthening communities’ ability to hold state actors and institutions to account and to claim their rights.
- b) Build trust and improved cooperation between members of a society. In Fragile and Conflict-affected States, poor governance often interlinks with fractious social relationships between conflicting groups, which creates a vicious cycle. A focus on the vertical aspects of governance alone cannot address this cycle without simultaneously building improved trust and strengthened communication between groups.

Recommendation #3: Commit to establish WBG capacity in conflict analysis for improved programming

DRC believes that conflict analysis is a key tool for developing context specific programming that addresses root causes of conflict and displacement. Shared analysis amongst actors intervening in a Fragile and Conflict-Affected States (FCAS) context is an important foundation for developing joint responses in pursuit of collective outcomes. DRC therefore recommends that WBG “Programming to address underlying drivers of fragility” (section 5, page 11) include the following:

- a) Generate and share data and analytics: WBG should invest in consistent and quality conflict analysis tools and methods, as well as experienced staff who know how to use these, and as far as possible seek to conduct such analysis jointly with UN and bilateral donors, ensuring the analysis is utilised for (joined-up) programming.
- b) Establish and facilitate multi-stakeholder platforms for gathering, analysing and sharing data, focusing on enabling evidence-based programming.
- c) Undertake regional analysis, including on the broader impact of displacement, linking local, regional and global impacts, and on this basis encourage axes-focused strategies, across countries and regions hosting displaced.

Recommendation #4: Ensure conflict and protection sensitive Private Sector development

DRC recognizes the important role of sustainable private sector development in addressing root causes of conflict and displacement, and encourages the WBG to support social impact investments, ensure Do No Harm private sector assessments and establish programs designed to maximise protection outcomes as well as positive impacts on peace. Specifically, DRC recommends that the key thematic challenge on livelihoods, markets and sustainable private sector development (section 4, page 9) incorporate the following:

- a) Use a political economy framework to analyse risks and opportunities for conflict and protection sensitive private sector development.
- b) Ensure not only that private sector actors “do no harm” (for example through financing or enabling illicit trade and corruption) but also that the private sector (local as well as international) contributes as far as possible to strengthening incentives, structures and capacities for sustainable peace.
- c) Mainstream conflict sensitivity throughout MIBA and IFC selection and monitoring criteria, including considering conflict-related impact as part of project risk assessments and establishing systems to evaluate, monitor and address any negative effects that private sector investment may have on the conflict context.
- d) Support private sector actors through high-risk capital for business development in FCV contexts, where possible designing such support to enable displacement-affected populations to gain improved access to economic opportunities, with a strong focus on promoting and upholding their legal protection.

Recommendation #5: Commit to deliver protection outcomes

The WBG should distinguish between situations of displacement (IDP/refugees) as the legal implications, duty bearers and contexts are very different. The strategy should clearly recognize legal and normative frameworks applicable in FCV-contexts (including IHL, refugee law, guidelines on IDPs etc.) and aim to ensure that the WBG’s engagement contributes positively to the adherence to these frameworks. In particular, DRC notes the need for the Bank to pay more attention to protection-related obstacles facing refugees and internally displaced, and to more explicitly seek positive protection outcomes for the displaced. One example is the *Employment Promotion and Protection Program* in Ethiopia which defines vulnerability of refugees primarily in economic terms (lack of liquidity and assets) but pays insufficient attention to legal, social and other vulnerabilities, the informal nature of the economy accessed by vulnerable groups, and the conflict potentials in the refugee hosting areas. The Bank could also focus more on understanding and responding to the protection needs of the very large number of (conflict-induced) internally displaced in Ethiopia, now numbering over 3 million.

If the WBG adopts an increased protection focus, this would contribute to accelerate and reinforce its interventions focusing on economic resilience and inclusion. The FCV Strategy “4Ps” section (page 10-11) should consequently include strengthening the WBG’s ability to understand and mitigate protection risks as part of its own programming, and commit to utilising the WBG’s convening power to promote collective outcomes and shared rights-based indicators with adequate accountability measures.

Recommendation #6: Articulate an ambition for partnership with NGOs

DRC recommends that the WBG strengthens its partnerships with NGOs and civil-society organisations (local and international) in fragile contexts, through sustained and prioritized engagement by World Bank country offices. The FCV strategy section 5 on “Partnerships” (page 11) should reflect that NGOs and CSOs have access and 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 be developed. Such a shift requires building mutual awareness and acquiring operational experience in working together, as well as the Bank considering alternative financing modalities and demonstrating a sustained commitment to risk-taking and to investing in local level structures.