

World Bank Group Assistance to Low-Income Fragile and Conflict-Affected States



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Background

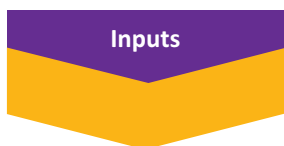
About 370 million people live in low-income fragile and conflict-affected states (FCS). They have higher poverty rates, lower growth rates, and weaker human development indicators than other low-income countries. The World Bank Group has identified support to FCS as a strategic priority, critical to achieving its mission of poverty alleviation and shared prosperity. Progress is evident in several areas, but Bank Group engagement in FCS is clearly a long-term agenda with several challenges and constraints yet to be overcome. This review of International Development Association (IDA) countries establishes that the World Bank's portfolio performance in low-income FCS has improved since 2001 compared to low-income countries that are not fragile.

Findings

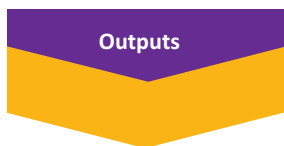
The evaluation finds that:

- Country assistance strategies have lacked tailoring to fragility and conflict drivers and realism, and do not currently have contingencies based on political economy and conflict risks to adjust objectives and results if risks materialize.
- The Bank has been relatively effective in mainstreaming gender within the health and education and community-driven development portfolios, but has paid insufficient attention to conflict-related violence against women and economic empowerment of women in low-income FCS.

Results Chain of World Bank Group Assistance to FCS



- Analysis of fragility and conflict drivers and underlying political economy
- Conflict-sensitive, realistic, flexible country assistance strategies
- Policies, instruments, guidance, funding, knowledge and advisory services, and staffing
- Partnerships with the United Nations, other development organizations, and nonstate actors



- Better knowledge base, results monitoring, and risk management
- Improved capacity in budget and finance management and civil service
- Improved voice and capacity of citizens for collective action
- Improved investment climate and access to public goods and services, finance and market services
- Operations and partnerships for reconstruction, peace building, and justice



- Budget, finance, and civil service reforms result in improved capacity, expanded functional authority, and enhanced accountability of public institutions
- Increased citizen engagement fosters accountability and good governance resulting in greater willingness of political actors to act in public interest
- Measurable improvements in human capital, growth, and jobs
- Institutions effectively manage internal and external stress, reduce violence, and increase cohesion



- Trust and legitimacy in state institutions
- Inclusive citizenship and social stability
- Poverty reduction

- Community-driven development has been a useful vehicle for short-term assistance to local communities in FCS; but in the absence of a mechanism to ensure sustainability, their long-term viability remains questionable.
- The World Bank Group lacks a realistic framework for inclusive growth and jobs that is based on economic opportunities and constraints in FCS and effective coordination and synergies across World Bank Group institutions.
- The global shift in aid flows toward fragile states has not been matched by IDA, and FCS receive less aid per capita from IDA than do other low-income countries.

Recommendations

To enhance the relevance and effectiveness of its assistance to FCS, this evaluation recommends that the World Bank Group adjust its strategy, approach, and product mix by:

- Developing a more suitable and accurate mechanism to classify FCS;
- Tailoring country strategies to fragility and conflict contexts;
- Supporting institutional capacity building at national and subnational levels;
- Enhancing the institutional sustainability of community development programs;
- Addressing the effects of violence against women;
- Developing a more realistic framework for inclusive growth and jobs; and
- Adapting the business models, incentives, and systems of the International Finance Corporation and the Multilateral Investment Guarantee Agency to the needs of FCS.



The Independent Evaluation Group (IEG) is charged with evaluating the activities of the International Bank for Reconstruction and Development (IBRD) and International Development Association (the World Bank), the work of International Finance Corporation (IFC) in private sector development, and the Multilateral Investment Guarantee Agency's (MIGA) guarantee projects and services.

This is a short summary of an IEG evaluation containing evidence that can inform the realization of the **Financing for Development** agenda and the World Bank Group's engagement therein. Other IEG resources specifically dedicated to the agenda can be found at ieg.worldbankgroup.org/f4d.