



IDA19

Special Theme: Fragility, Conflict & Violence

May 24, 2019

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ACRONYMS AND ABBREVIATIONS

Fiscal year (FY) = July 1 to June 30

ACLED	Armed Conflict Location and Event Data Project	MDTF	Multi-Donor Trust Fund
AFD	Agence Française de Développement	MIGA	Multilateral Investment Guarantee Agency
AfDB	African Development Bank	MTR	Mid-Term Review
ARTF	Afghanistan Reconstruction Trust Fund	NGOs	Non-Governmental Organizations
ADB	Asian Development Bank	OECD	Organisation for Economic Co-operation and Development
CAR	Central African Republic	PAD	Project Appraisal Document
CDD	Community Driven Development	P4R	Program-for-Results
CEN	Country Engagement Note	PBA	Performance-based Allocation
CERCs	Contingent Emergency Response Components	PCPI	Post-Conflict Performance Indicators
CPF	Country Partnership Framework	PERs	Public Expenditure Reviews
CPIA	Country Policy and Institutional Assessment	PLR	Performance and Learning Review
CPR	Country Performance Rating	PRA	Prevention and Resilience Allocation
CRW	Crisis Response Window	PSW	Private Sector Window
CSOs	Civil Society Organizations	RMR	Risk Mitigation Regime
DPO	Development Policy Operation	RPBA	Recovery and Peacebuilding Assessment
DRC	Democratic Republic of the Congo	RRA	Risk and Resilience Assessment
ESF	Environmental and Social Framework	RECA	Remaining Engaged in Conflict Allocation
EU	European Union	RSW	Refugee Sub-Window
FAO	Food and Agriculture Organization	SCD	Systematic Country Diagnostic
FCS	Fragile and Conflict-Affected Situations	SDFP	Sustainable Debt Financing Policy
FCV	Fragility, Conflict and Violence	SDGs	Sustainable Development Goals
GBV	Gender-Based violence	SPF	State and Peacebuilding Fund
GCR	Global Compact on Refugees	TAA	Turnaround Allocation
GEMS	Geo-Enabling for Monitoring and Supervision	TAR	Turnaround Regime
GP	Global Practice	TPM	Third-Party Monitoring
HCI	Human Capital Index	TF	Trust Fund
HR	Human Resources	UCDP	Uppsala Conflict Data Program
IBRD	International Bank for Reconstruction and Development	UN	United Nations
ICT	Information and Communications Technology	UNHCR	United Nations High Commissioner for Refugees
ICRC	International Committee of the Red Cross	UNOPS	United Nations Office for Project Services
IDA	International Development Association	WAPP	West African Power Pool
IDP	Internally-displaced People	WB	World Bank
IEG	Independent Evaluation Group	WBG	World Bank Group
IFC	International Finance Corporation	WDR	World Development Report
IMF	International Monetary Fund	WHO	World Health Organization
INGOs	International Non-Governmental Organizations	WHR	Window for Host Communities and Refugees
IPF	Investment Project Financing	YIUSEP	Yemen Integrated Urban Services Emergency Project
JET	Jobs and Economic Transformation		
KfW	Kreditanstalt für Wiederaufbau		
M&E	Monitoring and Evaluation		
MDBs	Multilateral Development Banks		

EXECUTIVE SUMMARY

i. **IDA’s prioritization of fragility, conflict, and violence (FCV)¹ is critical to the achievement of the Sustainable Development Goals and the World Bank Group (WBG) twin goals.** The global fragility landscape has worsened significantly, with more violent conflicts than at any time in the past 30 years and the largest forced displacement crisis since World War II. Rising inequality, lack of opportunity, and exclusion fuel grievances and perceptions of injustice. Climate change, demographic change, migration, new technologies, illicit financial flows, and violent extremism are often interconnected and transcend borders. These factors can increase vulnerability to shocks and crises in IDA countries and create regional spillovers. By 2030, around half of the world’s poor are estimated to live in Fragile and Conflict-affected Situations (FCS). Absent swift action, FCV risks could severely undermine progress made in the fight against poverty over the past 25 years.

ii. **The success of IDA19 will build on the strong track record of IDA18.** Of the eight IDA18 FCV policy commitments, six are on track and two have been delivered. IDA18 has doubled its financing to IDA FCS. Commitments so far in IDA18 show that both the World Bank (WB) and its clients have the absorptive capacity to deliver. The WB has increased net staffing in IDA FCS by 123 staff, across different grades, sectors, regions and genders, setting the foundation for more, and more tailored, support to IDA FCS. Through IDA18, the WBG has invested in knowledge and strengthened the evidence for what works in the diverse range of FCV settings. IDA18 has increased the number of operations that prevent and respond to gender-based violence. The Refugee Sub-Window has brought new and important operations to refugee and host communities. The Private Sector Window (PSW) has brought innovation to some of the hardest markets. The latest IDA cycle also offers rich lessons, including on how to scale up financing and approaches, how to differentiate across the FCV spectrum, on the integration of analytics into strategies and programming, on advancing the effectiveness of the FCV responses through policy dialogue and operations, and on the design and implementation of financing tools.

iii. **IDA19 promises to do more and better to serve its clients and people living in IDA FCS.** IDA19 will further increase financing to IDA FCS to meet growing demand and needs. IDA19 will also continue to strengthen its ground presence, because mobilizing the right staff to IDA FCS will drive further improvements in the quality and relevance of WBG engagement. IDA19 will integrate more fully Risk and Resilience Assessments (RRAs) into Country Partnership Frameworks (CPFs) and Country Engagement Notes (CENs) so that programming better responds to FCV drivers, including in relation to exclusion, injustice, jobs, youth, climate and gender. Furthermore, the WBG will continue to deepen collaboration with partners to exploit synergies and comparative advantages. In all this, the IDA19 FCV Special Theme frontloads key features of the forthcoming FCV Strategy to ensure a strategic and coherent WBG approach in FCS.

¹ FCV refers to the challenge of fragility, conflict and violence regardless of classification as Fragile and Conflict-affected Situations (FCS). FCS is used to refer to the *Harmonized List of Fragile Situations*. Currently, 29 of the FCS are IDA-eligible countries, three are blend countries. Together these 32 countries are referred to in this paper as ‘IDA FCS’.

iv. **In line with the forthcoming FCV Strategy, IDA19 will pursue four Pillars of Engagement:** pivoting to prevention; remaining engaged in conflict; escaping the fragility trap; and mitigating FCV externalities. For each pillar, IDA19 proposes a refined financing tool to scale up and tailor support to the different needs of countries along the FCV continuum.

- (a) **Under Pillar 1, and building on *Pathways for Peace*, IDA19 will focus on the prevention of conflict and violence.** IDA19 will scale up support to address risks and invest more in inclusive approaches. Supporting this pivot to prevention will be a new Prevention and Resilience Allocation (formerly called the Risk Mitigation Regime) that supports governments to take proactive measures against escalating conflict and violence.
- (b) **Under Pillar 2, IDA19 will refine the WBG approach to working in situations of conflict, building on lessons from Yemen.** This pillar is narrower than the others but supports the most vulnerable by preserving institutional capacity and human capital, preventing ‘lost generations’, and investing in future recovery. Supporting this pillar will be a new Remaining Engaged in Conflict Allocation (RECA) to provide a base level of engagement to enable this work. Partnerships here are critical, and the World Bank will work at the humanitarian-development-peacebuilding nexus, relying on its comparative advantages and mandate.
- (c) **Under Pillar 3, IDA19 will focus more on supporting countries embarking on a new direction towards stability and peace.** Critical to this effort is building the state’s legitimacy and capacity, inclusive institutions, as well as renewing the social contract between citizens and the state. The Turnaround Allocation (formerly called the Turnaround Regime) will enhance support for countries with a window of opportunity to escape the fragility trap.
- (d) **Under Pillar 4, IDA19 will promote solutions that address FCV spillovers, recognizing that people, violence, arms, and illicit financial flows, all cross borders.** IDA19 will focus more on the regional dimensions of fragility. It will develop Regional RRAs that will inform country programs as well as at least three regional programs, including in the Sahel, the Lake Chad region, and the Horn of Africa. Also, IDA19 will build on the success of IDA18’s work on forced displacement by supporting host countries to provide medium- and long-term development opportunities for refugee and host communities.

v. **Supporting these pillars are seven ambitious but realistic policy commitments that are designed to enhance the effectiveness of IDA’s operations in FCS.**

#	Proposed IDA19 Policy Commitments
1	All Country Partnership Frameworks/Country Engagement Notes in IDA FCS will address FCV drivers and sources of resilience, based on diagnostics such as Risk and Resilience Assessments or other FCV assessments.
2	Develop and implement at least three regional programs (including in the Sahel, Lake Chad and Horn of Africa), which are informed by Regional Risk and Resilience Assessments and focus on mitigating key fragility and security risks to promote engagement at the security-development nexus.
3	At least 20 IDA FCS country portfolios will support improvements in social sector service delivery, with a focus on addressing the differential constraints faced by men and women, boys and girls.

4	By IDA19 Mid-Term Review, conduct a systematic review of refugee policy and institutional environments in countries eligible for the Window for Host Communities and Refugees (formerly called the Refugee Sub-Window) to inform further development support for refugee and host communities in these countries.
5	Support building client capacity in 50 percent of IDA FCS countries to use field-appropriate digital tools for collection and analysis of geo-tagged data; and apply this technology to enhance project implementation and coordination.
6	Deploy <i>[number TBD]</i> of additional GE+ staff in IDA FCS.
7	Operationalize the FCV Envelope to provide enhanced and tailored support to IDA FCS.

vi. **The IDA19 FCV Special Theme is an integral part of the IDA19 package and links with other special themes and cross-cutting areas.** Given the vast human capital needs in IDA FCS, IDA19 will strengthen social sector service delivery in these countries, with a focus on closing gender gaps in access to services. Given the game-changing role that technology plays, IDA19 will strengthen local capacity in the use of field-appropriate digital technology. There is particularly strong alignment with the Governance and Institutions Special Theme. IDA19 will support debt sustainability, a key challenge for many IDA FCS. IDA19 will also focus on strengthening core government functions in IDA FCS, combating illicit financial flows, mobilizing domestic resources, and producing core data for future evidence-based policy making. Recognizing the importance of private sector development and jobs, under the Jobs and Economic Transformation Special Theme, the International Finance Corporation will commit to reach 10-15 percent of its own-account commitments to FCS. Also, the growing number of PSW operations will catalyze investment in the toughest markets.

vii. **Management welcomes feedback from IDA Deputies and Borrower Representatives on the following:**

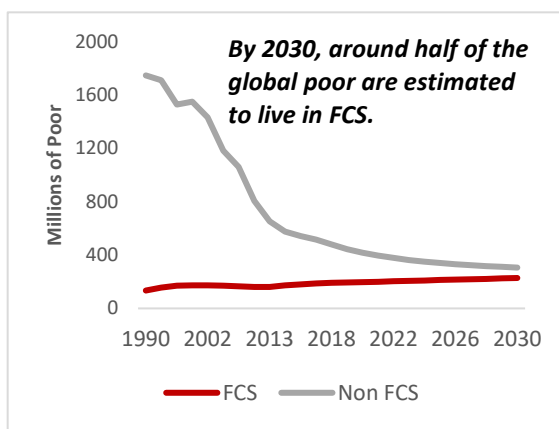
- (a) Seven policy commitments to enhance effectiveness in IDA FCS (see above);
- (b) The consolidation of FCV-related allocations within an FCV Envelope as part of Core IDA. The FCV Envelope will comprise:
 - (i) A Prevention and Resilience Allocation to support countries at risk of high-intensity conflict or large-scale violence, based on government commitment and agreed milestones, building on lessons from the previous Risk Mitigation Regime (see paragraphs 70-73);
 - (ii) A Remaining Engaged in Conflict Allocation to support a small number of countries that experience high-intensity conflict and have extremely limited government capacity, building on lessons from Yemen (see paragraphs 74-79);
 - (iii) A Turn Around Allocation to support countries with a window of opportunity to accelerate the transition out of fragility, building on lessons from the previous Turnaround Regime (see paragraphs 80-83).
- (c) Refinements to the Refugee Sub-Window that will comprise (see paragraphs 84-88):
 - (i) Removing the ‘sub’ and renaming the tool as the Window for Host Communities and Refugees within the Regional Public Goods Envelope; and
 - (ii) Adjusting the contribution from country allocations to projects from one-sixth to 10 percent.

I. INTRODUCTION

1. **Fragility, Conflict and Violence (FCV)² are among the most pressing challenges to reducing poverty and achieving the Sustainable Development Goals (SDGs).** The global FCV landscape has worsened significantly, with more violent conflicts than at any time in the past 30 years³ and high levels of interpersonal and gang violence. Rising inequality and exclusion fuel grievances and perceptions of injustice, and among the 20 IDA countries with the highest levels of inequality, half are IDA Fragile and Conflict-affected Situations (FCS).⁴ Climate change, demographic change, international migration, new technologies, illicit financial flows, and violent extremism are often interconnected and transcend borders. These factors can increase IDA countries' vulnerability to shocks and crises and create regional spillovers.

2. **Absent swift action, FCV risks could severely undermine progress made in the fight against poverty over the past 25 years.** Poverty rates are around 10 percent higher in IDA FCS than non-FCS; and while the extreme poverty rate is decreasing in IDA non-FCS, it is stagnant in IDA FCS.⁵ By 2030, around half of the world's poor people are estimated to live in FCS (Figure 1).⁶ At current levels of fragility, the number of poor people in IDA FCS is projected to increase by 200 million by 2030. Any deterioration in these countries' fragility, or rise in fragility elsewhere, would only push these numbers higher. Similarly, in the absence of decisive policy action, extreme weather shocks could lead to an additional 100 million extreme poor by 2030.

Figure 1. Poverty is increasing in FCS⁷



3. **FCV disproportionately impacts the most vulnerable people and communities, including women and girls, limiting their human capital and economic opportunities.** Among the 20 lowest ranked IDA countries on the Human Capital Index (HCI), 14 are IDA FCS, and more than half of the extreme poor in these IDA FCS face severe deprivations in education and access to basic infrastructure, such as energy, water, sanitation and assistive devices.⁸ Forced displacement continues to worsen and has become increasingly complex and

² The acronym FCV refers to the challenge of fragility, conflict and violence regardless of classification as Fragile and Conflict-affected Situations (FCS). The term FCS is used to refer to the *Harmonized List of Fragile Situations*. Currently, 29 of the FCS are IDA-eligible countries, three are blend countries. Together these 32 countries are referred to in this paper as 'IDA FCS'.

³ United Nations Office for the Coordination of Humanitarian Affairs. World Humanitarian Data and Trends, 2017.

⁴ PovcalNet (online analysis tool), World Bank. 2018. Washington, DC, <http://iresearch.worldbank.org/PovcalNet/>.

⁵ PovcalNet (online analysis tool), World Bank. 2018. Washington, DC, <http://iresearch.worldbank.org/PovcalNet/>.

⁶ Authors' calculations and World Bank. 2018. "Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle." Washington, DC: World Bank.

⁷ World Bank estimate, using the *FY19 Harmonized List of Fragile Situations*. This estimate illustrates what poverty would be like if historical growth rates (rates from 2006–15) continue onto 2030.

⁸ World Bank Human Capital Index, 2018. The average HCI for FCS countries is 0.40, compared to a global average of 0.57. Under current conditions, children born in FCS will be only 40 percent as productive as adults than they could be if they had complete education and full health.

protracted—the average refugee spends 10 years in exile,⁹ with substantial socio-economic impacts on both refugee and host communities. Rising conflict and violence can also be push factors for economic migration, leading to loss of human capital within the country and increased pressures on host countries.

4. **Governments in IDA FCS often struggle to respond to FCV risks.** The average Country Policy and Institutional Assessment (CPIA) rating among IDA FCS is 2.8, considerably lower than non-FCS at 3.5.¹⁰ Rising FCV risks deepen myriad vulnerabilities, disrupt service delivery, and weaken core government functions. In some countries, governments increase security spending and may crowd-out social services and productive sectors; in other countries, they do not have sufficient resources to effectively provide for national and human security needs.¹¹ To compound these challenges, around two-thirds of IDA FCS are assessed at high risk of (or already in) debt distress,¹² making them more vulnerable to shocks and less able to borrow sustainably to meet their development needs.

5. **As these challenges highlight, it will be impossible to achieve the World Bank Group (WBG) twin goals of ending extreme poverty and boosting shared prosperity without a concerted focus on FCV in IDA19.** Similarly, it would prove impossible to meet the SDGs, which stress the centrality of peace, justice and security to achieve sustainable development outcomes.¹³

6. **IDA’s approach to FCV has evolved over recent replenishment cycles.** In **IDA15**, the foundation was set with a strategic approach, instruments, and operational response to support IDA FCS. It clarified the need for approaches based on country circumstances linked to the pace of governance changes and an engagement underpinned by analytics and results monitoring. The launch of the World Development Report (WDR) 2011¹⁴ coincided with **IDA16** and called for a paradigm shift in operational engagement and financial assistance for FCS for confidence building, flexible responses and long-term commitment to build legitimate institutions. **IDA17** increased financing to FCS by about one-third, introduced Risk and Resilience Assessments (RRAs), introduced the Turnaround Regime (TAR) to help accelerate transitions out of fragility, and advanced our knowledge of what works and what does not. Under **IDA18**, changes to the resource allocation framework doubled core IDA support to FCS to US\$14.4 billion. The Risk Mitigation Regime (RMR) was introduced to pilot approaches to prevention and risk mitigation, and the Refugee Sub-Window (RSW) was introduced to support host countries to respond to forced displacement. The decentralization of staff and the focus on partnerships, including close collaboration with the United Nations (UN) have been consistent and continue to strengthen.

⁹ World Bank. 2016. *How Many Years Have Refugees Been in Exile?* Policy Research Working Papers. Xavier Devictor, Quy-Toan Do.

¹⁰ 2017 CPIA data. The CPIA rates countries against a set of 16 criteria grouped in four clusters: (i) economic management; (ii) structural policies; (iii) policies for social inclusion and equity; and (iv) public sector management and institutions. For each criterion, countries are rated on a scale of 1 (low) to 6 (high). CPIA data per country is available [here](#).

¹¹ Harborne, Bernard; Dorotinsky, William; Bisca, Paul M. 2017. *Securing Development: Public Finance and the Security Sector*. Washington, DC: World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/25138> License: CC BY 3.0 IGO.”

¹² Of the 32 IDA FCS on the *FY19 Harmonized List of Fragile Situations*, 29 are covered by the joint World Bank-IMF Debt Sustainability Framework for Low-Income Countries. Of these 29, only one country (Myanmar) is at low risk of debt distress, 10 are at moderate, and 18 are at high. See also *Addressing Debt Vulnerabilities in IDA Countries: Options for IDA19* (the Debt Paper).

¹³ See also Annex 1 of the Governance and Institutions Special Theme paper for an overview of the WBG’s work in pursuit of each of the SDG16 targets.

¹⁴ *World Development Report, Conflict, Security, and Development*, 2011, World Bank.

Looking to **IDA19**, the next evolution will coincide with the first WBG FCV Strategy. IDA19 will ensure more, and more tailored, support to IDA FCS, through a further scale-up in finances and human resources, and with greater focus on regional fragility, human capital, gender, and technology, in pursuit of the SDGs and the WBG twin goals.

II. PROGRESS UNDER IDA18 AND LESSONS LEARNED

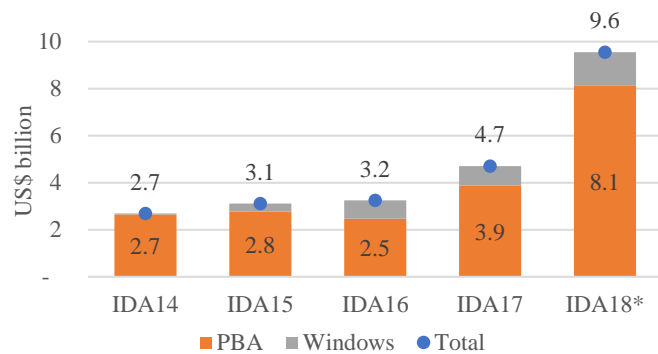
7. **In IDA18, the WBG significantly strengthened its work in FCV, and these efforts are delivering results.** Of the eight IDA18 policy commitments on FCV, two have already been met and six are on track to be met (see Annex 1). With this delivery record, IDA19 can reach further and set more ambitious goals. The experience has also prompted lessons that inform IDA19.

A. PROGRESS AND LESSONS FROM THE FINANCIAL AND HUMAN RESOURCES SCALE-UP

8. **The significant scale-up of financing to FCS under IDA18 has enabled deeper engagement on FCV.**¹⁵ As of end-April 2019, total commitments to IDA FCS and the four RMR countries were US\$9.6 billion, more than double the same period in IDA17 (Figure 2). Of this, US\$8.1 billion was financed from core IDA, more than double that of IDA17. In addition, US\$1.5 billion has been financed from windows, almost double that of IDA17, including from the Regional Window, the RSW and the Crisis Response Window (CRW). So far, just over 56 percent of IDA FCS allocations have been utilized, compared with 48 percent at this time in IDA17 and 40 percent at this time in IDA16. The pipeline for the rest of IDA18 is strong. If all pipeline operations proceed in IDA18, the Performance-based Allocation (PBA) utilization for IDA FCS would be US\$17 billion, US\$3 billion higher than expected.

9. **Important lessons have emerged from the financial scale-up.** First, the changes introduced to the PBA in IDA18 have served FCS well.¹⁶ There has been ample absorptive capacity among IDA FCS for the financial scale-up. This is demonstrated by steadily increasing annual commitments to IDA FCS on average, a strong pipeline for the remainder of IDA18, and client demand for a further financial scale-up in IDA19.¹⁷ A second lesson is that regime-specific set-asides create opportunity costs and rigidities in resource planning and utilization, which sometimes require ad-hoc

Figure 2. IDA18 commitments to IDA FCS in the first twenty-two months



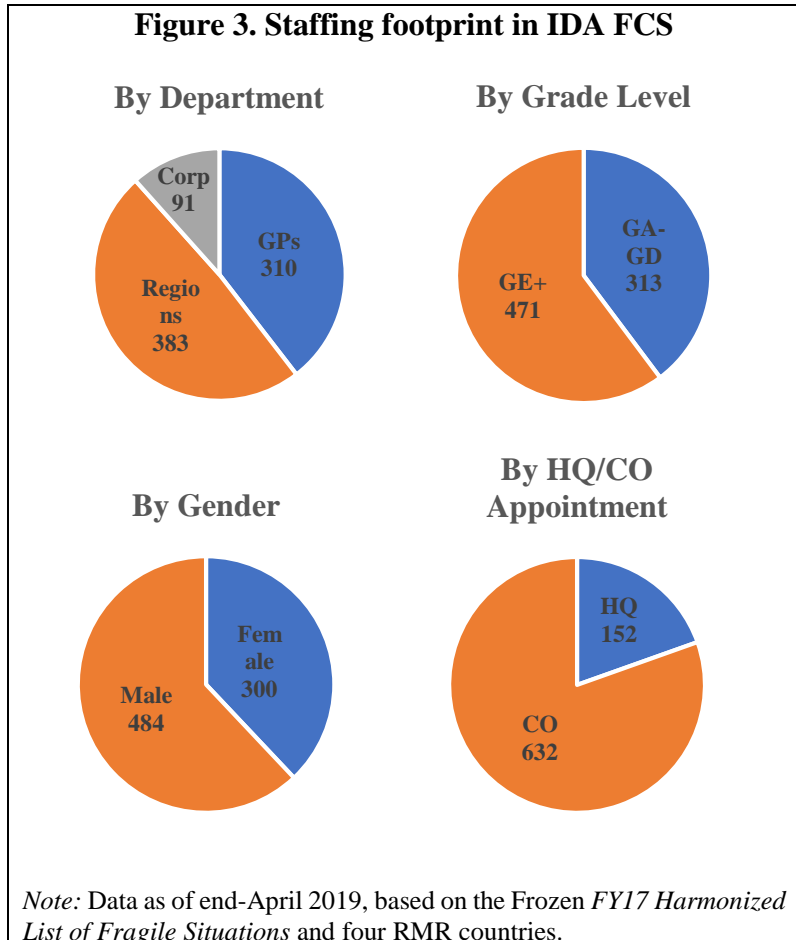
¹⁵ Under IDA18 FCV Policy Commitment 8, the WBG committed to implement the revised IDA resource allocation framework for FCS/FCV to enhance targeting of IDA's exceptional support and financial engagement in these countries. This commitment is on track. See Annex 1.

¹⁶ IDA18 enhanced the poverty and FCV orientation of the PBA formula by: reducing the Country Performance Rating (CPR) exponent from 4 to 3; removing the 20 percent grant discount and Multilateral Debt Relief Initiative netting out which primarily benefitted FCS; establishing the RMR to enhance support to countries with increasing risks of FCV; and increasing support to Small States by increasing the minimum base allocations from SDR4 to SDR15 per annum.

¹⁷ There is one exception to the financial scale-up leading to higher allocations across IDA FCS, and that is in the limited case of high-intensity conflict. For lessons from Yemen, see paragraphs 25-27.

exceptional allocations or reallocations. Taking these lessons together, some consolidation of the FCV-related allocations within Core IDA, with minimal exceptional set-asides would improve agility, efficiency and resource utilization. See Policy Commitment 7 (*operationalize the FCV Envelope*).

10. Under IDA18, the World Bank (WB) scaled up staffing in IDA FCS and strengthened the employment value proposition for staff who work in and on FCV. There are 784 staff working in IDA FCS and RMR countries – a net increase of 123 staff, of which 80 percent are GE+ grades, and 56 percent are women (Figure 3).¹⁸ Efforts have focused not only on increasing the number of staff but also ensuring the right skills and skills mix on the ground, including the deployment of a select number of fragility advisers in FCS. The staffing scale-up has been a significant undertaking. It can be challenging to find international staff with the right fit, experience and skills who are also willing to relocate to FCS, often due to family-related issues such as education, health and spouse employment. The fact that some IDA FCS duty stations are



non-family posts can exacerbate these challenges.¹⁹ It can also be challenging to recruit local staff with the requisite skills and experience in these settings. Senior Management has dedicated significant attention to this task and plans to do more. For example, efforts have been made to strengthen next assignment planning, though this needs to be further systematized. The WB has also begun to expand learning offerings, more systematically track FCV experience among staff, and strengthen rewards and incentives, such as the introduction of Hazard and Fragility Pay for local staff.²⁰ Nonetheless, the WB will continue to focus on strengthening the employment value proposition for staff through the FCV Strategy’s section on ‘Personnel’ which will recommend measures in key areas such as deployment processes, staff preparedness, enhanced learning

¹⁸ Under IDA18 FCV Policy Commitment 6, the WBG committed to increase the WB staffing footprint in IDA FCS countries by net 150 over the IDA18 period. This commitment is on track. See Annex 1.

¹⁹ 12 IDA FCS duty stations are designated as non-family posts including Bamako, Bujumbura, Monrovia, N’Djamena and Port au Prince.

²⁰ Examples of learning offerings include the Fragility, Conflict and Violence Core Course, FCV Onboarding, FCV eLearning, and Leading in Fragility.

offerings, ongoing support including health and safety, next assignment planning, staff rewards, and career development. See Policy Commitment 6 (*deploy additional GE+ staff*).

B. PROGRESS AND LESSONS FROM IDA18 POLICY COMMITMENTS

11. **Work is underway to refine the FCV typology and develop a new list of FCS to drive WBG engagement.** The new FCV list will distinguish between countries facing fragility ('F'), conflict ('C') and violence ('V'), recognizing that these are different challenges requiring tailored responses.²¹ All data will be based on internationally recognized and publicly available indicators and updated annually.

- (a) For the 'C', the list will identify countries experiencing conflict based on data of conflict-related deaths per capita. Within this category, the new list will differentiate by the severity of the conflict, as either high-intensity conflict or medium-intensity conflict.
- (b) For the 'F', the list will identify countries with high levels of institutional and social fragility based on indicators that measure the quality of policy and institutions.
- (c) For the 'V', the list will identify countries with high levels of interpersonal violence based on data on intentional homicides per capita.

12. **This new list will provide a practical framework to drive strategic and operational decision-making within the WBG on operational policies, human resource policies, and financing.** The WB recognizes that any typology has limitations but expects that the new list will improve on the previous version, as it will help tailor WBG engagement along the FCV continuum. Under the new list, the overall number of IDA FCS is not expected to increase significantly.²² The new list will be effective by the start of IDA19 and will be the basis for measurement of FCV-related actions for IDA19.²³

²¹ Under IDA18 FCV Policy Commitment 1, the WBG committed to adopt a risk-based approach for identifying fragility beyond those countries on the *Harmonized List of Fragile Situations*. This commitment is on track. See Annex 1.

²² Currently, 29 countries on the *FY19 Harmonized List of Fragile Situations* are IDA-only countries, and three are IDA blend countries.

²³ The new list will form part of the FCV Strategy and will be presented to the Board as part of the FCV Strategy in late 2019. For consistency, references to FCS in the IDA19 papers presented in June 2019 are based on the *FY19 Harmonized List of Fragile Situations*. By the IDA19 Replenishment meeting in December 2019, the finalized list will be the basis of measurement for IDA19.

13. **A key insight in IDA18 has been the need to further prioritize prevention and scale up preventive and inclusive approaches in IDA FCS to achieve the SDGs and WBG twin goals.** Following the launch of the UN-WB report, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict* (Box 1),²⁴ broad consensus has emerged that development efforts should prioritize prevention. This will be an important but challenging task. Already, the WBG

Box 1. Pathways for Peace

The report highlights the need to comprehensively address structural issues, reform of institutions, and direct incentives of actors if they are to bend the pathways towards peace. To break cycles of violence, first identified in the 2011 WDR, prevention must focus on the interaction between grievances and contestation, across arenas of power, security and resources. Like other development challenges, evidence presented in the study shows that prevention strategies are most effective and can only be sustained when they come from within a society and address the grievances and aspirations of all groups within it.

has prioritized efforts to apply the report's findings across sectors and country contexts. This is being done by translating the analysis of drivers of fragility in RRAs into Country Partnership Frameworks (CPFs) and Country Engagement Notes (CENs) (see Box 3) as well as through the RMR, whose rollout coincided with the development of the report (see paragraphs 28-29). At the operational level, insights from *Pathways for Peace* have encouraged a focus on investments such as building human capital, supporting the socioeconomic inclusion of women and youth,

promoting equitable access to services in lagging regions, promoting peaceful management of natural resources and addressing the grievances that can lead to an escalation of conflict and violence. The WB is also developing context-specific risk monitoring tools, such as the Lake Chad Regional Knowledge and Monitoring Platform that applies the *Pathways for Peace* framework and will assess environmental and conflict risks and promote regional dialogue with diverse stakeholders and partners on cross-border solutions. In Niger, the WB is supporting national risk monitoring and analysis, while also training a range of stakeholders on conflict mitigation and prevention, thus reinforcing the country's capacity to respond to and manage local conflicts. Looking forward, the WBG will scale up preventive and inclusive approaches as part of the pivot to prevention. In doing so, further efforts are needed to strengthen the evidence base for what works in these contexts.

14. **The Independent Evaluation Group's (IEG's) review *Learning from IDA Experience* offers several lessons on how to improve effectiveness in IDA FCS.**²⁵ These have informed both IDA19 and the forthcoming FCV Strategy (Box 2).

²⁴ Under IDA18 FCV Policy Commitment 2, the WBG committed to deepen the WBG's knowledge on the mitigation and prevention of FCV risks through a flagship report drawing on lessons from operational experience and impact evaluations. This commitment has been delivered. See United Nations; World Bank. 2018. *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, Washington, DC: World Bank. Available at <https://openknowledge.worldbank.org/handle/10986/28337> License: CC BY 3.0 IGO.

²⁵ Learning from IDA Experience, Lessons from IEG Evaluations, with a Focus on IDA Special Themes and Development Effectiveness, Independent Evaluation Group, March 2018. The report only includes data up to and including IDA17 for much of the analysis.

Box 2. Five key lessons from IEG

IEG's review *Learning from IDA Experience* offers five lessons on how to improve effectiveness in IDA FCS.

First, on *uptake of analytics*, IEG found that FCV analytics have been good, but carryover into CPFs has been mixed. RRAs have strengthened the WBG's analytical capacity, but CPFs have lacked tailoring to FCV drivers. As a result, several CPFs in FCS did not look markedly different from those in non-FCS. IEG suggests that CPFs 'more forcefully' incorporate RRAs, focus more systematically on fragility drivers and translate these more directly into country program priorities. The need for greater uptake of analytic work and differentiation in strategies is being addressed in IDA19. See Policy Commitment 1 (*base CPFs/CENs on RRAs*).

Second, on *project design*, IEG calls for simple and realistic project designs in FCS. On this, FCS projects can apply lessons from CRW-financed projects, which perform well because they are simple and realistic. Related to this, IEG evidence demonstrates that capacity building is critical to the sustainability of public service delivery in IDA FCS and should be a focus of operations. On this, see the Governance and Institutions Special Theme Policy Commitment 11 to support 85 percent of IDA FCS to strengthen core government functions.

Third, on *project performance*, IEG found that during IDA17, project outcome ratings in IDA non-FCS improved, whereas in IDA FCS they declined slightly by share of projects and remained about the same by weighted volume. This requires careful attention and is being addressed in several ways. A stronger ground-presence should help to ensure tailored programming and more hands-on support to clients during preparation and implementation. See Policy Commitment 6 (*deploy additional GE+ staff*). Further, the use of technology combined with capacity building is also helping teams and clients to improve performance. See Policy Commitment 5 (*build client capacity to use field-appropriate digital tools*). The forthcoming FCV Strategy will also include measures to improve project performance.

Fourth, on *monitoring and evaluation (M&E)*, IEG suggests that special effort is needed to improve M&E and impact measurement in FCS. Efforts are underway to provide operational staff with support and guidance on M&E. The WBG will continue to strengthen M&E design and implementation, including the choice of results indicators. The challenge of lack of data disproportionately affects IDA FCS, and this challenge is being taken up in IDA19 through the minimum data package that should improve the data environment in these contexts. The forthcoming FCV Strategy will also include indicators and propose specific approaches for monitoring WBG progress on multiple dimensions of FCV, including parameters such as trust, confidence, and perception of inclusion, and the impact that programming has on different groups of beneficiaries, such as gender, region, social group etc. The Strategy will also address M&E more broadly by leveraging innovative tools such as iterative beneficiary monitoring and participatory tracking (see paragraph 61).

Fifth, on *private sector development*, IEG calls for approaches that go beyond support for livelihoods and short-term employment and help to improve prospects for longer-term sustainability of program results. On this, see the Jobs and Economic (JET) Transformation Special Theme Policy Commitment 3, under which the International Finance Corporation (IFC) commits to increase its own-account commitments in IDA FCS to 10-15 percent in IDA19. The PSW, introduced in IDA18, offers the prospect of long-term employment and skills development in these the toughest markets (See paragraphs 38-39).

15. IDA18 has also brought progress and lessons on the use of RRAs to inform and differentiate CPFs in FCS. The RRA has proven to be a useful tool to deepen understanding of FCV issues within the WBG, with our clients, and among our partners (see Box 3 for an example). RRAs are informing Systematic Country Diagnostics (SCDs) and CPFs: 14 RRAs have been completed and six are ongoing.²⁶ A recent IEG evaluation highlighted the value of fragility assessments' systematic integration into SCD and CPF processes in FCS countries: IEG found that a sample of SCDs analyzed fiscal, environmental and social sustainability risks well when they

²⁶ Under IDA18 FCV Policy Commitment 3, the WBG committed that RRAs will inform all CPFs in FCS and countries with significant risks of FCV. This commitment is on track. See Annex 1.

drew on fragility assessments.²⁷ Nonetheless, RRAs remain a relatively new tool, and further work is needed to embed them more fully into the way the WBG does business. It is one thing for an RRA to inform a CPF, but another for the CPF to be truly tailored to its findings. Future RRAs should provide more specific guidance on programming, and CPFs should more explicitly consider RRAs at initiation stage.²⁸ A further lesson is the value of partnership in conducting this work. Under IDA18, a significant number of RRAs have been undertaken with partners including the UN, the European Union (EU), the African Development Bank (AfDB), Agence Française de Développement (AFD), and the German Federal Foreign Office. Although collaboration on analytical work can take longer, the RRA tends to benefit from the data, knowledge and networks of each partner. The collaboration also provides a platform for shared understanding of FCV dynamics, more coordinated programming and deeper collaboration with bilateral partners and Multilateral Development Banks (MDBs) in IDA FCS.

Box 3. RRAs in action – an example from Burundi

In Burundi, the RRA highlighted several drivers of FCV, including weak institutions, perceived elite capture, limited voice and accountability, the growing youth bulge and overpopulation. It emphasized the need to prevent elite capture, strengthen citizen engagement, and focus on local-level interventions that reach beneficiaries directly. As a result, the CPF selectivity filter calls for all new projects within the portfolio to apply a conflict sensitivity and peacebuilding lens and address the drivers of local conflict, through building trust and inclusion. A portfolio-wide baseline citizen engagement assessment is also underway to inform the design of activities that better integrate citizen engagement and consultation mechanisms. Applying the conflict lens, for example, the *Local Development for Jobs Project*²⁹ introduced careful selection criteria to minimize elite capture and to identify beneficiaries, notably women and youth at risk. The *Agro-Pastoral and Markets Development Project*,³⁰ which aims to support the livelihoods of agriculture and pastoral communities, draws on the RRA to map out the project's potential impact on vulnerable communities and will build on that experience to support the preparation of a new project for refugee and host communities, including internally displaced people (IDPs) and returnees, living in the project area. Also building on successful land certification, piloted by the Swiss Cooperation, the *Burundi Landscape Restoration and Resilience Project*³¹ supports local conflict resolution mechanisms linked to land disputes as well as citizen engagement and consultation mechanisms.

16. Under IDA18, the WB deepened its work on gender in IDA FCS. Five operations that focus on gender-based violence (GBV) have been approved, building on a baseline of one at the beginning of IDA18.³² For example, in the Democratic Republic of the Congo (DRC), the World Bank now trains health staff on the recognition, treatment, referral, and counselling for GBV victims with a focus on domestic violence, sexual assault, and sexual coercion faced by women and young girls in households, public spaces and state institutions, such as schools and police

²⁷ Independent Evaluation Group, 2017. *World Bank Group Country Engagement: An Early Assessment of the Systematic Country Diagnostic and the Country Partnership Framework*. Washington, DC: World Bank.

²⁸ Independent Evaluation Group, 2018. *Recent World Bank Experience with Risk and Resilience Assessments and Operational Programming in FCV Countries: An IEG Stocktaking*, Washington, DC: World Bank.

²⁹ P155060.

³⁰ P161447.

³¹ P160613.

³² Under IDA18 FCV Policy Commitment 5, the WBG committed to increase the number of operations in fragile contexts which prevent or respond to GBV, including through access to essential services and livelihood supported activities for women. This commitment is on track. See Annex 1. The methodology for measuring this policy commitment includes only those projects that directly prevent or respond to GBV in IDA FCS through either: (i) full project focus; (ii) project component or sub-component; or (iii) significant GBV activities integrated across the project. Under the Gender and Development Special Theme, the WB also measures the number of IDA-supported operations that take one or more actions to address GBV risk prevention or response in addition to safeguards requirements/environmental and social framework requirements.

stations.³³ Important progress has been made on addressing gender gaps, promoting agency, and addressing GBV in RSW projects. More than half of RSW approved projects to date incorporate specific analysis and actions to address gaps between males and females in refugee and host communities. Based on lessons from IEG evaluations, the WB will continue efforts to better integrate gender objectives and interventions in FCS, including by focusing on women's economic empowerment and agency. Looking forward, it will be important for IDA to further expand its approach to addressing gender in FCV contexts beyond women as victims of GBV and recipients of services, to include more focus on voice and agency, economic opportunities, women's role in peacebuilding, and human capital needs of women and girls, including in forced displacement contexts.

17. **In IDA18, the WB deepened partnerships with the UN, MDBs, the EU, bilateral partners and others, to ensure a more effective response in IDA FCS.** On analytics, the WB is working with the UN and EU on Recovery and Peacebuilding Assessments (RPBAs),³⁴ which provide a platform for collaboration around joint analysis and needs assessment and help governments and national stakeholders prioritize activities. For example, as part of the Cameroon RPBA, a joint government-partners steering committee and secretariat were set up to monitor RPBA implementation and coordinate activities, providing an institutionalized channel for coordination with government and across partners, including with the EU, UN and WB. In Zimbabwe, the first phase of the RPBA being conducted with the UN and AfDB features an analysis of challenges and needs across 25 sectors. This analysis has since been adopted by the government as part of their post-election Transition Stabilization Program.

**Box 4. Regional cooperation in the Sahel:
the North Core Regional Power Interconnector Project³⁵**

The construction of the *North Core Regional Power Interconnector* supports development in a fragile region with the integration of these countries into the West African Power Pool (WAPP), through the construction of a high-voltage transmission line connecting Nigeria, Niger, Bénin and Burkina Faso. The line provides access for these countries to a larger regional energy market that offers more affordable access to electricity, decreases dependency on imported fuels, and improves reliability of the system. The project is co-financed with the AfDB, AFD, EU and the Government of Nigeria, and was designed to accommodate fragility dynamics faced by each country.

The project not only exemplifies cooperation between four West African countries but also between partners (AfDB, AFD, EU and WB), based on a shared vision of more sustainable and equitable growth. The project builds on joint AfDB-WB support for the creation of a regional energy market through the WAPP, as well as the Côte d'Ivoire, Liberia, Sierra Leone, and Guinea interconnection project, currently under construction, done with the European Investment Bank and Kreditanstalt für Wiederaufbau (KfW). The *North Core Project* also supports the WBG's engagement with the Sahel Alliance.

A key success factor has been the adoption of a centralized professional implementing unit, which allows for the project to be implemented simultaneously across countries and helps to build capacity of national utilities. A second characteristic has been the decision to include a rural electrification component along the transmission line to increase electricity access to underserved populations. The *North Core Project* is expected to electrify 252 localities in Niger, serving 243,000 people; and 150 localities in Burkina Faso, serving 189,000 people.

³³ See *DRC Health Systems Strengthening Additional Financing*, P157864.

³⁴ Under IDA18 FCV Policy Commitment 7, the WBG committed to undertake joint RPBAs as openings arise for engagement in the aftermath of conflict in IDA countries. This commitment is on track. See Annex 1.

³⁵ P162933.

18. **The WB has also deepened operational partnerships, importantly with mission-critical partners that have complementary comparative advantages.** (See for example Box 4.) In Somalia, its non-accrual status with IDA prevented a conventional WB response during severe crises. The exceptional CRW allocation to support response and famine prevention in 2017 was therefore provided to the International Committee of the Red Cross (ICRC) and Food and Agriculture Organization (FAO) – to deliver services in the most remote, insecure parts of the country,³⁶ as part of the WB’s overall regional drought and famine response to five countries. In Mali, implementation through United Nations Office for Project Services (UNOPS) and logistical arrangements with the United Nations Multidimensional Integrated Stabilization Mission are enabling the IDA-financed project to rehabilitate the Port of Konna, critically important for the stabilization of Central Mali.³⁷ Under the RSW, the working relationship between the WB and United Nations High Commissioner for Refugees (UNHCR) has led to concrete outcomes, including strengthened humanitarian-development complementarity in programming, coordinated policy dialogue with client governments and close monitoring of the protection environment in RSW countries. The WB and UNHCR have also jointly conducted a range of assessments, data analysis and evidence-building. A Joint Data Centre on forced displacement is being established to collect and analyze population and socio-economic data, facilitate open access to that data, promote innovation, and strengthen the sustainability of a global data collection system that can serve analytics, dialogue and operations. Multi-donor trust funds (MDTFs) such as the State and Peacebuilding Fund (SPF) and the Afghanistan Reconstruction Trust Fund (ARTF) are also important ways in which partners complement IDA (see Box 5).

Box 5. Trust funds complement IDA in FCS

Trust Fund (TF) resources complement IDA, particularly in three scenarios: (i) where needs far exceed what IDA can provide; (ii) where the need is for fast and flexible grant funding to catalyze IDA’s work; and (iii) in cases where IDA cannot engage because the country is in arrears.

Afghanistan is a good example of a situation where needs far exceed what IDA can provide. The ARTF pools donor funds and is the largest source of on-budget financing for the country’s development. Similarly, in Yemen, PBA adjustments will never meet the profound development needs of the Yemeni people, but large-scale financing through a complementary MDTF could multiply IDA’s efforts.

For the second scenario, the SPF is one of several TFs that supports analytic work that informs IDA operations at scale. SPF grants support strategic and policy dialogue with clients on forced displacement. They also help RMR countries to develop RRAs and implementation notes to adapt programming to mitigate fragility risks. The SPF can also provide seed funding to single-country MDTFs and can pilot innovative approaches.

Country-level TFs also complement IDA when a country in need does not have an active IDA program. This has been the case in Liberia, Somalia and Zimbabwe. For example, in the aftermath of Cyclone Idai, IDA responded at scale in Malawi and Mozambique, but there were limited avenues for IDA to respond in Zimbabwe, given its arrears to both IDA and International Bank for Reconstruction and Development (IBRD). On an exceptional basis, and considering the regional spillovers, CRW financing was used and carefully ring-fenced to support the Zimbabwean people through UN agencies without going through the Government. Meanwhile, the WB is working with partners to raise resources for the Zimbabwe Reconstruction Trust Fund and looking for longer-term solutions to address cases of countries in arrears that experience severe crises and to avoid repeated use of exceptional measures.

³⁶ *Somalia Emergency Drought Response and Recovery Project*, P163830.

³⁷ See *Mali Reconstruction and Economic Recovery Project*, P144442, and Additional Financing, P167396.

C. PROGRESS AND LESSONS AT THE HUMANITARIAN-DEVELOPMENT-PEACEBUILDING NEXUS

19. **The WB brings valuable contributions at the humanitarian-development-peacebuilding nexus as part of a broader international effort.** In line with its mandate and authorizing framework, the WBG engages in development in these contexts based on its comparative advantage. These advantages include its ability to bring in a combination of predictable medium- to long-term financial resources, its analytical and advisory services, its convening power, as well as its development perspective to complement humanitarian and peacebuilding support.

20. **Given the highly protracted nature of conflict, development actors must remain engaged during situations of active conflict and in areas impacted by the spillovers of conflict.** This is particularly important for helping to preserve essential institutions, build resilience, and provide critical services to impacted communities. For example, with refugees and IDPs displaced for many years, both humanitarian and development support are needed to address this challenge.

21. **Therefore, partnership with humanitarian and peacebuilding organizations is critical to operating in IDA FCS.** To this end, the 2016 World Humanitarian Summit stressed the importance of transcending the humanitarian-development divide in order to support the most vulnerable.³⁸ In recent years, the WB has made important progress at the humanitarian-development-peacebuilding nexus, specifically by: (i) focusing on conflict and crisis prevention; (ii) working in situations of active conflict – as in Yemen, South Sudan or the Central African Republic (CAR) – to strengthen capacity, build the resilience of local institutions, provide access to essential services, and preserve hard-won development gains; and (iii) providing medium- and long-term development support to refugee and host communities. Partnerships with UN humanitarian and peacebuilding agencies, as well as non-governmental organizations (NGOs), has been critical to bridging the humanitarian-development-peacebuilding nexus, while at the same time recognizing that the WB focuses on its core comparative advantage as a development actor.

22. **In addition, partnerships with security actors have been key to providing development support in the most insecure environments.** By working closely with security actors – for instance with UN peacekeeping missions in CAR, Mali and the DRC – the WBG can provide rapid development support as soon as insecure areas are stabilized. This is crucial to supporting and strengthening the presence of the state, and ultimately its legitimacy in the eyes of its citizens by rebuilding critical infrastructure and providing access to essential services.

23. **The public finance perspective has been among the key strategic entry points for WB engagement with clients on security-development issues, which often have significant macro-fiscal implications.** To this end, Public Expenditure Reviews (PERs) of the security sector have been undertaken in more than 20 countries and have facilitated policy dialogue on security and the ways in which the WBG and its partners can support government objectives and enhance development assistance. These have led to key strategic and operational outcomes ranging from the dialogue on pensions and ageing personnel in Guinea-Bissau (see Box 6) to procurement reform in Afghanistan. Another example is the WB's work on military auditing and payroll reform

³⁸ <https://www.agendaforhumanity.org/resources/world-humanitarian-summit#outcome-documents>.

in Somalia, which has been central to the Government's reform track toward debt relief. In addition, the WBG has long been engaged on development programs related to the disarmament, demobilization and reintegration of former combatants, as well as citizen security, justice and the rule of law. Looking ahead to IDA19, there is an increasing scope for WBG engagement at the security-development nexus, particularly to address cross-border challenges.

Box 6. Security spending in Guinea-Bissau³⁹

In Guinea-Bissau, a 2018 PER conducted by the World Bank found that military expenditure accounts for around 15 percent of government expenditure,⁴⁰ with the lion's share going to wages and salaries. The PER found that the primary challenges for the army and police are value for money of security spending, lack of effective security sector governance, and challenges to long-term sustainability of expenditures. The average age of soldiers is nearly 49 years old, and almost one-quarter have reached the retirement age of 60. With no change in recruitment and pensions policies, nearly 40 percent of soldiers will be eligible for retirement in the next five years, putting extra strain on the budget. The PER's affordability scenarios showed that a gradual retirement schedule would save the government wage bill US\$46.3 million over five years.

24. The forthcoming WBG FCV Strategy will clarify and sharpen the role of the WBG at the humanitarian-development-peacebuilding nexus, by taking stock of past and existing partnerships, and providing concrete guidance on how to most effectively engage with humanitarian, peacebuilding, and security actors. To this end, effective implementation at the humanitarian-development-peacebuilding nexus will be central to the strategy and maximizing the WBG's impact on-the-ground in fragile and conflict-affected situations.

25. The IDA18 experience in Yemen prompts several lessons for IDA19. A study of lessons learned in Yemen suggests that IDA has achieved significant results through a set of adaptive, multi-dimensional development interventions that complement humanitarian efforts by maintaining institutional capacity and human capital and thereby promoting resilience and future recovery.⁴¹ In the absence of direct in-country supervision because of security constraints, the WB collaborates with the UN and national institutions, whereby the WB provides a conceptual foundation, technical and operational design and financing, while UN agencies are working with national institutions to provide on the ground implementation capacity (See Box 7). Innovative solutions have been employed to mitigate high risks. While risks remain, it is also important to consider the risks and costs of inaction.

³⁹ World Bank. 2019. *Guinea-Bissau - Public Expenditure Review: Managing Public Finance for Development (English)*. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/934031547818643963/Guinea-Bissau-Public-Expenditure-Review-Managing-Public-Finance-for-Development>.

⁴⁰ In several other countries, military expenditure accounts for a significant share of government expenditure. For example, in Mali, it is 14.3 percent. In Chad, 14.6 percent. In the Republic of Congo, 10.4 percent. In Niger, 9.5 percent. Based on data from the Stockholm International Peace Research Institute, 2018. Figures are for military expenditure expressed as a percentage of general government expenditure and are for the 2018 calendar year. Data for general government expenditure are from the IMF World Economic Outlook and include spending by all levels of government: central/federal, state/provincial/regional, municipal and local government, etc. <https://www.sipri.org/databases/milex>.

⁴¹ *World Bank Operations in Active Conflict – Operational Experiences in Yemen since 2015 – A Lessons Learned Study* (forthcoming).

Box 7. Adding value at the humanitarian-development nexus: an example from Yemen

The US\$150 million *Yemen Integrated Urban Services Emergency Project (YIUSEP)*⁴² aims to restore access to critical services in Yemen's urban areas. YIUSEP takes an integrated, multi-sector, area-based approach, building on the WBG's know-how to help coordinate and complement cross-sector service delivery restoration. For example, the project supports health services by installing solar electricity systems for hospitals (see picture of Al Jamhoria Hospital, Aden) implementing energy efficiency measures, fixing the water network in the servicing area of the hospital, and rehabilitating road access to health facilities – all implemented through one coordinated approach.



The WB has partnered with UNOPS to implement the project, given its ground presence and strong infrastructure development capacity. The WB has drawn on its long-term relationships prior to the conflict to facilitate a partnership between UNOPS and three local entities (Public Works Project, Road Maintenance Fund and Urban Water Project Management Unit) to design and implement the operation. The WB provides implementation support to UNOPS and its local partners, including by advising on technical design of subprojects, facilitating coordination between UNOPS and other IDA-financed projects (e.g. the *Yemen Emergency Health and Nutrition Project*), monitoring compliance with environmental and social safeguards, and piloting citizen engagement mechanisms for subproject prioritization. In addition, the WB adds value through its longer-term development horizons, its ability to leverage global knowledge and experience, and its convening power to steer a long-term recovery and sustainability approach that is adapted to the local context.

The WB is also harnessing technology for risk management. It utilizes satellite imagery and social media analysis for criteria-based selection of cities and sectors. The project has also developed a digital geographic information system-based platform that maps out and tracks the progress of all subprojects and publicly discloses procurement-related information to enhance transparency.

26. **The WB's experience in Yemen also highlights a structural issue with the IDA allocation framework, namely that the PBA system is not designed to support client countries experiencing high-intensity conflict.** Rather, the PBA is designed to incentivize performance by channeling more resources to countries where policies and institutions are of better quality to target scarce concessional IDA financing where it can be used most effectively. Yet, high-intensity conflicts cause myriad vulnerabilities and disruptions that reduce the quality of institutions. As core government functions weaken, governments face different imperatives and incentives and often have limited reach or ability to improve performance. As a result, CPIAs and Country Performance Ratings (CPRs) deteriorate, which in turn lower the country's IDA allocations to a level that inhibits meaningful engagement at the humanitarian-development nexus and risks leaving the poorest and the most vulnerable behind. Beyond Yemen, and in line with the differentiated approach, there will be times when IDA member countries will expect the WB to remain engaged in these contexts. Currently, the only mechanism to prevent the PBA from falling in these contexts is an ad-hoc exceptional country allocation.⁴³ The WB could respond more systematically and flexibly in these cases if a mechanism was built into Core IDA, based on criteria

⁴² P164190.

⁴³ In the IDA18 Mid Term Review (MTR) an exceptional allocation was made for Yemen, increasing its IDA18 allocation from US\$342 million to US\$742 million. See *IDA18: Post-Mid-Term Review Amendments*, IDA/R2018-0401, December 17, 2018.

agreed with IDA members. (See paragraphs 74-79 for IDA19 proposal to create a floor allocation in these cases.)

27. **A further lesson from IDA18 is that the WB could respond with greater agility in situations of conflict by simplifying the approval process for funding UN agencies or international NGOs (INGOs) to implement development projects using IDA funds.** On several occasions during IDA18, IDA has requested the Board to approve waivers to WB policies to enable IDA to partner with UN agencies and/or INGOs for development projects that benefit IDA-recipient countries in conflict, including in South Sudan and Yemen. In cases such as these, three types of waivers are needed: a waiver to enable IDA to provide financing to UN agencies and/or INGOs directly using IDA funds;⁴⁴ a waiver of the commitment charge to that organization; and a waiver of the World Bank Anti-Corruption Guidelines.⁴⁵ The repeated requests for waivers prompts the query as to whether the IDA Framework should be adjusted to accommodate the issues and avert the need for such repeat waivers. The circumstances that give rise to these waivers are rare, but they are likely to continue to arise in the future when working through UN agencies and INGOs presents a sensible, and sometimes the only possible, way for IDA to engage in these the most challenging environments. Feedback also suggests that waiver processing can divert country and task teams from their primary role of developing and overseeing good development projects in the toughest environments. Looking forward, the waiver of the Anti-Corruption Guidelines raises issues beyond IDA, is exceptional, and warrants Board approval in each specific instance. However, the IDA Framework could allow in limited circumstances for direct funding to UN agencies and INGOs and a \$0 commitment charge (see paragraph 77 for such a proposal). As part of the forthcoming FCV Strategy, the WB will review operational policies to enhance effectiveness in FCS. Any proposed revisions to operational policies relating to these issues will be submitted to the Board for consideration.

D. PROGRESS AND LESSONS FROM THE IDA18 FINANCING TOOLKIT

28. **Under IDA18, the RMR was introduced to support countries to mitigate conflict and fragility risks and reinforce sources of resilience.**⁴⁶ Diagnostics were a prerequisite for receiving the supplemental allocation: in each country, an RRA identified the key FCV risks and detailed implementation notes identified how the RMR resources should be allocated to address these risks. These increased requirements took more time relative to the automaticity of core PBA. Overall though, the investment of time and effort was worthwhile. These RRAs and implementation notes

⁴⁴ The WB policy framework already foresees that in certain exceptional circumstances UN agencies and/or INGOs may be funded directly, including when: the World Bank determines that there is “no government in power” under OP 2.30 (or its successor); there is a de-facto regime with which the World Bank is unable to deal with under OP 7.30; or in grave and catastrophic humanitarian crises and emergencies where government capacity is crippled or affected.

⁴⁵ There are three types of waivers sought in these circumstances. First, there is the waiver of the IDA national allocation eligibility criteria or special window eligibility criteria in order to allow UN agencies or other INGOs to receive IDA funds out of the IDA allocation or special window (Paragraph 6 of Bank Policy - Lending Operations: Choice of Borrower and Contractual Agreements (July 17, 2017)). Second, there is the waiver of application of the IDA Commitment Charge to UN agencies or other INGOs for the duration of the proposed Project ((Section III.2(b)(iv) of Bank Policy - Financial Terms and Conditions of Bank Financing (issued June 29, 2018) and Section 3.01 of the IDA General Conditions for Credits and Grants (issued July 17, 2017)). There is a third category of waiver that is often requested in these circumstances, and this is the waiver of the application of the Anti-Corruption Guidelines (Bank Directive, Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (issued July 19, 2016)) for the IDA grant to UN agencies or other INGOs (Bank Directive for Investment Project Financing and Section 5.14 of the IDA General Conditions for Credits and Grants for Investment Project Financing.)

⁴⁶ In IDA18, RMR was initially piloted in four countries, Guinea, Nepal, Niger and Tajikistan.

became a basis for dialogue within teams and with clients on a range of difficult issues. In turn, several of those issues were integrated into SCDs and CPFs, beyond what would have been business-as-usual in those countries. The RMR also increased WBG understanding about how country programs can address fragility risks.

Box 8. RMR in action

In all four countries, interventions target at-risk populations such as unemployed youth or border populations that would not have been prioritized through business as usual. In Tajikistan and Niger, geographic rather than poverty focused targeting has been used to respond to regional grievances. In Guinea and Niger, the establishment of early warning systems in communities has proven to be useful in addressing localized conflicts that may ignite more deeply rooted grievances. Niger also used the RMR financing to further support regional projects targeting irrigation and pastoralism. Meanwhile, in Nepal, a development policy credit has supported the fiscal arrangements for the newly established federal system, focusing on good governance, transparency and accountability. The shift from a unitary, centralized state structure to a federal state is regarded as key to addressing one of the structural drivers for systemic change and sustainable peace.

29. **The RMR (Box 8) has prompted lessons about the design of exceptional regimes.** First, the process for identifying eligible countries was relatively complex.⁴⁷ This group of countries faces different kinds of risks, which blurred the objectives and consensus of what risks the RMR aims to mitigate. As a further lesson, the pre-identification of four countries in the IDA18 Replenishment Report somewhat blunted the regime's incentive structure. Country eligibility required evidence of Government commitment to address risks, but pre-identification and lack of specificity of what constituted such evidence reduced WB leverage to encourage RMR clients to deal with the most challenging drivers of fragility and to ensure national buy-in. Pre-identification also

limited the ability to add new countries during the IDA cycle. Conflict prevention tools need to be flexible enough to respond rapidly to emerging risks in new countries. As IDA iterates, these lessons have informed the design of FCV-related allocations in IDA19.

30. **The TAR has proven to be an effective tool to support countries that are attempting to turn around after a period of conflict or fragility and to help build stability and resilience.** Experience to date shows that the TAR has brought significant resources to eligible countries that helped them meet key turnaround milestones. That said, TAR countries have not been immune to the often volatile and nonlinear nature of transitions that can lead to setbacks.

31. **The incentive structure of the TAR has worked well and is worth replicating.** Unlike the RMR, the TAR does not pre-identify countries, so a country may apply for supplemental resources when a significant window of opportunity opens up.⁴⁸ As part of the eligibility process, the Government commits to milestones, which are reviewed annually to confirm the country's

⁴⁷ Prior to IDA18, the WBG conducted a scan of countries for fragility risks. This scan included several factors: high level of violence (battle deaths higher than 300 per year and intentional homicides higher than 1000/100,000 per year); high level of displacement as a share of population (higher than 10 percent); flags of policy and institutional exposure to risk of FCV outcomes (CPIA flags). Regarding CPIA flags, the scan analyzed four out of the 43 CPIA sub-indicators that are most commonly associated with instability and lack of overall resilience. Within these four sub-indicators, a threshold of less than 3.0 was used. Countries with at least one of these flags were chosen.

⁴⁸ The CAR and Madagascar have received TAR support since IDA17. The Gambia, approved in FY18, started using TAR resources in FY19. Guinea-Bissau was originally eligible for the TAR in IDA17, but support was withdrawn in FY17 after the Government did not meet agreed milestones due to repeated political instability and reform stagnation in the country.

continuing eligibility. These milestones, and their annual reviews, create a feedback loop that sustain the structure of the regime.

32. Experiences suggest that there is room to make the TAR allocation formula simpler, more agile and responsive to demand. Generally, the TAR is not widely known or well-understood by clients and country teams.⁴⁹ Fewer countries have participated in the regime than may be expected, despite the potential for eligible countries to receive approximately double their PBA.⁵⁰ Currently, it is not possible for a client to know in advance of the eligibility process the allocation it may receive, and this may blunt the incentive to participate. The process can also be time-consuming.⁵¹ Given the sometimes-narrow window to seize momentum for reforms in TAR countries, a simpler allocation and process would enable the TAR to respond more quickly to achieve its aims. TAR allocations also bring some practical rigidities, in that they can require fixed set-asides for what are inherently unpredictable circumstances, such as when or to what extent a country may turn around.

33. The RSW has made a lot of progress in a short time. As of May 2019, 14 countries are eligible for the RSW.⁵² As of end-2017, these countries cumulatively host around 72 percent of the refugees (6.4 million refugees) residing in IDA and blend countries.⁵³ As of May 2019, 18 RSW projects in nine countries have been approved across multiple sectors, totaling US\$913 million, with a healthy pipeline for the rest of IDA18.⁵⁴ See Box 9 for an example and Annex 2 for the list of projects.

34. The RSW has also had early success in policy dialogue. The WBG's engagement in the preparation of the Global Compact on Refugees was instrumental in shifting dialogue from a pure

⁴⁹ The TAR adopts a two-filter approach to assessing eligibility. First, the potential candidate was required to demonstrate that the conflict and/or collapse of the state are imposing significant obstacles to development. This was evidenced through the Post-Conflict Performance Indicator (PCPI) framework. Second, the potential candidate was required to demonstrate that: (i) the country is facing a turn-around situation, as defined for the purpose of the regime; (ii) the country is committed to take the steps necessary to make the most out of that situation (e.g. avoid conflict and identify and address the drivers of fragility and conflict); and (iii) the national planning associated with the turn-around situation has broad international support. These second-filter criteria were evidenced by: (i) a reasonable expectation of continued stability based, inter alia, on the WB's endorsement of a national plan associated with the turn-around situation; (ii) an effective national counterpart for the WB; (iii) concerted international support for the national planning and the potential for a well-defined role for the WB; and (iv) satisfactory early performance demonstrated, for example, by strong portfolio performance or by the country having taken convincing steps towards social and economic recovery. For countries emerging from conflict, it would also be expected that active conflict has diminished sufficiently to allow implementation of IDA supported activities, including by a reasonable expectation of a formal cease-fire.

⁵⁰ Determination of the level of support under TAR is based on a country performance index which is calculated as a weighted sum of a country's PCPI and Portfolio Performance Rating and a country specific scale factor (*alpha*). The resulting index is then matched to a notional maximum per-capita allocation unique to TAR. The notional per capita allocation is then multiplied by the country's population and added to a country's base allocation. The amount is known only once the *alpha* (which has a maximum value of 1) is agreed, creating some ambiguity around the final allocation. Nonetheless, in each case the application of the formula has translated to an allocation of between 1.8 to 2.3 times the country's PBA. Simplifying the formula and process would enable governments to make more informed choices in line with the incentive structure of the regime.

⁵¹ For example, Guinea-Bissau was potentially eligible for TAR in 2014 but delays for both substantive and procedural reasons meant that the country's eligibility was confirmed in 2015. Earlier access may have better enabled the government to seize a window of opportunity.

⁵² Bangladesh, Burkina Faso, Burundi, Cameroon, Chad, Djibouti, DRC, Ethiopia, Mauritania, Niger, Republic of Congo, Rwanda, Pakistan and Uganda.

⁵³ Staff estimate based on data from the UNHCR.

⁵⁴ Under IDA18 FCV Policy Commitment 4, the WBG committed to increase the number of operations targeting refugees and their host communities. This commitment is on track. See Annex 1.

humanitarian agenda to one that also reflects development principles. Bringing the WB to the table in refugee hosting countries has been a game changer in contributing to a whole-of-government development approach to refugee management.

Box 9. Uganda Development Response to Displacement Impacts Project

Uganda hosts more than one million refugees, mostly in settlements in the poorer northern districts. In these areas, the *Uganda Development Response to Displacement Impacts Project* (P164101) aims to improve social and economic services and infrastructure, ensure sustainable environmental management including promoting the use of alternative and efficient energy sources, and increase the income-earning opportunities for refugee and host communities. The project also supports the sustainability of Government's progressive refugee policies and practices, as it focuses on: (i) boosting resilience to refugee shocks, in part by supporting the integration of the refugee response in sectoral strategies and district development plans; (ii) enhancing self-reliance and long-term socio-economic development in areas that host refugees; and (iii) strengthening effective coordination of humanitarian aid and development assistance.

In Ethiopia, dialogue led to the adoption of reforms that shift away from the decades-old encampment model and offer refugees socio-economic rights, including to move freely, work, and access services.⁵⁵ In Cameroon, Chad, Niger, the Republic of Congo, and Uganda, the WB is supporting the transition from humanitarian to national service delivery of health, education, and social protection. In Bangladesh, the WB is helping the Government to adopt a medium-term approach to their emergency response by strengthening systems to respond to the Rohingya crisis. In Rwanda, the WB helped the Government to adopt a Strategic Plan for Refugee Inclusion to expand refugee access to services and economic opportunities and is now supporting its implementation. In Pakistan, dialogue is underway on more

predictable terms of stay for some Afghans and on economic inclusion by enabling refugees to open bank accounts.

35. Some early lessons are emerging about how we approach dialogue and policy under the RSW. Legal and policy environments are markedly different across country contexts. In some countries, like Ethiopia, the RSW provided a critical entry point that catalyzed legislative and policy shifts at the highest level. In others, policy change is likely to take longer given public sensitivities, and government plans can be derailed by political and security issues beyond WB or government control. In such cases, a more incremental approach to sectoral policy changes is more realistic. Analytical work offers a useful entry point for dialogue, and studies that quantify the impact of refugee inflows on hosting communities and model the development dividends of different approaches have been influential.⁵⁶ Having staff on the ground is crucial in moving the dialogue and coordinating with key players. Success will require continued high-level engagement together with our bilateral partners, civil society organizations (CSOs), and regional organizations. Partnerships, particularly with UNHCR, will be ever more critical in areas like targeting, transition from humanitarian to national service delivery, and protection in non-camp environments.

⁵⁵ The use of P4R for the *Ethiopia Economic Opportunities Program* (P163829) is considered key in the timely passage of the Refugees Proclamation providing a wide range of rights for refugees, including the right to live freely, work, access education, obtain legal documentation and open bank accounts. The program supports the government's approach to development solutions for refugees, while expanding jobs and economic opportunities to benefit both Ethiopians and refugees. The passage of the proclamation was a condition of project effectiveness.

⁵⁶ Verme, Paolo; Schuettler, Kirsten. 2019. *The Impact of Forced Displacement on Host Communities: A Review of the Empirical Literature in Economics (English)*. Policy Research working paper; no. WPS 8727. Washington, D.C.: World Bank Group; Sanghi, Apurva; Onder, Harun; Vemuru, Varalakshmi. 2016. *Yes in my backyard? The economics of refugees and their social dynamics in Kakuma, Kenya (English)*. Washington, D.C.: World Bank Group.

36. **Some early lessons are also emerging about RSW programming.** A key insight is that refugees are often hosted in peripheral regions, where the government is less present, and services are limited. Assets, arable land, water and economic opportunities are often scarce, and refugee inflows have substantial impacts on host communities. WB engagement has helped to bring focus and attention to these lagging and under-serviced regions in IDA countries and to address important challenges that both communities face. The RSW is also engaging in new and sensitive topic areas, and this requires a risk tolerance and a willingness to invest time and resources into careful preparation, protection monitoring, and mitigation of social risks. Experience shows that it takes considerable effort to tailor conventional sectoral approaches to the specific vulnerabilities these groups face. Going forward, efforts will continue to ensure that project designs are tailored to directly address the specific needs of refugee and host communities, especially for women and girls.⁵⁷ Effective implementation also requires experimentation, learning, enhanced monitoring, and regular revisions to adapt to changing circumstances.

37. **The RSW design could also be simpler at the margin.** In IDA18, the RSW was a sub-window within the Regional Window, but in practice there has been little benefit in this arrangement. Also, RSW countries contribute one-sixth of their National IDA allocation to the total project cost, which is half of the one-third contribution of the Regional Window and is designed to reflect client commitment to the project. The fraction is not an intuitive number to calculate, and this has caused some complexity and delay in already-sensitive client dialogue, diverting attention from important issues, such as policy reform, programming and implementation planning. (See paragraphs 84-88 for proposals for IDA19.)

38. **Under IDA18, the PSW was introduced to create markets and catalyze private investment where fully commercial solutions are not yet possible and where the WBG's other financial instruments are not sufficient.** The first IDA PSW project using the IFC Local Currency Facility aims to expand the availability of mortgage finance by US\$500 million in eight West African countries, four of which are IDA FCS. IFC and IDA have also invested US\$15 million in a private equity company that manages a specialized Small and Medium Enterprise fund to improve smaller sized and earlier staged firms' access to finance in Myanmar. The first IDA PSW project tapping the Multilateral Investment Guarantee Agency (MIGA) Guarantee Facility aims to support Afghanistan's underdeveloped raisin sector by facilitating private sector investments. The PSW is also supporting a greenfield agri-industrial operation in Sierra Leone that will process and market tropical fruit for export to Europe, the United States, and the Middle-East and will bring the first major industry player to Sierra Leone's fruit and canned juice subsector. The project is expected to create 3,500 direct formal jobs by 2023 and generate up to US\$35 million of foreign currency receipts per year.

39. **Overall, the IDA PSW has invested (or has committed to invest) in funds, bonds, smaller businesses, renewable energy, infrastructure, housing development, and other job-generating sectors.** About 56 percent (US\$169 million) of PSW allocations approved by the Board and 33 percent of total volume committed (US\$49 million) are in IDA FCS. In terms of project count, six of the fifteen Board approved projects are in IDA FCS, and six out of eleven committed projects are in IDA FCS. The pipeline of proposed investments seeking IDA PSW support is strong and growing. Projects in IDA FCS comprise 50 percent of the post-concept PSW

⁵⁷ See *World Bank Group Support in Situations Involving Conflict-Induced Displacement*, Independent Evaluation Group, 2019.

pipeline. PSW support has tended to be used for projects at the riskier end of IFC's and MIGA's risk ratings. (See also *PSW Paper* and its Annex 1).

III. WAY FORWARD AND PROPOSED POLICY ACTIONS

40. For IDA19, Management proposes to further deepen engagement in FCV under four Pillars of Engagement, through seven Policy Commitments, and applying a refined financial toolkit. Several of the policy commitments support multiple Pillars of Engagement, and the financial toolkit offers a financing tool for each Pillar of Engagement.

41. The IDA19 proposals on FCV synchronize with the forthcoming WBG FCV Strategy. The two are built on the same conceptual framework, strategic priorities and analytical underpinnings.⁵⁸ The IDA19 FCV Special Theme frontloads key content from the FCV Strategy to ensure a strategic and coherent WBG approach in FCS. In a symbiotic way, the FCV Strategy is both building on IDA's achievements and lessons and will also be a vehicle to implement the IDA19 directions and commitments.

A. APPROACH TO FCV: FOUR PILLARS OF ENGAGEMENT

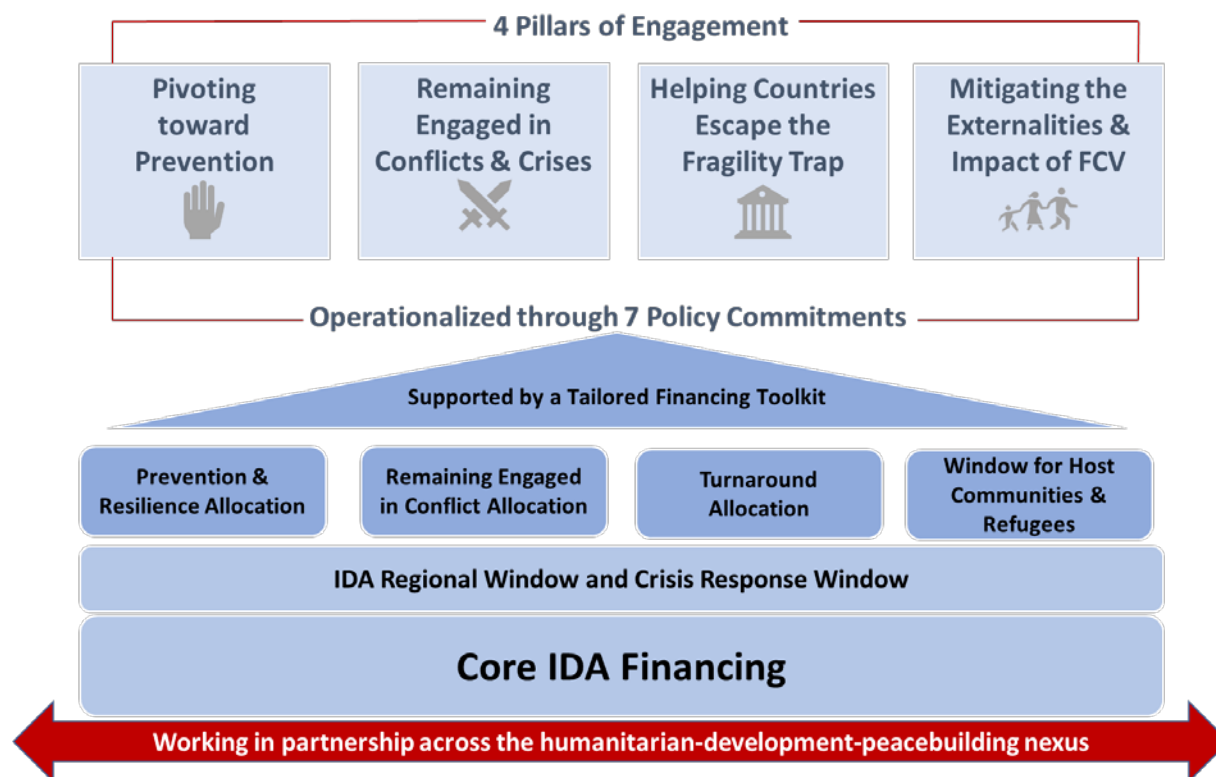
42. The FCV Strategy Concept Note and the IDA19 FCV Special Theme are both based on four Pillars of Engagement:

- (a) Focusing on prevention and proactively addressing FCV risk factors before they turn into full-blown crisis;
- (b) Remaining engaged to preserve institutions and maintain service delivery in situations of crisis and conflict;
- (c) Helping countries escape the fragility trap; and
- (d) Mitigating the spillovers of FCV shocks, including on forcibly displaced populations, host communities and vulnerable groups.

Through this differentiated approach, IDA will tailor its response more effectively to the diverse and complex nature of each IDA FCS and focus on drivers of fragility and factors of resilience (see Figure 4).

⁵⁸ A detailed Concept Note for the FCV Strategy is available here, <https://consultations.worldbank.org/consultation/world-bank-group-strategy-fragility-conflict-and-violence>.

Figure 4. IDA19 addresses FCV drivers and their impact on vulnerable populations, to support peace and prosperity



Pillar 1: Pivoting toward prevention

43. **Under Pillar 1, IDA19 will focus on the prevention of conflict and violence and proactively address FCV risk factors.** *Pathways for Peace* will continue to inform IDA19 as its insights are taken up by teams that then scale up support to address risks and invest more in inclusive approaches. This pillar will focus on ensuring a thorough understanding of FCV drivers and encouraging governments to proactively seek to curb these drivers through inclusion, service delivery and institutional strengthening.

44. **For the IDA19 FCV Special Theme, Policy Commitments supporting the pivot to prevention will include:** Policy Commitment 1 (*base CPFs on RRAs*); Policy Commitment 2 (*address regional drivers of fragility*); and Policy Commitment 3 (*improve social sector service delivery*). Supporting this pivot to prevention, and in addition to the PBA, will be a Prevention and Resilience Allocation (PRA) (formerly the RMR) that supports governments to take proactive measures against escalating conflict and violence.

Pillar 2: Remaining engaged in active conflicts and crises

45. **Under Pillar 2, IDA19 will refine the WBG approach in situations of active conflict, building on lessons from Yemen.** This pillar is narrower than the others but is essential to support the most vulnerable, including women and girls, by preserving institutional capacity and human

capital, preventing ‘lost generations’, and investing in future recovery. Partnerships here are critical, and the WBG will work at the humanitarian-development-peacebuilding nexus, based on its comparative advantage and within its mandate.

46. **For the IDA19 FCV Special Theme, Policy Commitments supporting countries in active conflict and crises will include** Policy Commitment 1 (*base CENs on RRAs*) and Policy Commitment 5 (*build client capacity to use field-appropriate digital tools*) which is especially relevant in insecure environments where the WBG has limited ground presence. In addition to the PBA, the key FCV financing tool will be the Remaining Engaged in Conflict Allocation (RECA). In addition, the crisis toolkit can support countries to manage crisis risks, particularly relating to natural disasters and public health emergencies (see also *Demand for IDA19 Resources and the Strategy for their Effective Use* (the ‘Ask’ Paper) and the *Review of the Crisis Response Toolkit*).

Pillar 3: Helping countries escape the fragility trap

47. **Under Pillar 3, IDA19 will focus on supporting the dynamics that help countries escape from fragility traps.** FCV situations often result from a combination of structural problems, weak institutions, and the behaviors of a large variety of actors which can breed systems of capture, corruption, violence, and illicit trade. The key challenge to exiting fragility is to change incentives to positively influence behaviors. Strengthening accountability, trust and institutions is essential to foster the conditions required to escape fragility over the long term. Also critical to this effort is building the state’s legitimacy and capacity, as well as renewing the social contract between citizens and the state. Long-term engagement is required to avoid relapses, as well as to take advantage of windows of opportunity to provide critical support and build momentum.

48. **For the IDA19 FCV Special Theme, Policy Commitments supporting countries to escape the fragility trap include:** Policy Commitment 1 (*base CPFs on RRAs*); Policy Commitment 2 (*address regional drivers of fragility*); and Policy Commitment 3 (*improve social sector service delivery*). This is the pillar through which the WBG can also support post-conflict and re-engaging countries. In addition to the PBA, the Turnaround Allocation (TAA) will be the key financing tool under this Pillar of Engagement to support countries emerging from conflict or social/political crisis with a window of opportunity to build stability and resilience to accelerate the transition out of fragility.

Pillar 4: Mitigating the externalities and impacts of FCV

49. **Under Pillar 4, IDA19 will promote solutions that address FCV spillovers, recognizing that people, violence, arms and illicit financial flows, all cross borders.** IDA19 will focus more on the regional dimensions of fragility. It will develop Regional RRAs that will inform country programs as well as at least three regional programs, including in the Sahel, the Lake Chad region, and the Horn of Africa. Also, IDA19 will build on the success of IDA18’s innovative work on forced displacement, by supporting host countries to provide medium- and long-term development opportunities for refugee and host communities.

50. **For the IDA19 FCV Special Theme, Policy Commitments that will help to mitigate externalities and impacts of FCV include:** Policy Commitment 2 (*address regional drivers of fragility*) and Policy Commitment 4 (*review the policy environment in Window for Host Communities and Refugees (WHR) countries*). In addition to the PBA, the Regional Window can support IDA FCS to maximize positive spillovers. Access to the Regional Window requires participation of three or more countries, but this number is reduced to two if one is FCS, which facilitates access to concessional finance to address FCV spillovers. In the forced displacement context, the WHR will continue to be the primary financing tool to support development opportunities for refugee and host communities.

Box 10. Sahel Women Empowerment and Demographic Dividend project⁵⁹

The *Sahel Women Empowerment and Demographic Dividend (SWEDD) project* is an IDA-supported regional, multi-sector project, prepared at the initiative of seven Presidents (Benin, Burkina Faso, Chad, Cote d'Ivoire, Mali, Mauritania and Niger). Fertility rates and youth dependency rates in Sub-Saharan Africa are among the highest in the world, exposing the region to higher poverty rates, smaller investments in children, lower labor productivity, high unemployment or underemployment and the risk of instability and unrest. Effective since November 2015 and due to run until FY21, the US\$295 million project focuses on high-burden, subnational "hotspots", where countries have been piloting interventions that target adolescent girls (10-19 years of age) as primary beneficiaries. Interventions aim to: (i) improve life skills and sexual and reproductive health knowledge; (ii) keep girls in school, and; (iii) expand economic opportunity by bringing girls and women into higher-earning trades. The project also contributes to removing systemic bottlenecks in delivery of health services and assists countries to develop a policy agenda that places demography and gender as central to growth. Community-based interventions are implemented by CSOs and, depending on the intervention, supervised by sectoral ministries.

With the objective to create an enabling environment in support of female autonomy, religious leaders conduct community dialogue to advocate for girls' secondary education, delayed childbearing, birth spacing, and family planning; and against GBV. Men are enrolled in (future) husband schools, where a curriculum is deployed that has been proven to increase male participation in household task sharing, in healthy sexual and reproductive health behaviors and in reducing violence against women and children. Parliamentarians, judges and lawyers work to improve legislation, expand knowledge and application of existing laws, and extend their services to victims. Ministries build capacity to collect data and conduct analysis that can inform population policy and investments. The United Nation's Population Fund has a regional coordination role and several UN technical expert agencies provide technical support.

B. PROPOSED POLICY COMMITMENTS

Policy Commitment 1: Base CPFs/CENs on FCV assessments

51. **IDA19 will strengthen the way that CPFs and CENs address FCV drivers and sources of resilience in IDA FCS.** RRAs play a central role in analyzing FCV drivers and sources of resilience to inform SCDs, CPFs and CENs and ultimately operations. The RRA methodology will be improved to strengthen the operational relevance of its recommendations and ensure that RRAs systematically address relevant themes including gender, climate change and natural disasters, the private sector, regional dimensions of FCV, and forced displacement. IDA19 will build on IDA18 and lessons from IEG's review *Learning from IDA Experience* by further systematizing RRAs' integration into CPFs and CENs so that these are better tailored to the

Proposed Policy Commitment 1:

All CPFs/CENs in IDA FCS will address FCV drivers and sources of resilience, based on diagnostics such as Risk and Resilience Assessments or other FCV assessments.

⁵⁹ P163656.

specific fragility context and address drivers of fragility and sources of resilience. RRAs will also be more systematically used to inform the design of World Bank operations in FCV settings. IDA19 will also conduct a number of regional and subnational assessments. In addition, the WBG will continue to work closely with partners, including the UN, EU, MDBs, especially the AfDB and Asian Development Bank (ADB), and bilateral partners, in the preparation of these RRAs. Other joint approaches to address FCV analysis, such as RPBA, will also deepen future collaborations.

52. IDA19 will also continue to promote the use of conflict filters/peace lenses to support portfolios and operations to identify and address fragility drivers and conflict risks. These tools are used by the WB to design conflict and fragility sensitive operations and take national/macro level analyses such as RRAs to a more granular portfolio or project level. In some cases, they can be developed for specific sectors. These filters/lenses aim to identify key project risks, for example relating to the choice of geographic areas, how benefits are divided, or how consultation processes are organized, and then identify mitigating measures. They can also guide task teams to think through and adjust projects during implementation, including during supervision missions, mid-term reviews and restructurings. In Myanmar, an Inclusion and Peace Lens has been developed to strengthen conflict sensitivity of operations in the country,⁶⁰ and an Inclusion and Peace Lens note will be prepared for each project and annexed to the Project Appraisal Document (PAD). The WB is currently finalizing a paper on its experience with conflict filters and peace lenses which will inform the use of these tools in IDA19.

Policy Commitment 2: Address regional dimensions of fragility

53. To complement country engagement, programming in IDA19 will focus on regional drivers of FCV, recognizing that risks and violence all travel across borders. The Sahel, the Lake Chad Region, and the Horn of Africa, among other regions, each face fragility and conflict challenges that

Box 11. Sahel Regional RRA

The WB is preparing a Sahel Regional RRA under the aegis of the Sahel Alliance, with contributions from UNDP, AFD and KfW. The RRA will strengthen common understanding of tensions and conflict risks, including the socio-political dynamics at play at cross-border and local levels, and will recommend approaches, coordinated actions and development interventions that can help mitigate these risks, especially in sub-national areas. Research has started, and field consultations are underway. The RRA will be finalized in 2019, in time to inform IDA19 programming.

undermine regional development prospects and have regional and global spillovers. As a first step in each of these regions, a Regional RRA will be conducted that

will focus on the regional/cross-border FCV dimensions and on the regional drivers of fragility and conflict, articulate a theory of change, highlight key partnerships, including with regional organizations and non-state actors, and identify priority regional activities specifically aimed at reducing FCV risks. Such a Regional RRA is underway

Proposed Policy Commitment 2:

Develop and implement at least three regional programs (including in the Sahel, Lake Chad and Horn of Africa), which are informed by Regional RRAs and focus on mitigating key fragility and security risks to promote engagement at the security-development nexus.

⁶⁰ The Myanmar Inclusion and Peace Lens consists of: (i) an analytical overview of key exclusion and conflict dynamics in Myanmar that task teams should be aware of; and (ii) a list of questions that examine exclusion dynamics, beneficiary targeting, access to benefits, mitigation of risks, etc.

in the Sahel, covering Burkina Faso, Chad, Mali, Mauritania and Niger, (see Box 11). These Regional RRAs will then inform the country-level programming of the WBG and external partners in these locations, as well as regional programming.⁶¹ As the largest donor in the Sahel and the Lake Chad Region, and the second-largest in the Horn of Africa,⁶² the WB is well placed to convene clients and partners to identify solutions to regional dimensions of fragility.

Policy Commitment 3: Build human capital, with a focus on women and girls

54. In IDA19, the WB will intensify its engagement in social sector service delivery to protect, grow, and deploy human capital in FCS.

During IDA19, the WB will address gender and socio-economic gaps in human capital opportunities and endowments in IDA FCS, building on knowledge and lessons from IDA18.⁶³ People living in IDA FCS countries are affected by heightened security threats, forced displacement, economic insecurity, and face a heightened risk of incurring disability—any of which can reduce access to health and education services.⁶⁴ For example, in Burkina Faso, due to rising security threats, 954 schools have been closed, preventing 119,404 students (close to 50 percent of students in affected regions) from going to school.⁶⁵ Emergency schools have opened in IDP camps, but many displaced children remain out of school. Gender gaps in human capital are also pronounced in IDA FCS: the gender gap in years of schooling was 1.5 years larger for FCS.⁶⁶ The adolescent fertility rate is around 86 births per 1,000 women aged 15-19, almost twice the global average of 43.9.⁶⁷ Foundational investments are needed to improve human development outcomes, including investments to improve maternal and infant mortality rates, address mental health challenges, increase access to services of people with disabilities, and enable more children to access inclusive quality education.⁶⁸

Proposed Policy Commitment 3:

At least 20 IDA FCS country portfolios will include support to improving social sector service delivery, with a focus on addressing the differential constraints faced by men and women, boys and girls.

55. During IDA19 the WB will scale up human capital interventions in FCS countries, focusing in three key areas. First, IDA will scale up Community Driven Development (CDD) and Labor-Intensive Public Works operations to improve local social service infrastructure and provide cash with dignity in the form of day wages to the extreme poor, women, and people with

⁶¹ Financing for the regional programs could be provided with support from the Regional Window.

⁶² Organisation for Economic Co-operation and Development (OECD) (2017), Total Official Aid Flows by Country and Region (Official development assistance and Other official flows), <https://stats.oecd.org/> (accessed on 07 May 2019).

⁶³ For recent lessons on human capital programming and implementation, see Human Development Update to the Board, 2019.

⁶⁴ See also SDG3 to 'Ensure healthy lives and promote well-being for people at all ages', which includes targets on ensuring universal access to sexual and reproductive health-care services (Target 3.7). See also SDG4 to 'Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all', which includes targets on ensuring access to quality primary and secondary education (Target 4.1), ensuring quality early childhood development (Target 4.2), ensuring quality vocational and tertiary education (Targets 4.3 and 4.4), and eliminating gender disparities in education access and literacy (Targets 4.5 and 4.6).

⁶⁵ Ministry of Education of the Government of Burkina Faso, March 2019.

⁶⁶ World Bank's own calculations.

⁶⁷ World Bank's Gender Statistics Portal.

⁶⁸ Inclusive education is one of the WBG's commitments on disability inclusive development, see <https://www.worldbank.org/en/topic/socialdevelopment/brief/world-bank-group-commitments-on-disability-inclusion-development>.

disabilities. CDD projects also provide an opportunity to bring people to work together to improve community assets, close gender gaps in community decision making and help rebuild inclusive community institutions affected by conflict. Second, IDA will scale up its adaptive social protection programs to build resilience to shocks. For example, the *Sahel Adaptive Social Protection Program*⁶⁹ aims to make social protection systems more responsive to shocks so that they can deliver support in a flexible and scalable manner when a shock has occurred. It also supports households through income diversification, training, and small grants so they are more resilient to shocks. Third, IDA will strengthen frontline health and education service delivery using community health workers and community-based education to build support among citizens. In Somalia, the WB supports the development of technical and operational capacity to implement the Government's Female Health Worker program, which trains women to deliver services to urban and remote rural areas.⁷⁰

56. **To meet this commitment, the WB will scale up its work in four key ways.** First, the WB will focus even more on building government capacity to design and implement policies, particularly in health and education. Second, the WB will deepen its partnerships with local institutions to deliver services and increase the agency of women and girls. For example, in the CAR, WB operations enable the government to partner with NGOs on GBV prevention and response, including community safety and violence prevention, training on medical responses to GBV survivors, and delivery of psycho-social support.⁷¹ Similarly, in Afghanistan, the WB has fostered partnerships between the government and local NGOs to deliver health services, while the government provides coordination and oversight. Third, the WB will harness technology to reach isolated and insecure areas. For example, the *West Africa Unique Identification for Regional Integration and Inclusion Program* uses technology to deliver wide-ranging social protection, health and financial inclusion benefits in West and Central Africa, beginning in Cote d'Ivoire and Guinea and scaling up through Sub-Saharan Africa.⁷² Finally, the WB will increase staff knowledge of fragility drivers and how human capital projects can mitigate them to inform more tailored programming.

Policy Commitment 4: Review the policy environment in WHR countries

57. **In terms of policy commitments for IDA19, the WB plans to undertake a review of the policy environments in WHR countries,** to gauge progress made since each country's initial eligibility and to identify reform opportunities. Given that policy change takes time, a review by the IDA19 MTR is an appropriate timeframe. The methodology for the review will be prepared before the start of IDA19 in coordination with UNHCR and will apply a gender lens. The review will aim to identify the key policy areas that affect refugee and host communities, including gaps between males and females. The review provides an opportunity for further high-level dialogue with

Proposed Policy Commitment 4:

By IDA19 MTR, conduct a systematic review of refugee policy and institutional environments in WHR countries to inform further development support for refugee and host communities in these countries.

⁶⁹ P150413.

⁷⁰ P167224.

⁷¹ P164953.

⁷² P161329.

governments and the reform opportunities identified through this dialogue can inform a second generation of RSW operations through the second-half of IDA19 and beyond.

58. **As part of an ongoing effort to support the adoption and implementation of sound refugee policies in client countries** and building on the good experience of the *Ethiopia Economic Opportunities Program-for-Results (P4R)*, the WB will also explore opportunities to use policy-based and results-based instruments for WHR projects.⁷³ (For further discussion of the WHR financing tool, see paragraphs 84-88).

59. **IDA19 will continue to focus on the needs of, and opportunities for, women and children amongst refugee and host communities.** Women and children comprise more than 75 percent of refugee populations,⁷⁴ making it essential to prioritize their needs when creating opportunities for medium- and long-term socio-economic development. Forced displacement also exacerbates risks for women and girls including GBV, poor maternal health, and poverty, especially for female-headed households. School enrollment rates are lower for girls among refugee and host communities, often due to safety concerns or because girls are taken out of school to look after younger siblings while boys often drop out of school to work. GBV affects significant numbers of women and children in both refugee and host communities. Nevertheless, increased female labor market participation, livelihood prospects and opportunities for women's leadership and participation in governance can emerge in contexts of forced displacement and can be supported with program interventions. Displacement can also provide opportunities for women and girls to access education, health, or skills training. WHR financing provides a platform for scaling up approaches that are effective in addressing gender inequality issues in contexts of forced displacement, based on evidence of impact.

Policy Commitment 5: Build client capacity to use field-appropriate digital tools

60. **Building on progress achieved through the Geo-Enabling initiative for Monitoring and Supervision (GEMS), IDA will build local capacity in the use of field-ready digital technology to enhance operational effectiveness and risk management.** In remote and insecure environments, access to accurate, reliable and timely insights into local dynamics is crucial for engaging effectively, including for tailoring programming to needs, monitoring progress, managing risks, and measuring results. Leveraging Information and Communications Technology (ICT) can help to generate structured, real-time data and close information gaps on the ground. If used well, these insights can empower WB clients to make more informed decisions, even in the toughest of environments, and ensure that programming covers isolated or insecure areas. To foster local ownership and sustainability, IDA19 will build capacities among clients, local staff, and partners to harness field-appropriate and cost-effective ICT to enhance supervision, monitoring

Proposed Policy Commitment 5:

Support building client capacity in 50 percent of IDA FCS countries to use field-appropriate digital tools for collection and analysis of geo-tagged data; and apply this technology to enhance project implementation and coordination.

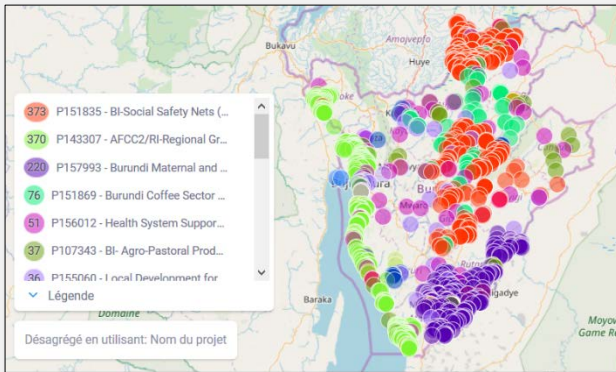
⁷³ In IDA18, the RSW may already finance Development Policy Operations (DPOs), P4Rs, and IPFs with disbursement linked indicators, however there have been few of these operations.

⁷⁴ UNHCR Global Trends. 2017, based on refugee numbers for which demographic data is available.

and evaluation, citizen engagement and coordination across partners.⁷⁵ GEMS has made significant progress with this agenda and can serve as a blueprint for further implementation. The importance of the GEMS capacity-building agenda and provision of local ownership for sustainable impacts has been highlighted by WBG teams, the Board and clients alike. (See Box 12). In addition, a partnership with the European Space Agency will mainstream the use of remote sensing through satellites in inaccessible areas.

Box 12. Geo-Enabling for Monitoring and Supervision (GEMS) initiative

The GEMS initiative was launched to support project implementation in FCS by helping to ‘*get eyes on the ground, where we cannot always have boots on the ground*’. It aims to create a public good by systematically building client capacity in the use of ICT for digital data collection, M&E, supervision and portfolio mapping. As of April 2019,



over 500 client staff have been trained, and around 115 projects in 11 IDA FCS have access to field-ready ICT tools to enhance their operational effectiveness. GEMS can be useful at any stage of the project cycle. For instance, in Niger, GEMS informed a baseline study on host communities to plan a displacement project. In Uganda and Nigeria, it is the backbone of project M&E systems. In Mali and South Sudan, it is used to remotely supervise the implementation of health, education and social protection projects in insecure areas. A growing number of FCS country teams, including in Burundi, CAR, DRC, Mali, Niger and the Republic of Congo are using the GEMS method

to remotely supervise and geo-map their project portfolios, with over 10,000 sub-projects having been mapped within less than a year (see excerpt of the Burundi portfolio above). The importance of the GEMS capacity-building agenda and provision of local ownership for sustainable impacts has been highlighted by WBG teams, the Board and clients alike. Clients have found the GEMS method useful in a variety of ways. For instance, in the DRC, it was instrumental in enabling the Ministry of Education to collect detailed data and map all secondary schools in the country in a few months. This has changed the perspective of the Ministry, as it provided structured real-time insights into the status of DRC’s schools, for the first time ever.

61. IDA will continue to develop approaches to work more effectively in FCS and to strengthen M&E, which will be part of the forthcoming FCV Strategy. In this vein, novel approaches to project implementation support have been carried out through FCV Pilots in select countries.⁷⁶ The pilots aim to: (i) promote new approaches to strengthen project supervision, enhance program effectiveness, and improve portfolio selectivity; and (ii) identify transformative initiatives that can be scaled up in FCS. In addition to testifying to the usefulness of GEMS and the importance of integrating safety and security into operations, the pilots also highlight the importance of systematizing third-party monitoring (TPM). The WBG is finalizing its global review of TPM in FCS, with recommendations embedded in the forthcoming FCV Strategy informing decision-making on the judicious use of TPM. The WBG will also continue to strengthen M&E design and implementation, including by finetuning the choice of results indicators and paying more attention to the intervention logic to articulate the links between specific interventions and expected outcomes. Training and learning on M&E will also be expanded. Good M&E relies on good statistics. In the Governance and Institutions Special Theme,

⁷⁵ ‘Field-appropriate’ includes low-cost tools that can work in remote areas, without electricity or with weak internet connection, for example.

⁷⁶ Selected pilot countries: DRC, Kosovo, Haiti, Philippines, Iraq, Afghanistan, and the Sahel Country Management Unit.

the policy commitment to strengthen statistical capacity and produce core data will further support clients in evidence-based policy-making. The forthcoming FCV Strategy will include indicators and propose specific approaches for monitoring WBG progress on multiple dimensions of FCV as well as addressing operational effectiveness and M&E more broadly, including by leveraging innovative tools such as iterative beneficiary monitoring and participatory tracking.

Policy Commitment 6: Scale up staffing in IDA FCS

62. WBG staff—its human capital—are core to the institutions’ comparative advantage. A strong ground-presence is key to delivering results. Resident staff are better able to understand the local political economy; work closely with clients on preparation and implementation support; find practical, more agile, and best-fit solutions to problems; build relationships with partners including CSOs; travel outside the capital to supervise project activity; and ensure that IDA operations become more tailored and effective in FCS.

Proposed Policy Commitment 6:

Deploy [number TBD] of additional GE+ staff in IDA FCS.

63. Building on the progress and lessons of IDA18, IDA19 will continue to scale up WB staffing in IDA FCS. In IDA19, the WB will increase its footprint in IDA FCS by a significant number of GE+ staff [*NB: the number will be decided closer to the date of the finalization of the FCV Strategy but before the IDA19 Replenishment Report*]. In increasing the staffing footprint in IDA FCS, Management will focus on building professional capacity, ensuring an appropriate mix of skills and experiences, and striving for gender balance.

64. While the IDA19 FCV Special Theme will focus on scaling up staffing, the forthcoming FCV Strategy will outline a range of measures to better support staff working in/on FCV. Through its section on ‘Personnel’, the FCV Strategy will examine measures to improve the employment value proposition, particularly in areas such as deployment processes, staff preparedness, enhanced learning offerings, ongoing support including health and safety, next assignment planning, staff rewards, and career development. The FCV Strategy will also examine security issues in FCV contexts, including risk management systems, upstream implementation planning in high-risk environments, and security training, personnel and infrastructure.⁷⁷

Policy Commitment 7: Operationalize the FCV Envelope

65. IDA19 proposes to consolidate, simplify and refine the financing toolkit available to IDA countries experiencing a range of FCV challenges. This will be done through the creation and operationalization of an FCV Envelope. The design of the FCV Envelope draws heavily on the lessons learned during IDA18 (see Section II D, *Progress and Lessons from the IDA18 Financing Toolkit*) and WB-wide experience and strategic insights on how IDA can most effectively enhance support to FCS clients facing different kinds of FCV risks. Within the FCV Envelope, IDA will provide additional resources and tailored support along the FCV continuum, with one enhanced financing tool dedicated to each Pillar of Engagement of the

Proposed Policy Commitment 7:

Operationalize the FCV Envelope to provide enhanced and tailored support to IDA FCS.

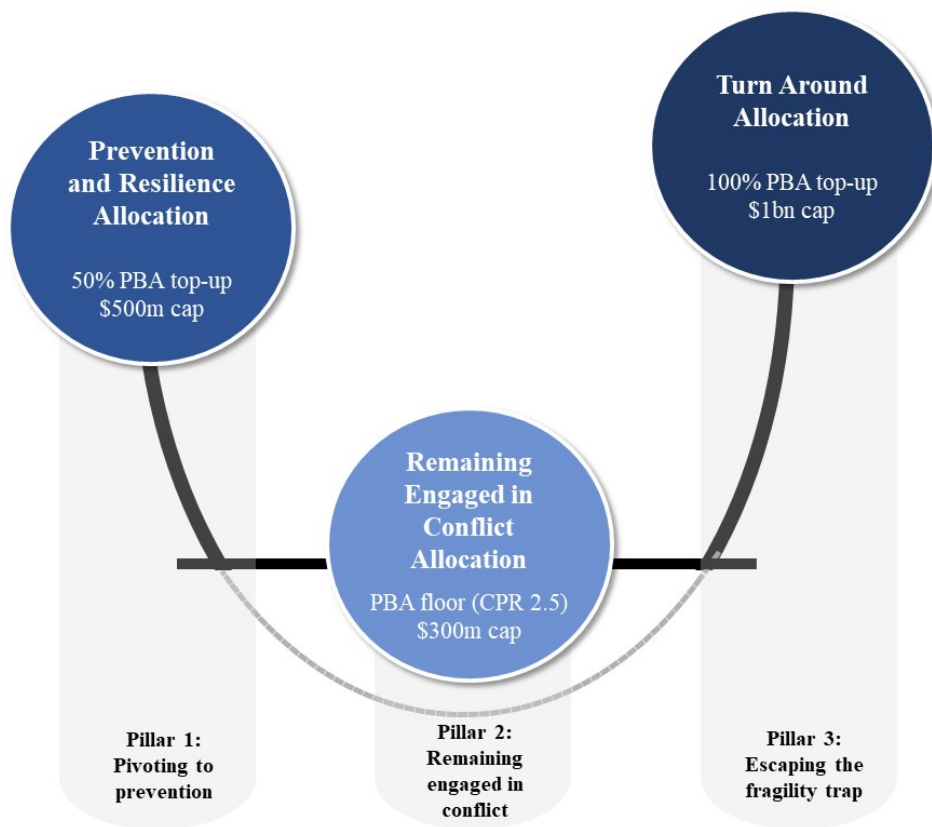
⁷⁷ These issues are pertinent for both IDA FCS and IBRD FCS so will be dealt with in greater detail in the FCV Strategy, with which the IDA19 Special Theme aligns.

FCV Strategy. Criteria for each allocation will also align with the forthcoming FCV list. See Section C below for a detailed description of the FCV Envelope and how it will be operationalized.

C. PROPOSED FINANCING TOOLKIT

66. **IDA19 proposes to create an FCV Envelope that will contain resources that are dedicated to support IDA FCS facing different kinds of FCV risks.** See Figure 5 where financing tools are represented on a stylized ‘U curve’, with one tool supporting each Pillar of Engagement. The FCV Envelope will enable IDA to seize opportunities and respond with greater agility to the dynamic needs of IDA FCS clients along the FCV continuum. It will also enable IDA to offer support that is targeted and tailored to the prevailing conflict and fragility dynamics specific to each IDA FCS.

Figure 5. FCV Envelope



67. **The design of the FCV Envelope is based on lessons from IDA18,** including lessons emerging from the RMR, TAR and the RSW, the WB’s recent experience in Yemen, as well as from WB-wide experience with DPOs and CPFs in FCV settings. Bundling the three allocations into one envelope is expected to bring several benefits to the IDA architecture. First, conceptually, the FCV Envelope aims to make the FCV financing toolkit easier to understand by simplifying and streamlining different allocations into one bundle. Each FCV-related allocation is a necessary tool, responding to different FCV situations along the continuum, but the allocations share common features, including in-cycle identification, eligibility-based processing and annual reviews, PBA-aligned financing, and full integration into the country portfolio (see Box 13). As a

result, the FCV Envelope will be easier for country teams and clients to understand. With objective and transparent criteria, clients will know in advance the incentive structure, and teams can better prepare for eligibility and resource programming. Second, bundling and in-cycle identification will enable IDA to respond in a more agile and flexible way when countries move on the FCV continuum. Such movements are often non-linear and cannot be predicted for a given country at the outset of an IDA cycle. When they occur, clients would have to apply for a new allocation, but the common features should make the process simpler and faster than before. Third, the FCV Envelope retains a focus on performance, albeit a different measure of performance from the PBA. TAA and PRA allocations will be linked to the achievement of targeted milestones that align with the purpose of the allocation and will be reviewed annually.

Box 13. Common features of the FCV Envelope

The three allocations comprising the FCV Envelope will share several common features.

In-cycle identification. Eligibility for an allocation can be assessed at any time in the IDA cycle. A country may move between different types of allocations within the Envelope through the IDA cycle, but will receive only one allocation at any given time.

Eligibility-based processing. Each allocation will have an initial eligibility process, and continued eligibility will be based on annual reviews. Decisions to access the FCV Envelope will be made by Development Finance in concurrence with Operations Policy and Country Services in the same way as for IDA18 RSW projects. Where possible, eligibility and annual review processes will be synchronized with the CEN/CPF/Performance and Learning Review (PLR) cycle. If country circumstances change and eligibility arises off-cycle, an Eligibility Note will be submitted to the Board for information. Countries may apply for FCV Envelope allocations in FY20 so that they take effect at the beginning of IDA19.

PBA-aligned financing. Allocations will supplement the country's PBA by a percentage amount, up to a national top-up cap for the IDA19 period. Financing will be on the same terms as the country's PBA. Financing from the FCV Envelope should not bring a country's allocation above seven percent of total core IDA. Countries receiving an FCV-related allocation may continue to access IDA windows.

Prioritization within the country program. The increased allocation comes with an expectation that the country portfolio is recalibrated to focus on the purposes and activities for which the allocation is made.

68. The FCV Envelope will be part of Core IDA and comprise three FCV-related country allocations:

- (a) The ***Prevention and Resilience Allocation (PRA)*** will provide enhanced support for countries at risk of high-intensity conflict or large-scale violence. The design of this allocation is based on lessons from the IDA18 RMR program. In IDA19, the PRA will be a key tool under Pillar 1 (*Pivoting to prevention*).
- (b) A new ***Remaining Engaged in Conflict Allocation (RECA)*** will enable IDA to maintain a base level of engagement in a small number of countries that experience high-intensity conflict and have extremely limited government capacity. The design of this allocation builds on lessons learned from the IDA18 MTR exceptional allocation to Yemen. The RECA will be a key tool under Pillar 2 (*Remaining engaged in conflict*).
- (c) The ***Turn Around Allocation (TAA)*** will continue to support countries emerging from a period of conflict, social/political crisis or disengagement, and where there is a window of opportunity to pursue reforms that can accelerate its transition out of fragility and build

resilience. Only minor refinements are proposed compared to the previous TAR. The TAA will be a key tool under Pillar 3 (*Escaping the fragility trap*).

69. **As a complement to the FCV Envelope, the Window for Host Communities and Refugees (WHR) will support Pillar 4 (Mitigating the externalities and impacts of FCV).**⁷⁸ Only minor refinements are proposed from the previous RSW. The WHR will continue to support operations that promote medium- to long-term development opportunities for refugee and host communities in IDA countries.

Prevention and Resilience Allocation (PRA)

70. **As a key financial tool in the pivot to prevention, the PRA offers support to governments to take proactive measures against escalating conflict and violence.** It will provide enhanced support for countries at risk of high-intensity conflict or large-scale violence, where the Government is committed to addressing the underlying drivers of conflict and violence. The PRA will enable more agile responses to changing fragility and conflict dynamics, while also ensuring country ownership. Based on lessons from the IDA18 RMR (see paragraphs 28-29), the PRA will more specifically prioritize support to address the risk of escalation of conflict and violence within the next three to five years. In doing so, it will apply insights from *Pathways for Peace* to scale up inclusive and preventive approaches across the country's portfolio.

71. **PRA eligibility will be based on two criteria:** (i) a quantified indicator that identifies countries at risk of high-intensity conflict or large-scale violence;⁷⁹ and (ii) the Government has in place a strategy or plan acceptable to IDA that describes the concrete steps that the country will take to reduce the risks of conflict or violence, and the corresponding milestones the Government commits to implement with support from the PRA. These eligibility criteria are designed to provide a basis for IDA programming that is genuinely country-led and focused on reducing conflict and violence. Based on these criteria, approximately eight IDA FCS are expected to benefit from the PRA in IDA19.⁸⁰

72. **The PRA will top up a country's PBA by 50 percent, up to a national top-up cap of US\$500 million per country for IDA19.**⁸¹ Financing will be provided on the same terms as the country's PBA. While this is a significant top-up, the WB assesses that there is ample demand and

⁷⁸ This is because IDA windows support programs and projects addressing a certain theme, whereas Core IDA supports allocations to countries.

⁷⁹ Those at risk of high-intensity conflict will include: (i) countries with between 2 and 10 conflict-related deaths per 100,000 people, and an absolute number of conflict-related deaths above 250; and (ii) countries with a rapid deterioration of the security situation, meaning a number of conflict-related deaths between 1 and 2 per 100,000 people, an absolute number above 250, and an increase in conflict-related deaths that is at least double the previous year. This criterion will be based on data from the Armed Conflict Location & Event Data Project (ACLED) and/or the Uppsala Conflict Data Program (UCDP). Below that range, regular PBA can be used to address low risks of conflict, and above that range, the country may become eligible for the RECA. For inter-personal violence, the criterion will be measured as more than 50 intentional homicide-related deaths per 100,000 people using United Nations Office on Drugs and Crime data.

⁸⁰ The four IDA18 RMR countries will be required to demonstrate their eligibility under the new PRA criteria. If a country does not meet the new criteria, it would return to regular PBA in IDA19.

⁸¹ Downwards adjustments to this allocation may be warranted in certain circumstances, such as weak absorptive capacity or debt considerations.

absorptive capacity to scale up meaningful programming in these countries, and that prioritization of prevention is warranted, given its net benefits, as outlined in *Pathways for Peace*.

73. **Countries receiving the PRA will recalibrate their portfolio to focus on mitigating the risks of conflict and violence.** This recalibration should be reflected in country dialogue as well as in the pipeline and portfolio of investments and analytical products, as appropriate to each context. The PRA is expected to fundamentally change the WB engagement in the country beyond business as usual. It will facilitate WB engagement with the Government on critical yet difficult issues and scale up best-fit preventive and inclusive approaches. Countries may apply for the PRA at any time during the IDA19 cycle by demonstrating the risks, the Government's plan to address the risks and accompanying milestones, and the WB's supportive program.⁸² Continued access to the PRA will be subject to annual reviews.⁸³

Remaining Engaged in Conflict Allocation (RECA)

74. **The RECA will provide a base level of support in rare cases in which a country's PBA is extremely low due to the often-related combination of high-intensity conflict and weak institutional capacity.** Based on lessons from IDA18 engagement in Yemen (see paragraphs 25-27), this new financing tool gives IDA the option to support countries in circumstances where, despite conflict, the WB can meaningfully engage to preserve institutional capacity and human capital that will be critical for the country's future recovery.

75. **Eligibility for the RECA will be based on three criteria:** (i) a quantified indicator that identifies countries in high-intensity conflict;⁸⁴ (ii) a CPIA at or below 2.5; and (iii) a proposed program that is consistent with the RECA.⁸⁵ Based on these criteria, around two or three countries are expected to benefit from the RECA in IDA19.

76. **The RECA will be used to finance a specific set of development activities focused on WB comparative advantage as a development actor in the country context.** The allocation will enable the country portfolio to focus on development activities that preserve institutions and human capital, such as delivery of basic services and capacity building in key institutions.

⁸² A PRA Eligibility Note will address: (i) the risks of conflict and violence that the country is facing; (ii) the government's strategy to mitigate these risks; (iii) milestones that the government commits to meet with support from the PRA, similar to CPF indicators; (iv) a summary of other partners' activities; and (v) the WB's proposed approach, including partnerships, adjustments to the program, including policy dialogue, portfolio, and pipeline. The Eligibility Note will be synchronized with the CEN/CPF/PLR cycle where possible. If off-cycle, the Eligibility Note will be submitted to the Board for information.

⁸³ A PRA annual review will address: (i) how PRA resources have been used; (ii) an update on risks and the Government's approach to mitigating these risks; (iii) the Government's performance against the agreed milestones; and (iv) adjustments to the WB program and/or the milestones. In cases where agreed milestones have not been met due to factors within the Government's control, access to the PRA will be suspended, and the country would return to regular PBA the following FY. Annual reviews will be synchronized with the CEN/CPF/PLR cycle, where possible.

⁸⁴ The criterion will be measured as 10 or more conflict-related deaths per 100,000 people using ACLED and/or UCDP data.

⁸⁵ Considerations of RECA eligibility will be captured in the Eligibility Note, that will be synchronized with CEN/PLR cycle where possible. If off-cycle, the Eligibility Note will be submitted to the Board for information.

77. **Based on lessons learned from IDA18 (see paragraph 27), Management proposes that, in limited circumstances,⁸⁶ IDA funding in RECA countries⁸⁷ may be provided directly to UN agencies and INGOs.⁸⁸** Such limited circumstances would include:

- (a) *A government request* to provide financing directly to organizations to carry out operations due to capacity constraints of the Government to effectively manage and implement operations;
- (b) *Demonstrated value-added of IDA financing* to ensure activities and outcomes supported by IDA are consistent with IDA's development mandate and are additional (i.e. are not already planned or financed by executing parties);
- (c) *Demonstrated attention to institutional and capacity strengthening* in line with IDA's rationale for engagement in conflict situations by focusing on preserving development gains and building capacity for future recovery; and
- (d) *An exit strategy/sustainability* including that the executing parties have a financing plan that goes beyond IDA to support recurrent costs.

78. **The RECA will top up a country's PBA on the same terms as its PBA.** If the country's CPR has fallen below 2.5,⁸⁹ their PBA will be calculated on the assumption that their CPR remains at 2.5, up to a national top-up cap of US\$300 million.⁹⁰ RECA countries may also access IDA windows, including the CRW.

79. **The RECA designation will enable more agile responses to changing conflict dynamics.** Countries may apply for the allocation at any time during the IDA19 cycle by demonstrating the WB's proposed approach, including partnerships, adjustments to the program, policy dialogue and coordination, portfolio pipeline and risk management including regarding the potential impact of IDA's program on the conflict dynamics. Continued access to the RECA will be subject to annual reviews.⁹¹

Turn Around Allocation (TAA)

80. **The TAA will provide enhanced support to countries that are emerging from a period of conflict or social/political crisis or re-engaging with the WBG, and where the Government is pursuing a reform agenda to accelerate its transition out of fragility and build resilience.** These are countries at a critical juncture in their development trajectory where there is a significant window of opportunity for building stability and resilience to accelerate the transition out of

⁸⁶ This would be in addition to the circumstances where the WB operational policies already allow for such direct financing to UN agencies and/or INGOs (see footnote 45).

⁸⁷ This will apply to RECA countries accessing CRW or other IDA funding.

⁸⁸ In such cases, no commitment charge would apply.

⁸⁹ Downwards adjustments to this allocation may be warranted in certain circumstances, such as weak absorptive capacity, or debt considerations.

⁹⁰ During high-intensity conflict, it can be difficult to collect the data needed to generate the country's GNI per capita and population. Where this occurs, the average of the last three years of reliable data will be used for calculations.

⁹¹ A RECA annual review will address: (i) how the RECA allocation has been used; (ii) conflict dynamics; and (iii) any adjustments to the WB program. Annual reviews will be synchronized with the CEN/PLR cycle, where possible.

fragility. In IDA19, the TAA refines and simplifies the previous TAR criteria, allocation formula and processing, based on lessons learned from previous cycles (see paragraphs 30-32).

81. **Eligibility for the TAA will be based on three criteria:** (i) a CPIA below 3.0 or a period of disengagement; (ii) the Government has in place a strategy or plan acceptable to IDA that describes concrete steps that the country will take to implement a reform agenda that can accelerate its transition out of fragility and build resilience, and the corresponding milestones the Government commits to implement with support from the TAA; and (iii) a CEN/CPF that makes a compelling case for WB support to the Government's reform agenda. Based on these criteria, approximately five countries are estimated to benefit from the TAA in IDA19.⁹²

82. **The TAA will top up a country's PBA on the same terms as their PBA.** The top-up will be 100 percent of the country's PBA (i.e., double their PBA) up to a national cap of US\$1 billion per country during IDA19.⁹³ While this is a significant top-up, the WB assesses that there is ample demand and absorptive capacity to scale up meaningful programming in these countries.

83. **Countries receiving the TAA will develop/recalibrate their portfolio to focus on the Government's reform agenda.** The TAA will not be business as usual. Rather, it will help to scale up and focus the country portfolio on supporting the Government's efforts to escape the fragility trap. Countries may apply for the TAA at any time by demonstrating the Government's reform agenda, the WB's supportive program, and accompanying milestones.⁹⁴ Continued access will be subject to annual reviews.⁹⁵

⁹² Among the eligible countries could be IDA countries that re-engage with the WBG in IDA19. Currently, Eritrea, Somalia, Sudan, Syria, and Zimbabwe are in arrears. In the case of Syria, as stated in the IDA18 Replenishment Report, commitment of IDA funds will require the following: (i) arrangements for the clearance of IDA arrears; and (ii) the WBG's ability to engage with an appropriate government counterpart and to effectively appraise and supervise projects in the country (whether through staff presence or the use of third-party monitoring agents). If Syria were eligible for the TAA, it could receive up to US\$1 billion, subject to performance.

⁹³ Downwards adjustments to this allocation may be warranted in certain circumstances, such as weak absorptive capacity or debt considerations. For countries with a CPR below 2.5, (including RECA countries moving to the TAA or other post-conflict countries with weak institutions), a CPR floor of 2.5 will be used to top-up their PBA before the 100 percent top-up is applied. The same can be done for a re-engaging country that has very low CPIA and CPR. In those rare cases, the CPR floor of 2.5 can be used to calculate their PBA, as if that country were coming from the RECA to the TAR. This eliminates the need for a PCPI.

⁹⁴ The TAA Eligibility Note will address: (i) the significant window of opportunity, and the government's strategy to seize this opportunity; (ii) milestones that the government commits to meet with support from the TAA, similar to CPF indicators; (iii) a summary of other partners' activities; and (iv) the WB's proposed approach, including partnerships, adjustments to the program, including policy dialogue, portfolio, and pipeline. The Eligibility Note will be synchronized with CEN/CPF/PLR cycle where possible. If off-cycle, the Eligibility Note will be submitted to the Board for information.

⁹⁵ A TAA annual review will address: (i) how the TAA has been used; (ii) updates on the implementation of the Government's reform agenda; (iii) the Government's performance against the agreed milestones; and (iv) adjustments to the WB program and/or the milestones. In cases where agreed milestones have not been met, or relapse into conflict, access to the TAA will be suspended, and the country would return to regular PBA the following FY.

*Window for Host Communities and Refugees (WHR)*⁹⁶

84. **In IDA19, the WHR will continue to be a tool to support medium- to long-term development for refugee and host communities.** Based on experience during IDA18, the WHR will retain its main elements, which have worked well.

85. **The purpose of the WHR will remain the same as in IDA18,**⁹⁷ to support refugee hosting countries to: (i) mitigate the shocks caused by refugee inflows and create social and economic development opportunities for refugee and host communities; (ii) facilitate sustainable solutions to protracted refugee situations including through the sustainable socio-economic inclusion of refugees in the host country and/or their return to the country of origin; and (iii) strengthen country preparedness for increased or potential new refugee flows.⁹⁸

86. **The eligibility criteria for the WHR will remain the same as in IDA18:** (i) the number of UNHCR-registered refugees is at least 25,000 or 0.1 percent of the population; (ii) the country adheres to an adequate framework for the protection of refugees;⁹⁹ and (iii) the Government has in place a strategy or plan acceptable to IDA that describes the concrete steps, including possible policy reforms, towards long-term solutions that benefit host communities and refugees. Based on these criteria, 14 countries are already eligible for financing (see paragraph 33). Countries that are already eligible in IDA18 will not have to re-do the eligibility process. Rather, the first WHR project that is processed in IDA19 for each country will be accompanied by a short WHR strategy note.¹⁰⁰ A few more countries, possibly up to five, may become eligible for the WHR in IDA19. For those countries, the eligibility process will be the same as it was in IDA18. In addition, each PAD that uses WHR financing in IDA19 will include: (i) updated UNHCR refugee numbers; (ii) an update of the country's refugee policy and institutional environment; and (iii) confirmation of the continuing adequacy of the protection framework, noting any recent changes or new risks.

⁹⁶ For simplicity, in IDA19, this will become its own dedicated window as part of the new Regional Public Goods Envelope, which will also include the Regional Window. The name has also been changed to better describe the function of the window and to highlight the importance it places on supporting socio-economic opportunities for both refugee and host communities.

⁹⁷ See IDA18 Replenishment Report at Annex 5.

⁹⁸ Like in IDA18, the WHR will support refugees, but will not directly support returnees and IDPs. This is due to IDA's country-based financing model, through which it is expected that countries use their PBA to support the economic development priorities of their nationals. Unlike refugees, returnees and IDPs are nationals and regular PBA can support country strategies and programming to support them. Nonetheless, the WHR would not exclude support for IDPs and returnees if they reside within host communities, as can often be the case.

⁹⁹ Ensuring countries maintain an adequate protection regime for refugees will remain a key priority for IDA19. During IDA18, monitoring and management arrangements for dealing with protection issues in WHR operations have been put in place in close collaboration with UNHCR. In addition, the World Bank issued an internal Guidance Note for staff on dealing with protection issues in December 2018. The WBG will continue to monitor the protection situation during eligibility and implementation and will consult regularly with UNHCR for their views. In the event of a deterioration in the protection environment, IDA would reconsider its country engagement under the IDA19 WHR and respond as needed, including by way of exercising legal remedies.

¹⁰⁰ The WHR strategy note will provide: (i) an updated government strategy or action plan; (ii) an update on progress made by the Government in the adoption or implementation of policy reforms since its eligibility, and (iii) an overview of the WB programmatic approach in support of the government's strategy or action plan. The strategy note will be integrated into the country SCD and CPF where possible.

87. **As in IDA18, the Window will support programs and projects in host countries that focus on the medium- to long-term development needs of refugee and host communities.**¹⁰¹ All WHR-funded programs and projects will target both refugee and host communities for medium- to long-term socio-economic solutions. The WHR will continue to focus on supporting the adoption and implementation of sound refugee policies in client countries. Addressing the needs of, and opportunities for, women and children amongst displaced populations and host communities will continue to be a priority.

88. **Under IDA19, WHR financing will remain broadly the same as in IDA18.** The size of the window will be SDR 1.4 billion (or around US\$2 billion).¹⁰² For countries at high risk of debt distress, WHR financing will be provided on grant terms. For countries at low to moderate risk of debt distress, funding will be provided 50 percent in grants and 50 percent in the applicable credit terms of the country. As a refinement, Management proposes that WHR financing provide up to 90 percent of the total project amount, complemented by at least 10 percent from the country's PBA.¹⁰³ There will be a national cap of US\$500 million per country. As a further refinement, IDA19 will introduce a minimum allocation of US\$10 million to provide countries that have notional allocations of less than US\$10 million with a minimum level of financing to have impact at a certain scale. Like in IDA18, the WHR will provide 100 percent grants to countries that experience a sudden massive inflow of refugees, defined as receiving at least 250,000 new refugees or at least one percent of its population within the last 12 months from the start of the IDA19 cycle or during the IDA19 cycle.¹⁰⁴

IV. LINKAGES WITH OTHER THEMES AND CROSS-CUTTING ISSUES

89. **The IDA19 FCV Special Theme has strong links with the other special themes and addresses key cross-cutting issues such as debt, technology, disability, and human capital.**

90. **IDA19's efforts to address rising debt vulnerabilities will have implications for IDA FCS, around two-thirds of which are assessed at high risk of (or in) debt distress.** Addressing debt vulnerabilities is especially challenging in FCS. Weak governance and poor implementation capacity present constraints to strengthening policy frameworks. Domestic resource mobilization is also generally lower in IDA FCS, with substantial heterogeneity across this group. Some IDA FCS also face rising security expenditures, as discussed above. Moreover, the economic structure

¹⁰¹ As in IDA18, priority initiatives may include programs and projects that: (i) promote refugees' welfare and inclusion; (ii) support policy reforms (e.g. right to work); (iii) help ensure access to services and basic infrastructure for refugees and hosts; (iv) support people in host communities whose welfare is negatively affected by the refugees' presence; (v) support sustainable solutions, including, but not limited to return.

¹⁰² Given the sensitivity and complexity of these projects and accompanying dialogue, some caution should be considered before scaling up WHR volumes quickly between IDA18 and IDA19. Over-subscription may be dealt with via reallocations at IDA19 MTR.

¹⁰³ In IDA18, the RSW financed up to five-sixth of the project amount, and countries contributed at least one-sixth from their regular PBA. Experience suggests that these fractions introduced some confusion and skepticism into the dialogue with clients and caused delay in country access to the RSW (see paragraph 37). For simplicity, Management proposes that the PBA portion of WHR projects in IDA19 be adjusted to 10 percent.

¹⁰⁴ Once the threshold of a 'sudden massive inflow' has been reached, the country can access 100 percent grants for new operations for the remainder of IDA19. In these exceptional cases, countries will still be required to contribute at least 10 percent from national IDA, but this will be provided on grant terms. Countries that were eligible for the grant exception during IDA18 are not eligible for continued access to the grant exception in IDA19, unless those countries experience a new sudden massive inflow of refugees.

of these economies tends to be oriented toward the primary sector – agriculture, mining and natural resources – and traditional services, which is reflected in the low levels of export diversification, heightening vulnerability to debt risks. In IDA19, support to countries to address debt vulnerabilities is being enhanced through policy commitments that promote sustainable growth and aim to improve debt management policies. IDA’s framework to support debt sustainability is also being strengthened through the proposed Sustainable Development Finance Policy (SDFP), which will assist IDA countries to establish a path of sustainable development finance that enhances progress toward achieving the 2030 Development Agenda. This policy is anchored in the International Monetary Fund-WB Multipronged-Approach to Addressing Debt Vulnerabilities and has a focus on incentivizing IDA countries to take immediate steps, that could be customized to country situations, to improve debt-related policies. The SDFP will take account of the specific circumstances of FCS.

91. Building resilient, inclusive and accountable institutions in FCS is critical to addressing drivers of fragilities, such as marginalization, exclusion from access to power, and perceptions of inequities in access to services and resources. SDG16 stresses the centrality of justice, peace and security to sustainable development. The Governance and Institutions Special Theme will support the strengthening of core government functions in IDA FCS which is critical for building state legitimacy and trust, through the efficient delivery of essential public services and the rule of law. Building the capacity of the state to raise revenue through taxes also helps governments to strengthen the contract between the state and citizens. Under the Governance and Institutions Special Theme, IDA19 commits to supporting domestic resource mobilization in those IDA countries that fall persistently below the 15 percent tax-to-gross-domestic product threshold, which include several IDA FCS. The Governance and Institutions Special Theme will also work with clients, including in IDA FCS, to enhance the quality, efficiency, and transparency of infrastructure investments. Among the 30 countries with the lowest HCI, the WBG will also strengthen human capital financing by improving efficiency of public expenditure and more effectively aligning sources of expenditure.

92. Job creation is critical to inclusive growth and social cohesion in IDA FCS. Addressing the jobs challenges requires a multi-pronged effort to support more productive self-employment, while also creating markets for private investment through improving the enabling environment and leveraging de-risking tools. The growing number of PSW operations will also benefit IDA FCS and provide demonstration effects to others. Under the JET Special Theme in IDA19, IFC will aim to increase the share of its own-account commitments in IDA FCS to 10 to 15 percent during IDA19. FCS countries are also bound to benefit from the IDA19 priority under JET that commits the WBG to support operations in the 30 IDA countries with the lowest HCI that target skills and capabilities development and improving access to employment and earnings opportunities, addressing the differential constraints facing young women and young men. The WBG also commits to close the digital infrastructure gap by reaching 30 percent broadband penetration in at least 20 IDA countries in Africa, including several IDA FCS.

93. IDA19 will also seek to leverage the comparative advantages of the WB, IFC, and MIGA to maximize the institutions’ collective resources, expertise, and programs. The private sector is instrumental to ignite economic growth, provide jobs and services, and stabilize societies. However, investors are constrained by a lack of security, rule of law, limited access to financing, lack of markets, and basic infrastructure. Efforts to implement the Maximizing Finance for

Development¹⁰⁵ approach requires coordinated public and private sector solutions working at the humanitarian-development-peacebuilding nexus. This includes building state institutions, ensuring equitable service delivery, building human capital, promoting the development of private enterprise, and fostering social cohesion – essential to the full range of FCV settings – and which cannot be achieved through siloed approaches. MIGA guarantees are a particularly valuable risk mitigation instrument in FCV settings as foreign investors often perceive heightened political risks in these situations, and foreign investment has been declining in FCV settings over the last several years. Supporting FCV is a key focus of MIGA’s strategy.

94. **People in the poorest countries – and the most vulnerable within those countries – are the most threatened by the impacts of climate change and natural disasters.** Countries most susceptible to fragility and conflict face particular obstacles to adaptation. They run the danger of being trapped in a vicious cycle of instability if they fail to adapt to the effects of climate change. To this end, climate change is a stress on global economic, political, and social systems. The IDA19 Climate Special Theme will boost support for adaptation and resilience through the commitment to support at least 25 countries to reduce the risks of climate shocks on human capital outcomes by supporting programs that incorporate adaptive social protection into national protection systems or reduce climate threats to health.

95. **IDA FCS are particularly vulnerable to crises and less-equipped to deal with their consequences.** For instance, natural disasters can act as threat multipliers in FCV settings, as shown by episodes of drought in the Horn of Africa which exacerbated food insecurity and displacement, spurring contestation over resources and deepening existing fragility and conflict. Climate change also creates major stresses, especially in fragile situations where governments have limited means to help their populations adapt. There is evidence that environmental factors such as resource degradation and scarcity play a role in driving or exacerbating conflicts. IDA19 will also consider enhancing IDA’s crisis toolkit, including potentially enabling the CRW to respond earlier to slower-onset crises such as food insecurity linked to natural hazards, and strengthening crisis preparedness through promoting the use of Contingent Emergency Response Components or ‘CERCs’. Under the Regional Window, financing will also be available for single-country projects with spillover effects across borders, such as projects that invest in pandemic preparedness. See also *Demand for IDA19 Resources and the Strategy for their Effective Use* (the ‘Ask’ Paper) and the *Review of the Crisis Response Toolkit*.

96. **The FCV Special Theme in IDA19 will continue to address entrenched gender-based discrimination and disadvantage faced by women and men, boys and girls in FCV contexts.** Building on experiences in IDA18, IDA19 will continue to address gender-based violence prevention and response. IDA19 will also work to strengthen women’s access to jobs and other opportunities with a focus on closing gaps in human capital endowments between women and men, girls and boys in FCS, supporting and enhancing women’s role as agents for peace, recovery and reconstruction. The WB will continue to focus on women in displacement, and the communities that host them, addressing their distinctive economic and social needs and opportunities, and promoting their voice and agency.

¹⁰⁵ Only about 10 percent of the amounts mobilized between 2012 and 2017 supported projects in Least Developed Countries and Low-Income Countries. Source: *Amounts Mobilized from the Private Sector, Preliminary Insights from the Data*, OECD, Development Cooperation Directorate.

97. **The IDA19 package will also address constraints facing people with disabilities, including those in IDA FCS.** Under the Governance and Institutions Special Theme, IDA will support countries to adopt universally accessible GovTech solutions, including hardware, software and applications to improve access to, and quality of, public services. The minimum data package will collect and analyze data related to people with disabilities, including in IDA FCS, to improve targeting of future interventions. The proposed JET policy commitment on digital entrepreneurship and financial services will seek to address constraints facing people with disabilities.

98. **IDA19 will focus on systematically leveraging technology to build local capacity in the use of field-appropriate digital technology to enhance operational effectiveness and risk management.** Low-cost digital technologies can add value and enhance development effectiveness in some of the most challenging environments by providing access to accurate, reliable and timely insights into local dynamics in hard to reach and insecure areas. This capacity will support not only WBG-supported projects but also other development initiatives of client governments and development partners. See Policy Commitment 5 (*Build client capacity to use field-appropriate digital tools*).

V. ISSUES FOR DISCUSSION

99. **Management welcomes feedback from IDA Deputies and Borrower Representatives on the following:**

- (a) Seven policy commitments to enhance effectiveness in IDA FCS;
- (b) The consolidation of FCV-related allocations within an FCV Envelope as part of Core IDA. The FCV Envelope will comprise:
 - (i) A Prevention and Resilience Allocation (PRA) to support countries at risk of high-intensity conflict or large-scale violence, based on government commitment and agreed milestones, building on lessons from the previous RMR (see paragraphs 70-73);
 - (ii) A Remaining Engaged in Conflict Allocation (RECA) to support a small number of countries that experience high-intensity conflict and have extremely limited government capacity, building on lessons from Yemen (see paragraphs 74-78);
 - (iii) A Turn Around Allocation (TAA) to support countries with a window of opportunity to accelerate the transition out of fragility, building on lessons from the previous TAR (see paragraphs 80-83).
- (c) Refinements to the RSW that will comprise (see paragraphs 84-88):
 - (i) Removing the 'sub' and renaming the tool as the Window for Host Communities and Refugees within the Regional Public Goods Envelope; and
 - (ii) Adjusting the contribution from country allocations for all WHR projects from one-sixth to 10 percent.

Annex 1: Status of IDA18 Policy Commitments¹⁰⁶

IDA18 FCV Special Theme Objective	Policy commitment	Status
Objective 1: Deepening IDA’s knowledge on FCV and learning from operational experience	1. Adopt a risk-based approach for identifying fragility beyond those countries on the <i>Harmonized List of Fragile Situations</i> .	ON TRACK – Revised FCV list is being developed (see paragraphs 11-12).
	2. Deepen the WBG’s knowledge on the mitigation and prevention of FCV risks through a flagship report drawing on lessons from operational experience and impact evaluations.	DELIVERED – Flagship report was launched in March 2018. Dissemination events have been conducted. The WB is prioritizing efforts to apply the report’s finding across sectors and country contexts (see paragraph 13).
Objective 2: Designing integrated WBG strategies addressing FCV drivers and building institutional resilience	3. RRAs inform all CPFs in FCS and countries with significant risks of FCV.	<p>ON TRACK – During IDA18, 100 percent of CPF/CENs in IDA FCS and RMR countries have been accompanied by an RRA, with the exception of South Sudan which was informed by a dynamic risk monitoring system to provide more real-time analysis on humanitarian/security/development dynamics. The South Sudan CEN also benefitted from a range of studies and analyses focused on the ongoing conflict and the impact on development in the country, as such the substance of the policy commitment was met.</p> <p>A total of 14 RRAs were delivered in the last 18 months preceding the planned CPFs/CENs (Burundi, Comoros, Cote D’Ivoire, Djibouti, Niger, Gambia, Guinea, Liberia, Nepal, Papua New Guinea, Sierra Leone, Solomon Islands, Somalia, Tajikistan).</p> <p>6 RRAs are ongoing in CAR, Congo Republic, DRC, Guinea-Bissau, Haiti, Sudan.</p>
	4. Increase the number of operations targeting refugees and their host communities (baseline: IDA17).	ON TRACK – 17 projects have been approved in 9 countries since the introduction of the RSW in IDA18
	5. Increase the number of operations in fragile contexts which prevent or respond to GBV, including through access to essential services and livelihood supported activities for women (baseline: IDA16).	ON TRACK. BEING CLOSELY MONITORED – 5 projects were approved, starting from a baseline of zero at the beginning of IDA18.

¹⁰⁶ As of April 30th, 2019

<p>Objective 3: Improving staffing, operational effectiveness and flexibility</p>	<p>6. Increase the WB staffing footprint in IDA FCS countries by net 150 over the IDA18 period.</p>	<p>ON TRACK – Net increase of 123 staff as of end-April 2019 (Sept. 2016 baseline). Objective is net 150 staff increase. The Facetime Index has increased by 5 percent in IDA FCS and RMR countries in FY18 compared to the FY17 baseline.</p>
<p>Objective 4: Promoting partnerships for a more effective response</p>	<p>7. Undertake joint RPBA as openings arise for engagement in the aftermath of conflict in IDA countries.</p>	<p>ON TRACK – Joint RPBA has been completed in Cameroon. One is ongoing in Zimbabwe. The WB is exploring additional opportunities for joint RPBA.</p>
<p>Objective 5: Enhancing financing to support FCS/FCV</p>	<p>8. Implement the revised IDA resource allocation framework for FCS/FCV to enhance targeting of IDA’s exceptional support and financial engagement in these countries.</p>	<p>DELIVERED – RMR Implementation Notes have been approved by the Board for the four eligible countries (Nepal, Niger, Guinea, Tajikistan). One RMR financed project is closed, 13 are active. The TAR continues to provide significant financing support to CAR, Madagascar and the Gambia.</p>

Annex 2: Approved RSW Projects¹⁰⁷

#	Country	Project Name	GP	Instrument	Financing from RSW (US\$m)	Project amount US(\$m)	Approval Date
1	Bangladesh	Additional Financing for Health Sector Support Project (P167672)	HNP	IPF	42	50	28-Jun-18
2	Bangladesh	Additional Financing for Reaching Out of School Children II (P167870)	EDU	IPF	21	25	19-Sep-18
3	Bangladesh	Emergency Multi-Sector Rohingya Crisis Response Project (P167762)	SURR	IPF	138	165	7-Mar-19
4	Cameroon	Community Development Program Support Project Response to Forced Displacement (P164803)	SURR	IPF	40	48	1-May-18
5	Cameroon	Social Safety Nets for Crisis Response (P164830)	SPL	IPF	30	60	1-May-18
6	Cameroon	Health System Performance Reinforcement Project - Additional Financing (P164954)	HNP	IPF	30	36	1-May-18
7	Cameroon	Cameroon Education Reform Support Project (P160926)	EDU	IPF	30	130	1-May-18
8	Congo, Republic of	LISUNGI Safety Nets System Project II (P166143)	SPL	IPF	18	22	7-Feb-19
9	Chad	Chad - Refugees and Host Communities Support Project (P164748)	SPL	IPF	50	60	12-Sep-18
10	Djibouti	Djibouti Integrated Slum Upgrading Project (P162901)	SURR	IPF	5	20	9-Nov-18
11	Djibouti	Improving health sector performance project second additional Financing (P168250)	HNP	IPF	5	6	3-May-19
12	Djibouti	Integrated Cash Transfer and Human Capital Project (P166220)	SPL	IPF	5	15	15-May-19
13	Ethiopia	Ethiopia Economic Opportunities Program (P163829)	FCI	PforR	167	202	26-Jun-18
14	Niger	Niger Refugees and Host Communities Support Project (P164563)	SURR	IPF	50	80	12-Sep-18
15	Rwanda	Socio-economic Inclusion of Refugees & Host Communities in Rwanda Project (P164130)	SURR	IPF	50	60	30-Apr-2019
16	Uganda	Uganda Support to Municipal Infrastructure Development Program - Additional Financing (P163515)	SURR	PforR	50	360	15-May-18
17	Uganda	Integrated Water Management and Development Project (P163782)	WATER	IPF	58	280	14-Jun-18
18	Uganda	Development Response to Displacement Impacts Project (P164101)	SURR	IPF	125	150	17-Apr-19
TOTAL					913	1,769	

¹⁰⁷ As of May 20th, 2019