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**World Bank Group Engagement in  
Situations of Fragility, Conflict, and Violence**

VIOLENCE AND CONFLICT IN  
MIDDLE-INCOME COUNTRIES

# CYCLE OF VIOLENCE AND CONFLICT

Today, violence or the imminent threat of violence affects development outcomes for almost 2 billion people, 37 percent of whom live in higher-middle-income countries and another 37 percent in lower-middle-income countries. Fragility, conflict, and violence are known to have significant adverse effects on economic development and poverty levels. The Institute for Economics and Peace estimated the cost to the world economy of containing violence at \$14.3 trillion in 2014, or almost 13.4 percent of global gross domestic product.

The Independent Evaluation Group undertook this study on middle-income and relatively stable countries with functioning systems of government. The study aimed to provide a deductive analysis of factors that led to success or failure of the Bank Group engagements from 2001 to 2012 and to facilitate learning in this area. The Bank Group is committed to the United Nations Sustainable Development Goals (SDGs) adopted by the international community and recognizes the importance of SDG 16, which is to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive, institutions at all levels.”

This report does not aim to analyze the nature of the conflicts. Breaking cycles of internal fighting takes time, patience, and multiple actors to help end the tension, and success requires good knowledge of local conditions and deep understanding of the political economy. In middle-income countries, the Bank Group is not even the major player. However, its interventions are aimed at providing services and preventing the escalation of violence.

Sources of violence and conflict vary in different countries and among different groups. The report has categorized them under the following broad themes:

- Ethnic and identity-related disputes
- Organized crime and drug trade violence;
- Failure of governance and an overall erosion of state legitimacy.

The Independent Evaluation Group concludes that the World Bank Group is in a good position to support countries in tackling longer-term development challenges, including early engagement and sustained presence in conflict-affected areas and engaging with the parties involved in violent conflicts.

## Failure of governance and state legitimacy

Failures of national and local governance, including widespread corruption, have alienated broad swaths of the population and led to a lack of loyalty toward the government.

Pakistan | Nigeria | Kyrgyz Republic

## Organized crime and drug trade-related violence

This is a dominant factor in many countries in Central and South America, where the expanding drug trade has exacerbated the cycle of violence often created by organized criminal gangs. The perception that the state is illegitimate or that it is unable to address socioeconomic issues, such as skewed land ownership and gross income inequality, have helped nurture violence.

Colombia | Honduras



## TRIGGERS OF VIOLENCE

## Subnational or local violence with a regional or ethnic identity marker

Rebellion is triggered when the state or a dominant identity group imposes a rule that another group perceives as unjust. The emotions stirred by such conflicts are often amplified when the ethnicity, geographical location, or religion of the affected group are easily defined or visible. Disputes also often erupt over land rights and natural resources.

Philippines | Indonesia | Uganda | Sri Lanka

# Pakistan



**A**long Pakistan's western border with Afghanistan, localized conflicts have threatened both national and regional stability in recent years. Government engagement with militants in the tribal areas, Khyber Pakhtunkhwa province, and Balochistan province can be traced to a complex web of issues that originate in Pakistan's independence and its complex relationship with Afghanistan.

The government has been unable to extend its writ to the mountainous tribal areas, a problem predates the formation of the modern state of Pakistan. Tribal leaders have always resisted incorporation into a national polity, seeing few benefits in joining a political system that would eventually erode their power and influence. Religious extremists have complicated this picture, but they have not threatened the army—the main institution of the state in Pakistan.

World Bank Group's engagement in these regions has varied considerably as hostility in the north and west intensified until 2010. Thus, much of the relevant overview relates to engagements between 2010 and 2015.

**\$560 million**

of Bank assistance in  
west and north Pakistan

**3,500**

women, previously banned from working outside the house, attended sewing workshops

**6**

districts in Khyber Pakhtunkhwa  
received health services

Many Bank projects combined two essential elements: meeting community needs (such as infrastructure, employment, and services) and capacity building. Capacity building has a much longer process compared with meeting community needs and depends to a larger extent on collaboration and commitment by local and central government counterparts. The projects ensured continued access to education, in particular for girls, and development of institutional structures at the provincial level. The capacity-building component funded training for teachers, staff, and student achievement testing.

The projects also had an impact on local perceptions toward women because families had to prioritize financial commitments and value women's contribution to the household economy. As a result, women were permitted to attend sewing workshops and work outside the house.

# The Philippines



**T**he historical complexity of currents that contribute to violence are on full display in the Philippines. Four groups have been fighting one another and the government: Moro separatists, Islamist militants, communists, and bandit gangs. Some of the disputes between Moros and Christians are over land titling, which also feeds into a wider political rivalry. The conflict between the Moros and the central government dates back to the 16th century, when the Spanish took over the Philippines and advocated Christianity as the religion of the land. The fighting flared up after the United States took over from Spain in 1898 and again after independence in 1946. Ferdinand Marcos' military government agitated the tension in the 1970s with a program of settling large numbers of Christians in Mindanao, which is the second-largest island of the country and where the Muslim population has fought for self-determination for decades.

**\$269.7 million**

of financial support in Mindanao

**3 million**

people reached in Mindanao

**300**

subprojects in Mindanao

Since the early 1990s, organized violence in Mindanao has claimed more than 160,000 lives and since 2000 has displaced 3.5 million people. The number peaked in 2008, when an estimated 600,000 people were forced from their homes, making the Philippines the country with the highest number of newly displaced people that year.

The Bank introduced Conflict Filter, a screening tool that aimed to ensure Bank activities distributed benefits among ethnic and social groups in a way that seemed fair and would not exacerbate conflict situations. Its purpose was to mitigate the risk of violence, strengthen social cohesion, and inform teams about the sources of conflict and fragility so that they could avoid stirring up ethnic animosities.

Almost all activities in Mindanao had components for developing the institutional capacity of local governments and civil society because the purpose was to empower local institutions with authority and resources.

In Colombia, violence has been driven by multiple factors: political polarization, rural conflict, inequality, lack of property rights, limited state presence, and illegal drug markets.

Although the level of violence has dropped and the prospect of peace appears likely, the conflict has significantly affected the lives of people. Thousands of displaced households are still not able to repossess their land. According to the United Nations High Commissioner for Refugees, the number of internally displaced people reached about 5 million by 2015, the highest of any country in the world.

The Bank's interventions were intended to mitigate the effects of conflict and violence on households, farmers, and communities, and to address some drivers of conflict. This was because the program was seen by villagers as providing them with compensation for damage and loss from the conflict. Both goals were highly interlinked, but their importance changed over time. During the period reviewed, the Bank started with mitigation activities at the local level, supporting communities under extreme duress, and as the security situation gradually improved, began working with local institutions with an emphasis on supporting the education sector. Eventually, the Bank moved to facilitating broader regional or national-level policies, with a focus on land titling and restitution.

**\$346.2 million**

of direct Bank assistance in violence-affected areas

**90%**

of funds went to livelihoods proposals for displaced people, such as livestock, agriculture, and small individual trades.

**10%**

of funds provided community infrastructure

In some regions, Colombian civil society had already initiated demand-driven projects. The Bank joined and supported those efforts in different communities—although the definition of community often varied widely, sometimes including an entire municipality. The model was able to preserve and stabilize a minimum standard of living and rebuild social and human capital in the absence of government intervention.

## Colombia



## RECOMMENDATION

The report suggests that the World Bank Group can further enhance its influence in these situations by (1) strengthening relevant internal organizational structures and cooperation within the Bank Group; (2) sustained presence and dialogue in fragile, conflict, and violence-affected areas and expanding regional focus of the Bank's programs; (3) improving cooperation with development partners, particularly the United Nations; and (4) exploring opportunities beyond supporting livelihoods in conflict-affected communities. Such opportunities include support for private sector development, using Bank Group expertise in public financial management more effectively, and improving monitoring and evaluation frameworks.



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<https://ieg.worldbankgroup.org/evaluations/fragility-conflict-violence>

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