

# Definition of Fragility, the IDA Exceptional Regimes and the Post-Conflict Performance Indicators Framework – Q&A –

## 1. Definition of Fragility

### Q. What is the definition of Fragility at the World Bank?

- **A.** The World Bank defines a set of fragile situations. A fragile situation is defined as having either: a) a composite World Bank, African Development Bank and Asian Development Bank Country Policy and Institutional Assessment rating of 3.2 or less; or b) the presence of a United Nations and/or regional peace-keeping or peace-building mission (e.g. African Union, European Union, NATO), with the exclusion of border monitoring operations, during the past three years.

#### Resources

[Fragility, Conflict and Violence Group Website](#)

[Harmonized List of Fragile Situations FY17](#)

[Fragile Situations List Information Note](#)

[Fragile Situations List FAQ](#)

## 2. IDA Exceptional Regimes

### Q. What are the Exceptional Regimes through which IDA resources are allocated?

- **A.** Although the majority of IDA resources are allocated through the Performance-based Allocation (PBA) system, countries warranting the delivery of exceptional IDA support – in particular, those countries facing a “turn-around” situation – can, under certain conditions, be provided with additional resources.<sup>1</sup>
- Allocations to countries eligible for turn-around support are determined on the basis of performance as measured by the *Post-conflict Performance Indicators framework* (PCPI, see below) and, where available, portfolio rating.

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<sup>1</sup> In IDA18, a limited amount of exceptional IDA support will also be provided through the Post-conflict regime, under which support has been phased out for all but one remaining IDA country. All future cases warranting the delivery of exceptional IDA support will be addressed within the Turn-around Regime.

## Q. How are countries facing a “turn-around” situation defined?

### Definition of a “Turn-around” situation.

A “turn-around” situation is a critical juncture in a country’s development trajectory providing a significant opportunity for building stability and resilience to accelerate its transition out of fragility marked by:

- the cessation of an ongoing conflict (e.g., interstate warfare, civil war or other cycles of violence and/or partial state collapse that significantly disrupt a country's development prospects); or
- the commitment to a major change in the policy environment following:
  - a prolonged period of disengagement from IDA lending; or
  - a major shift in a country’s policy priorities addressing critical elements of fragility.

## Q. How much support can countries expect under the Turn-around Regime?

### Level and Duration of Support

Support under the exceptional turn-around situation regime will be based on country performance and be informed by country-specific factors detailed in the country-eligibility note. Country performance is measured by the following performance index: <sup>1</sup>

$$\text{Performance Index} = (0.8)PCPI + (0.2)PPR$$

The notional maximum level of per-capita support to a given country is detailed in Table 1 below. In general, it will be expected that, subject to absorption capacity, only countries in a Post-conflict situation would have per-capita allocations close to the notional maximum levels.

**Table 1: Exceptional Turn-around Situation Regime - Notional Maximum Per-capita Allocations**

<b>Performance Index</b>	<b>Notional Maximum Per-capita Allocation</b>
	(US\$ per annum)
2.0 to 2.5	7.2
2.5 to 3.0	12.9
3.0 to 3.5	18.2
3.5 to 4.0	25.5
4.0 to 4.5	30.8
Above 4.5	36.5

<sup>1</sup> Where PCPI and PPR are the Post-Conflict Performance Indicator and the Portfolio Performance Rating.

## Resources

[IDA Resources to Countries Facing Turn-around Situations](#)

### 3. The New Post-Conflict Performance Indicators Framework

#### Q. What is the PCPI?

- **A.** The PCPI assesses the quality of a country's policy and institutional framework to support a successful transition and recovery from conflict, as well as to foster sustainable growth, poverty reduction and the effective use of development assistance. Its objective is to inform the allocation of resources to those countries that are eligible for IDA's exceptional allocations, that is, post-conflict and re-engaging countries (see above).
- The criteria's content reflects the emerging consensus that development challenges in postconflict and other fragile situations require a deep understanding of the links among security, and the political, economic and social spheres.

#### Q. What areas does the PCPI cover?

- **A.** The PCPI is organized around four clusters: (A) Economic Management and Structural Policies; (B) Social Inclusion and Human Development; (C) Governance; and (D) Post-conflict Risk (See PCPI Criteria Table)<sup>1</sup>.
- Clusters A, B and C are common clusters that are used to assess the performance of all countries eligible for special allocations. Cluster D is designed to assess progress in areas that are particularly pertinent in post-conflict situations. The need to assess the extent of the progress in these crucial areas for post-conflict settings provides the rationale for their inclusion in the PCPI as a separate cluster.

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<sup>1</sup> The New PCPI criteria was introduced during the FY11 PCPI exercise

## PCPI CRITERIA

### **Cluster A: Economic Management and Structural Policies**

- 1) Macroeconomic management
- 2) Debt management
- 3) Functioning of public administration
- 4) Business environment

### **Cluster B: Social Inclusion and Human Development**

- 5) Human resource building
- 6) Vulnerable groups, gender and social cohesion

### **Cluster C: Governance**

- 7) Capacity of public administration
- 8) Rule of law
- 9) Accountability and transparency

### **Cluster D: Post-conflict Risk (only for post-conflict countries)**

- 10) Security
- 11) Management of conflict and recovery
- 12) Peace-building

### **Q. What is the PCPI country coverage?**

- **A.** The PCPI covers all countries that are eligible for IDA exceptional allocation (see above). For the 2015 and 2016 exercises, the countries eligible for exceptional allocations were: CAR, Guinea-Bissau, Madagascar, and South Sudan.

### **Q. How are the country scores determined?**

- **A.** For each criterion, countries are scored on a scale of 1 (low) to 6 (high). Intermediate scores of 1.5, 2.5, 3.5, 4.5 and 5.5 may also be given. These ratings are averaged to obtain the overall score. For countries eligible for the post-conflict window of the IDA's exceptional allocations, the overall score is obtained as the mean of the scores of all the PCPI criteria (criteria 1 to 12). For the countries eligible for the re-engaging window the overall score is calculated as the mean of the criteria scores in clusters A to C (criteria 1 to 9).

### **Q. Which information is used to determine performance?**

- **A.** The scores are based on a variety of indicators, observations, and judgments based on country knowledge that is originated in the Bank or elsewhere and relevant publicly available indicators. Each criterion includes a set of indicators or guideposts that can be useful in the preparation of

the assessments and in guiding the internal review process. These indicators contain qualitative or quantitative information prepared by the Bank or other sources.

#### Q. What sort of consultation took place in the PCPI exercise?

- **A.** The PCPI process is driven by thorough country consultations to ensure that all relevant information is considered and to strengthen the robustness of the score. Consultations include an upstream formal consultation with the *country authorities*, followed later by the communication to the same authorities of the final scores and their rationale. This process should be understood as a *consultation*, not a *negotiation* of the scores.
- In-country informal consultations *beyond the government's sphere* can also add value to the process, provided that these exchanges do not dilute the ultimate accountability for the scores, which remains with Bank staff. Country teams will determine the formal/informal approaches to be used, on the basis of the context and the prevailing modes of engagement and dialogue with the authorities, civil society, and the international partners.
- Some of the topics covered in Cluster D of the PCPI fall outside those areas that are traditionally covered by the World Bank. Consultations with *partners* are therefore necessary to ensure that the information used to inform the assessments is accurate and up to date. For instance, on security-related issues, it is important to benefit from the expertise of the UN and other relevant organizations to strengthen the robustness of the PCPI scores.

#### Q. What are the weights attached to each criterion?

- **A.** The causes of conflict (or fragility) are typically country-specific, rooted in complex historical, socio-economic, ethnic, and political factors. The process of transition out of conflict (or fragility) is not linear. Therefore, each criterion receives the same weight in the determination of the overall PCPI score, given the absence of evidence supporting specific criteria weights and also with a view to promoting transparency.

#### Q. What is the relationship between the PCPI and CPIA?

- **A.** A broad correspondence is established between the levels 5-6 of the PCPI rating scale and the levels 3-3.5 of the CPIA rating scale. This relationship is understood as a reference point, given that the content of the two set of criteria do not fully overlap. The revised PCPI criteria provide a more granular coverage of some of the CPIA dimensions, hence allowing for a more detailed assessment of changes in performance from year to year.

#### Q. What is the process followed each year to determine the final score?

- **A.** OPCS launches the yearly PCPI exercise, providing the timetable for the review process, the list of countries to be covered, the criteria, and a set of resources to assist the preparation of

the assessments. Country teams prepare their assessments (write-ups) of country performance on the basis of information generated by the Bank or elsewhere consultations with country authorities and relevant Bank partners (see above).

- The Regional Chief Economists initially vet the respective regional proposals, which are subsequently submitted to the Networks and Central Departments for review. Reviewers may request to the Regional Chief Economists that country teams provide additional information or clarifications to complete the review process. At the end of the review process, OPCS communicate the final scores to the Regions.
- The country write ups provide: (i) a justification of the proposed scores that directly address the dimensions of each of the PCPI criteria; and (ii) the relevant background information to support the proposals. Data and other relevant information used in the CPIA write-ups can be useful to prepare the PCPI write-ups, particularly in areas where the two instruments overlap.

#### Q. What are the rules governing the disclosure of PCPI scores?

- **A.** The numerical PCPI scores for the countries eligible for IDA exceptional allocations will be disclosed starting in June 2011 (for the PCPI exercise covering calendar year 2010). The PCPI will be labeled as the IDA Special Allocation Index (ISAI). Two elements of the PCPI will not be disclosed: the write-ups that provide the rationale for the ratings, and the sub-ratings that help determine the scores of some of the criteria.

#### Resources

[PCPI Review Panel Report](#)

[PCPI Revised Criteria](#)