

# INTERACTION AND ICVA CONSOLIDATED FEEDBACK ON THE WORLD BANK GROUP'S EVOLUTION ROADMAP

## MISSION AND VISION

Throughout the Evolution Roadmap process, there has been a conversation about expanding the World Bank Group's (WBG) focus from addressing global poverty to providing global public goods. The NGO community agrees with this expansion, noting that these missions are inextricably linked: the communities most impacted by extreme poverty are often the same communities most vulnerable to the effects of climate change, conflict, and instability.

Additionally, NGOs encourage the WBG to add a more ambitious goal—addressing global inequality—to their upcoming corporate scorecard, the annual report monitoring WBG performance in key global and institutional priority areas. [Evidence has shown](#) that inequality severely hinders poverty alleviation efforts and progress toward achieving global development goals. While the WBG is focused on alleviating extreme poverty, extreme wealth [has concentrated](#) at the top of income distributions with [negative implications](#) for global economic growth and the equitable distribution of resources. One proposal is to create a goal of achieving a [Palma Ratio](#) of 1 across countries in its [corporate scorecard](#), meaning that the wealth of the poorest 40% and richest 10% in a country are equal.<sup>1</sup>

## FINANCIAL MODEL

Many low- and middle-income countries (L/MICs), including almost 60% of low-income countries, are either experiencing or are at high risk for debt distress. Inequity in the global financial system is being worsened by compounding global crises—like the climate and food security crises—further exacerbating debt distress. The WBG should include debt suspension clauses for natural disasters in all debt instruments. This could enable nations to temporarily pause their debt repayments (for a pre-agreed period) when a predefined event occurs such as violent storms, flooding, or pandemics, allowing governments to respond to and better withstand these disasters.

The WBG should also consider innovative solutions to help countries facing economic challenges from compounding crises by providing financial liquidity. One proposal is to re-channel Special Drawing Rights (SDRs) to help developing countries by issuing SDR denominated bonds. The WBG should secure commitments from countries with a surplus of SDRs (like the United States, many European countries, Japan, and the United Kingdom) to invest their SDR reserves into SDR denominated bonds or into some of the innovative proposals for absorbing re-channeled SDRs that are currently [being discussed](#). The WBG

---

<sup>1</sup> In countries with concentrated inequality at the top or bottom of income distributions, the Palma Ratio reveals a more detailed picture of inequality within countries than the Gini coefficient which is based on an average of the total population.

should also encourage scalable solutions to promote “debt for climate or nature swaps,” along with other institutions to encourage more of these types of exchanges to reduce debt and adapt to the impacts of climate change while preserving natural resources.

Some L/MICs experiencing debt distress are also affected by high levels of population displacement. NGOs highlight the need for the WBG to provide MICs with additional long-term finance through the Global Concessional Financing Facility (GCFF). Providing additional concessional finance is important since governments may be hesitant to shift existing funds toward refugee populations or pursue funding for refugees when it is not viewed as directly benefiting their constituencies.

At the same time, protecting funding for contexts affected by fragility, conflict, and violence (FCV) is extremely important to the NGO community. Historically, WBG financing has tended to flow toward more stable contexts. NGOs call on the WBG to expand and protect International Development Association concessional funding for refugees and host communities in LICs. It is imperative that the WBG adapt its risk tolerance and continue to fund FCV contexts.

## OPERATING MODEL

In countries where social safety nets are weak or nonexistent, and humanitarian organizations and the U.N. are supporting a majority of the population, governments may be unable or unwilling to uphold their obligations. In these instances, the existing World Bank model, which is oriented around working with governments, [has become problematic](#) for responding to people’s needs. NGO members highlight the need for the WBG to tailor its country-based model to be more effective in scenarios where government leadership is lacking and consider establishing mechanisms to direct more funding to NGOs. Despite these challenges, the WBG should make efforts to include displacement in Country Partnership Frameworks which the WBG uses to review and guide country programs.

Where governments are unable or unwilling to meet the needs of people within their borders, NGOs also seek formal acknowledgement that the WBG will work with NGOs and civil society to fill the gaps building on successful examples of collaboration in recent years in exceptional circumstances.

This would increase overall response effectiveness, especially in areas where governments have funds but lack the capacity or political will to allocate them and NGOs have access to affected populations and the capacity to use funds effectively.

The WBG should take a more comprehensive approach to partnerships and consultations at the country level and dedicate additional financial resources to NGO engagement and consultation with local civil society actors, including refugee-led organizations. Increased transparency and communication between the World Bank and NGOs can facilitate information-sharing to ensure Bank projects in areas with displaced populations are inclusive of their voices and needs. One proposal is for the WBG to prioritize outreach with NGOs who work directly with refugees during its Refugee Policy Review cycles. NGOs are well-placed and equipped to bolster the review process at country level. Additional suggestions to enhance coordination

include completing mapping exercises to identify NGOs in-country that the WBG can partner with prior to a disaster and assessing civic space to better understand citizen engagement within the countries where the WBG operates.

Finally, in terms of the WBG's diplomatic engagement with national governments, the Evolution Roadmap should clarify the standards that governments must meet to maintain WBG financing and what governmental actions would trigger conversations around more conditional financing. This recommendation stems from a concern that the WBG has been inconsistent in its response to government action in different countries. The WBG should leverage its credibility with government partners to ensure there is equitable access to services across its portfolio.