Proposed Adjustments to the Bank Group Framework for Engagement in Fragile States

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Overview

1 Recap of the first meeting

2 ADF-13: deepening engagement in fragile states

3 Proposed adjustments

4 Conclusion
Fragility.....

.....Resilience

Transformation
The High-Level Panel on Fragile States

Mandate

Work program and timeline
- Country consultation
- Preliminary feedback
- Final report
A framework for deeper engagement in fragile states

Strategic Focus

Effective Delivery

Partnerships

Fragility lens

Business processes

One-Bank

Dedicated facility
Proposed Adjustments
a more Effective, Responsive and Flexible support
Improved approach for assessing fragility and FSF eligibility

Current approach
- CPIA < 3.2
- Peacekeeping or Peacebuilding mission

Introduce additional qualitative measures
- Assess dimensions not captured by CPIA

Revise first-stage eligibility criteria

ADF-13 pilot: Country Resilience and Fragility Assessment (CRFA) framework
Enhancing responsiveness of FSF resource allocation

- Additionality
- Predictability
- Link to Performance
- Responsive & Flexible
Proposal 3a. & 3b.

...enhanced responsiveness

- retain a portion of Pillar I (10%) unallocated

- allow exceptional access to a country’s PBA
...longer duration of Pillar I assistance

longer support with modified discount factor & top-up multiplier
Pillar II: arrears clearance

Zimbabwe
- has arrears clearance strategy and IMF-SMP
- Bank providing capacity building support

Somalia
- accelerating arrears clearance is priority

Sudan
- meets most of the technical requirements
- Zero-option agreement with South Sudan

UA 362 million from ADF-12 to be rolled over into ADF-13
Pillar III - capacity building & institutional development

- building local capacity through knowledge transfer

- harnessing the skills and resources of the Diaspora

- piloting innovative approaches
**FSF Resource envelope under ADF-13**

**Pillar I:** robust level of resources to support 15 potentially eligible countries
- 2 scenarios +10%: UA 608 – 678 million

**Pillar II:** additional resources to clear the arrears of Somalia, Sudan and Zimbabwe
- UA 179.83 million

**Pillar III:** continued support for capacity building
- UA 44 million (average of two previous cycle)

**Total (15 Pillar I countries):** UA 831.4 - 901.7 million
Conclusion

- Endorsement of proposed adjustments
- Further guidance
The Road to Resilience...
...and transformation