

# A Refreshed WBG Strategy for Engaging in FCV Settings

## Summary | Meetings with Partners in the DFI Frontier Markets Forum, Oxford

June 10, 2025

A session on the new FCV Strategy was held on the sidelines of the annual DFI Frontier Markets Forum at the Blavatnik School of Government, University of Oxford.

### Participants:

- AfDB
- British International Investment (BII)
- FMO (Netherlands)
- Oxford/International Growth Center
- ODI
- Proparco (France)
- SIFEM (Switzerland)

### Key Takeaways:

- **Support for the FCV Strategy:** Participants expressed strong support for the development of an FCV Strategy, particularly considering declining donor funding, rising nationalism, and reduced international engagement. There was broad endorsement of a differentiated approach and agreement on identifying priority countries for collective DFI efforts and impact.
- **Implementation and measuring impact:** The importance of a strong on-the-ground presence by the World Bank Group was emphasized as critical for effective implementation. Participants noted that success in FCV contexts should not be measured solely by volume, but also by progress in institution building, enabling business environments, developing local ecosystems, and setting standards for investors.
- **Operational recommendations:** A range of recommendations were offered to strengthen the strategy. These included the need for deeper contextualization, empowering local agents of change, and integrating local businesses and entrepreneurs. Participants also advised that issues such as migration, forced displacement, and remittances should be addressed, along with engagement in host countries that are not themselves fragile. Climate and fragility were highlighted as cross-cutting themes. The strategy should also consider new investors and clearly define the continuum from emergency response to long-term development, with clear prioritization. Partnerships should be programmatic and explicitly defined, and the engagement toolkit should go beyond financing to include a broader set of instruments. The strategy should acknowledge the challenges posed by declining aid and reduced funding.
- **Changing development finance landscape:** Participants noted that shrinking ODA budgets are creating pressure for DFIs to increase their engagement in frontier markets. This shift will require new strategies and business models, including greater use of domestic currency lending and equity financing for SMEs and start-ups.
- **Private sector development for forcibly displaced persons:** With over 122 million forcibly displaced persons globally, participants highlighted the urgent need for private sector solutions to support job creation, financial inclusion, and service delivery for both displaced populations and host communities.