

# Management Action Record

IEG Findings and Conclusions	IEG Recommendations	Acceptance by Management	Management Response
<p>1. Cooperation between different parts and units of the Bank Group, good knowledge of local conditions and understanding of the political economy are the key for successful interventions in FCV situations.</p>	<p>Review the institutional setup and interaction of various Bank Group units dealing with FCV matters, to ensure that the FCV CCSA drives substantive thinking on strategy and policy in this area across the World Bank Group. This would also entail closer operational engagement of CCSA staff with and across the Bank Group members (including IFC and MIGA), and regional and thematic departments.</p>		
<p>2. Bank Group definitions, measurement metrics, and policy application are not entirely consistent along the full spectrum of countries experiencing</p>	<p>Develop a new multidimensional publicly disclosed system of markers and flags for monitoring and measuring fragility, including in non-FCS</p>		

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<p>FCV. In this regard, the role of the new structural unit, the FCV CCSA could be particularly important, especially in redefining and fine-tuning fragility diagnostic and measurement instruments. FCV-specific diagnostic work (fragility assessments, conflict filters) was useful and relevant when it was invoked, but was not the norm within the reviewed group of countries. The utility of fragility assessments in non-FCS could be limited by the fact that their preparation, disclosure, and even discussion with the client are optional.</p>	<p>countries. Linked to this, integrate fragility assessments as part of the SCD/CPF process to be applied systematically in countries where conflict and violence or externally imposed fragility constitute a significant impediment to attaining the strategic objectives of the World Bank Group.</p>		
<p>3. The Bank Group comparative advantage continues to be in helping</p>	<p>Scale up regional presence and outlook, including through regional projects</p>		

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<p>countries to tackle longer-term developmental challenges through earlier engagement and sustained presence in the conflict-affected areas, and continuous dialogue with the parties to violent conflicts, where possible. In many instances, the problems have much deeper regional roots and the Bank Group needs to develop a broader and more holistic view of the problems and their spill-over effects.</p>	<p>and joint analytic and advisory work across relevant countries, and ensure Bank Group sustained presence in FCV-affected areas, monitoring the fragility profile of the countries/regions.</p>		
<p>4. Bank Group operational response to FCV, and emergencies in particular, is often constrained by the limited choice of instruments at its disposal and depends to a large extent on donor financing and presence of large</p>	<p>Develop new financial mechanisms or fast-response facilities to be used when outbreaks of violence or external threats jeopardize resilience in MICs. Improve strategic alignment and use of global FCV thematic trust funds,</p>		

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<p>multi-donor trust funds. Global thematic trust funds were helpful in supporting synergies in FCV context. However, their impact (particularly in the MIC context) was diminished by their fragmentation.</p>	<p>while boosting their agility. Options to consider include using these funds for co-financing small pilot programs in FCV-affected areas with potential of scaling-up.</p>		
<p>5. Projects with a CDD design were a useful point of entry for the Bank Group in conflict-affected areas, used also as a form of information-gathering and contextual learning. They were not, however, a forum for addressing the causes and consequences of violence. Creating opportunities for private sector development, generating employment and local entrepreneurial success are important to making a peace settlement</p>	<p>Within the new SCD/CPF model, develop a broader strategic approach to interventions in FCV-affected areas, expanding sector interventions beyond the CDD model, and improving coordination and information sharing within the Bank Group, with particular attention to private sector development activities (through a more customized approach to risk assessment, project mix, policies and procedures), public financial</p>		

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<p>last. In this area, however, opportunities were sometimes missed due to the lack of coordination and communication between different parts of the Bank Group, including IFC and MIGA, as well as lack of flexibility of Bank Group instruments and inadequate staff incentives. Support to the education sector can be important in dealing with issues of fragility, particularly as they pertain to psycho-social issues among children and providing safe spaces for integration and community cohesion to develop, and dealing with the problem of “lost generations” in more protracted conflicts. PFM diagnostics in the conflict-</p>	<p>management (including fiscal decentralization and broader use of diagnostic tools), education, and gender (including integration of conflict-specific gender issues in project design and implementation). Strengthen M&amp;E frameworks by including FCV-related outcome indicators.</p>		

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<p>affected regions, and particularly policy advice on budgeting and governance arrangements in the security sector and fiscal decentralization, deserve more attention, especially since the Bank does have proven technical expertise and positive experience with such analysis. The Bank Group’s focus was limited on gender issues in conflict-affected areas reviewed by this evaluation: few programs were designed or implemented taking into consideration gender disparities, and the little analytical work done was not translated into operations. Weak monitoring and evaluation (M&amp;E) frameworks</p>			

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<p>undermined the assessment of results in many of the cases observed, and diminished the learning potential from the projects even when they were designed as pilots. FCV factors were generally reflected in project design and during implementation, but rarely captured in results.</p>			
<p>6. Bank Group-United Nations partnership was particularly important in the FCV context, as the United Nations agencies have political and security-related skills and contacts that the Bank needs to leverage, and the United Nations system is the prime actor on the humanitarian front. Bank Group-UN institutional partnership was not</p>	<p>Develop institutional incentives for collaboration and strategic thematic guidance on partnering – particularly with the United Nations but also with other partners. Introduce systematic communication and staff exchange programs to increase the level of collaboration.</p>		

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<p>systematic and its frequency and effectiveness varied across the countries and themes. The existing system did not encourage building partnerships because of perceived high transaction costs, lack of strong staff incentives, incompatibility of the fiduciary and legal frameworks, and competition for influence and limited donor resources. A more nuanced strategic and technical dialogue is needed to delineate respective roles and comparative advantages.</p>			