

A Refreshed WBG Strategy for Engaging in FCV Settings

Summary | MDB FCAS/FCV Director-Level Meeting held in the margins of the WBG-IMF Spring Meetings

April 17, 2025

The World Bank team presented initial directions for the upcoming refresh of the World Bank Group's FCV Strategy to other Multilateral Development Banks (MDBs) during the Spring Meetings 2024.

Participants:

- African Development Bank (AfDB)
- Asian Development Bank (ADB)
- International Fund for Agricultural Development (IFAD)
- European Bank for Reconstruction and Development (EBRD)
- Inter-American Development Bank (IADB)
- European Investment Bank (EIB)
- Islamic Development Bank (IsDB)
- International Monetary Fund (IMF)

Key Takeaways:

- **New FCV Strategy welcomed:** Participants broadly welcomed the strategy renewal process, highlighting the humility and realism in setting objectives, the importance of finding entry points for engagement in politically sensitive environments, and the necessity of early warning systems and proactive risk management.
- **Operational creativity:** Participants emphasized that supporting domestic private sectors and local resilience will require greater operational creativity and closer collaboration across MDBs.
- **New engagement models:** Participants discussed how fragility is expanding and evolving, urging a fresh look at engagement models.
- **A flexible strategy:** Participants highlighted that traditional development approaches alone are not enough; the strategy needs to be more flexible, realistic, and risk-tolerant.
- **Fragility beyond FCS:** Fragility now affects a broader set of countries; work on FCV should have impact beyond those classified as FCS.
- **New focus areas:** Discussions highlighted the need to focus the new strategy on early warning, differentiated engagement across types of fragility, and stronger emphasis on private-sector solutions.
- **Key questions to address:** Participants suggested key questions for the new strategy, including:
 - How to balance addressing drivers of fragility with achieving development outcomes?
 - Should MDBs expand beyond the traditional FCS list to tackle fragility in other contexts?
 - How can domestic private sectors be better supported in fragile environments?
 - How can success be realistically measured in high-risk, constrained settings?
 - How should macro-fiscal, governance, and resilience approaches be adapted to fragile contexts?