

# Navigating fragility: the new multilateral agenda

**Wednesday, 11<sup>th</sup> October 2023**

**16:00 – 18:00 WEST**

**Adam Park Hotel, Zone Touristique de l'Agdal, Agdal, 40000 Marrakech, Morocco**

This concept note details an upcoming event – to take place in **Marrakech** on **11 October 2023** and jointly organised by the International Growth Centre (IGC) and ODI – on recognising fragility, conflict, and violence (FCV) as a global challenge for the international community and developing effective strategies and instruments to improve and scale up support for countries experiencing FCV. Whilst acknowledging that fragility as a term covers a range of vulnerabilities and continues to be contested, this event will focus specifically on how to leverage ongoing multilateral development bank (MDB) reform processes to promote the mitigation of FCV in its many forms, as a global public good.

## **Background**

Momentum has grown behind overhauling the MDB system to better enable borrowing countries to address global challenges like climate change, pandemic risk, and FCV, including through the allocation of concessional finance for supportive programming as well as changes in MDB operating models, more systematic engagement with the private sector, and vastly scaled-up operations. At the same time, there is concern that the heightened priority given to global goals may reduce MDBs' focus on fighting poverty and accelerating growth in the world's poorest, most vulnerable nations, since the bulk of the financing needs for global challenges is in middle-income countries (MICs) (see [Lankes and Prizzon, 2023](#)). While MDB reform advocates have stressed that increased support for global public goods in MICs should not come at the expense of – and might actually help to reinforce – country-level poverty objectives in low-income countries, others question whether mitigating FCV represents an objective on par with other global challenges (or public goods), such as climate action and pandemic prevention.

In practice FCV challenges have received only limited attention in the MDB reform debate, even though the World Bank Evolution Roadmap (WBER) makes a commendable effort to highlight the issue. In particular, there is insufficient clarity on how the reforms of MDB operating models, instruments and size relate to the specific challenges of FCV, including around the type of programs these resources should finance and how to structure concessionality allocation frameworks to most efficiently and effectively incentivize World Bank Group action in this area. Finally, with the IMF having in 2022 finalized its own institutional strategy to address FCV, questions have emerged on how to ensure cohesion between the Fund's work on fragility with the revamped efforts on this issue envisioned under MDB reform.

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## Objectives

1. In the midst of these strategy discussions, we aim to ensure that issues arising from multiple forms of fragility – including those experienced by countries emerging from or facing conflict – and financial and technical assistance directed at countries facing fragility remain a priority concern for MDBs and the international community at large (including the IMF and bilateral institutions).
2. To push for greater clarity amongst MDB, donor and borrower country officials about the concept of “global challenges”, which motivates much of the MDB reform drive and has been linked to “cross-border effects and consequences that stretch far into the future” (WBEB), and which encompasses global public goods that provide much of the reasoning behind the desire for expanded concessional financing vehicles. In that context, we want to explore which aspects of FCV and FCV mitigation represent global challenges and public goods that would justify the reform of the World Bank Group and other MDBs. Moreover, we would seek to achieve strong cohesion across MDB evolution processes and FCV strategies around these issues.
3. To exchange thinking and share experiences around the causes of state level fragility and effective strategies and instruments for the international community to improve and scale up its support to countries experiencing fragility in its many forms, including in the context of the new concessionality framework and the changes in the operating model being developed in the World Bank evolution process. In particular, we would like to achieve more consistent thinking on:
  - a) The need to step up concessional finance for FCV, including the types of interventions that would warrant concessional finance for addressing FCV (for instance, whether such interventions would derive their justification from spillovers effects of FCV, from the intersectionality of climate change and FCV, or more broadly from the objective of tackling the various dimensions of poverty).

Following on from that discussion, though probably beyond the scope of the Marrakech event, would be questions around the substantive criteria that would guide project-level decisions on eligibility for concessional finance, and the financial terms and allocation mechanisms that would most efficiently incentivize shareholders to deploy concessional finance in this way.

- b) Whether and how key proposed reforms would be effective in addressing FCV challenges, including in particular the development of country-led strategy and coordination platforms, the shift toward more programmatic lending approaches, and stepped-up engagement with the private sector.
4. To identify knowledge gaps and potential new research needed pertaining to the causes of state level fragility of different kinds, how to effectively categorise the specific forms of fragility given states face, and what effective, tailored strategies, instruments and interventions could be deployed by a reformed MDB system for tackling fragility as a global challenge.

Session	Description	Speakers
<b>Welcome and introductions</b>	Introduction speeches	<p>Speakers:</p> <p><b>Abdi Ali</b> (Head of State Fragility initiative, IGC)</p> <p><b>Sara Pantuliano</b> (Chief Executive, ODI)</p> <p>Distinguished speakers:</p> <p>Former President <b>Ellen Johnson Sirleaf</b> (Co-Chair, Council on State Fragility) 3 minutes</p> <p>Former Minister <b>Donald Kaberuka</b> (Co-Chair, Council on State Fragility) 3 minutes</p>
<b>Fragility as a global challenge</b>	The goal of this session would be to convey the immediate relevance of fragility as a continuing global challenge for the participants, and to draw on experience to connect the sources of the FCV challenges with effective forms of intervention	<p>Moderator: <b>Franck Bousquet</b>, IMF</p> <p><u>Interventions:</u></p> <p><b>Sara Pantuliano</b> (Chief Executive, ODI)</p> <p><b>Lukas Rüttinger</b> (Senior Advisor for Climate and Security, Adelphi);</p> <p>Designated conversation starter from among <b>FCV delegates</b>.</p> <p>The purpose of these interventions is to flag key messages that would lead into open discussion, where the wider audience can share thoughts and pose questions (i.e., no background presentation or analysis).</p>
<b>Fragility and the new multilateral agenda</b>	The goal of this session would be to map out how the MDB reform agenda could effectively address issues of fragility, with a focus on concessional financing and changes in operating models (country platforms, programs, private sector engagement)	<p>Moderator: <b>Hans Peter Lankes</b>, IGC/ODI</p> <p><u>Interventions:</u></p> <p><b>Alexia Latortue</b> (Assistant Secretary, United States Treasury)</p> <p><b>Martin Raiser</b> (Regional Vice President for South Asia, World Bank)</p> <p>Designated conversation starter from among <b>FCV delegates</b>.</p> <p>The purpose of these interventions is to flag key</p>

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**Concluding thoughts**

Closing remarks, IGC/ODI, WBG and IMF

Speakers:

**Sara Pantuliano** (Chief Executive, ODI)

**Martin Raiser** (Regional Vice President for South Asia, World Bank)

**Franck Bousquet** (Deputy Director, IMF)

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