

## **Information Note: The World Bank’s Harmonized List of Fragile Situations**

The World Bank’s Fragile, Conflict and Violence Group (formally the Center on Conflict, Security and Development CCSD) annually releases the *Harmonized List of Fragile Situations*. The first such list was compiled in fiscal year 2006 and has gone through a series of changes in terms of classification from the *Low Income Countries Under Stress List* (LICUS) (2006-2009), to the *Fragile States List* (2010) to the now *Harmonized list of Fragile Situations* (2011-2014). The concept and the list have evolved as the World Bank’s understanding of the development challenges in countries affected by violence and instability has matured. This reference document provides a brief historical overview of the progression of the list to date, as well as some notes on current limitations of the FCS list, and possible future directions.

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### **Historical Context**

The World Bank coined the term “LICUS” in November 2001 when it established a task force to examine the challenges faced by low-income countries with particularly weak policies, institutions, and governance. The task force recommended that the Bank maintain a more consistent engagement in LICUS, and that it improve the quality of its political and economic analysis, policy advice and dialogue, capacity-building programs, frameworks for donor coordination, and aid delivery mechanisms. Following the presentation of the task force’s report to the Bank’s Board of Executive Directors in June 2002, the LICUS initiative was formally launched in the Bank. In October 2002, the Bank set up a special unit in the Operational Policy and Country Services (OPCS) Vice Presidency to coordinate LICUS implementation.<sup>1</sup> This unit

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<sup>1</sup> *Evaluation of World Bank Support to Low Income Under Stress Countries:*

[http://imagebank.worldbank.org/servlet/WDSContentServer/TW3P/IB/2013/12/11/000356161\\_20131211143926/Rendered/PDF/821920IEGAppro00Box379862B00PUBLIC0.pdf](http://imagebank.worldbank.org/servlet/WDSContentServer/TW3P/IB/2013/12/11/000356161_20131211143926/Rendered/PDF/821920IEGAppro00Box379862B00PUBLIC0.pdf)

was the first to develop the list methodology, meant to be used as guidance for which countries would receive the additional engagement described above.

Through ongoing consultation with partner countries and increased coordination with regional development banks, the acronym LICUS was increasingly regarded as a Bank-centric term and common language with clients and partners was found in the term “fragile states”. The new term was accompanied by an expanded definition which included countries with peace-keeping and peace-building missions and introduced the concept of “harmonizing” (averaging) CPIA scores from the World Bank with those of regional development banks to reflect a global and regional perspective in the classification (see details below).

In 2011, the *World Development Report 2011: Conflict, Security and Development* (hereafter WDR 2011) called for a paradigm shift in the development community’s work on FCS. The report concluded that violence and other challenges plaguing FCS cannot be resolved by short-term or partial solutions in the absence of institutions that provide people with security, justice, and economic opportunities. This paradigm is based on the following findings: (a) violence takes many forms, is often recurrent, and can mutate over time; (b) successful transitions have involved the creation of “inclusive enough” coalitions and early and convincing “signaling” of intent through concrete and credible actions; (c) building capable and legitimate institutions to deliver citizen security, address injustice, and create employment is key to breaking these cycles of violence; and (d) responding to these priorities requires much greater partnership and discipline by external actors, and revised procedures to permit greater speed, allow for longer engagements, and better manage the inevitable risks inherent in assisting FCS.<sup>2</sup>

In an effort to operationalize the WDR 2011, the Center on Conflict, Security and Development was created (July 2011), with a presence in Nairobi and Washington DC under the OPCS VP. This unit currently has managed the World Bank’s Harmonized List of Fragile Situations since then and will continue to do so when it evolves into the Fragile, Conflict and Violence Group, July 1, 2014.

### **Historical Classification Systems (by Fiscal Year)**

#### ***Low Income Countries Under Stress List (2006-08)*<sup>3</sup>**

- i. LICUS countries were identified by weak CPIA ratings.
- ii. They covered a spectrum of fragility and included: countries with deteriorating governance, states in prolonged political crisis, post-conflict transition countries and those undergoing gradual but still fragile reform processes.

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<sup>2</sup> Operationalizing the 2011 World Development Report: Conflict, Security and Development

<sup>3</sup> FY06-08 LICUS lists

- iii. The Bank defined LICUS as (i) low income countries with overall CPIA and governance average of the CPIA ratings of 3.2 or less, (ii) non-member territories and IDA-eligible countries without CPIA data.
- iv. “Severe” LICUS countries had the lowest CPIA score within this grouping.
- v. The “marginal” LICUS group scores are on the edge of what was considered LICUS and were included on the list for monitoring purposes only.
- vi. The LICUS list was an internal document, and was not publically disclosed. The LICUS lists from these years have been made available on a case by case basis for research.

#### **Fragile States list (2009-10)**

- i. In 2009, the LICUS List became the Fragile States list.
- ii. The Fragile States list followed the same format as the LICUS list, with categorization as: (i) Core Fragile States score lowest within the grouping, with CPIA score of 3.0 or lower, and (ii) Marginal Fragile States have scores between 3.0 and 3.25.<sup>4</sup>
- iii. The categorization as core or marginal was an internal operational categorization (mainly relating to staffing benefits).<sup>5</sup>

#### **Current Harmonized List of Fragile Situations (2011-2014)**

- a. In FY11, reflecting consultations with clients and partners, the name of the Fragile States list was changed to create the Harmonized List of Fragile Situations.
- b. ‘Fragile situations’ include countries or territories with (i) a harmonized CPIA country rating of 3.2 or less, and/or (ii) the presence of a UN and/or peace-keeping or political/peace-building mission during the past three years.
- c. The list includes only IDA eligible countries and non-member or inactive territories/countries without CPIA data.
- d. The list excludes IBRD countries (for which the CPIA scores are not publically disclosed); unless there is the presence of a peace-keeping or political/peacebuilding mission – for which the country will be listed on the harmonized list with the exclusion of its CPIA score.
- e. The ‘harmonization’ comes from averaging the World Bank CPIA scores with those of relevant regional development banks’ (African Development Bank and Asian Development Bank) ratings to arrive at a harmonized rating of 3.2 or lower.<sup>6</sup>

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<sup>4</sup> FY09-10 Fragile States Lists.

<sup>5</sup> FY10 Fragile States List.

<sup>6</sup> Through averaging the CPIA scores, the harmonized score is recorded to up to 3 decimal places. Thus, the threshold is in effect 3.200, as only states with scores of 3.200 or less are included.

- f. Political and Peace-Building Missions are specifically defined as the presence of a UN and/or regional (for example: AU, EU, OAS) peace-building and political mission in this country in the last three years.<sup>7</sup>
- g. Peace-keeping Missions are specifically defined as the presence of a UN and/or regional (for example: AU, EU, NATO) peace-keeping operation in this country in the last three years,<sup>8</sup> with the exclusion of all border monitoring operations (for example UNMOGIP in India and Pakistan or UNFICYP in Cyprus).
- h. The Harmonized List of Fragile Situations is released both internally and externally annually, a practice which began in 2009 (see below)

### **An evolving concept, current critiques and future adaptations**

The limitations of using the CPIA score to underpin the fragile situations list have been well documented within the World Bank. In the recent Independent Evaluation Group (IEG) reporting on the World Bank's operationalization of the WDR 2011 and engagement with fragile states,<sup>9</sup> IEG concluded that "The assumption that the Country Policy and Institutional Assessment (CPIA), which was designed primarily as an instrument to determine entitlements under the Performance-Based Allocation system, works equally well for FCS classification has proved to be problematic in recent years with the emergence of new drivers of fragility and conflict." The report recommends that the World Bank "[develop] a more suitable and accurate mechanism to classify FCS...."

Discrete classification systems tend not to capture the nuances, fluid nature and multi-dimensional complexities of the concepts of state fragility, conflict or instability. While the original intent of the list was a monitoring tool to guide Bank engagement with clients with unique development challenges, it has been acknowledged (see the management response to the IEG report) that definitions built on the CPIA and peacekeeping missions are insufficient to the task. The current direction of analysis underpinning the fragility list aims to include more multi-dimensional approaches to identifying fragile situations so as to provide better guidance of relevance to the wider Bank group.

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<sup>7</sup> Sources: UN DPKO website, AU website, EU website.

<sup>8</sup> Sources: UNDPKO website, AU website, EU website, OSCE website

<sup>9</sup> Independent Evaluation Group. 2013. World Bank Group Assistance to Low-Income Fragile and Conflict-Affected States : An Independent Evaluation. World Bank, Washington, DC. © World Bank.  
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**List of Acronyms**

ADB	Asian Development Bank
AfDB	African Development Bank
AU	African Union
CCSD	Center on Conflict, Security and Development
CPIA	Country Policy and Institutional Assessment
DPA	UN Department of Political Affairs
DPKO	UN Department for Peace-keeping Operations
EU	European Union
FCS	Fragile and Conflict Affected Situations
IDA	International Development Association
IBRD	International Bank for Reconstruction and Development
LICUS	Low Income Countries Under Stress
NATO	North Atlantic Treaty Organization
OECD	Organization for Economic Co-ordination and Development
OPCFC	Operational Policy and Country Services Fragile and Conflict Situations
OPSFC	Operational Policy and Services Fragile and Conflict Situations
OSCE	Organization for Security and Co-operation in Europe
WDR	World Development Report

*Please reach out to our team with any other queries you may have*

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