African Development Bank Group’s Strategy for Addressing Fragility and Building Resilience in Africa (2022-2026)

Concept Note
1. Overview

1.1 Fragility and its interrelated political, economic, social, environmental, and regional dimensions pose genuine challenges to the Regional Member Countries (RMCs) of the African Development Bank Group (hereafter “the Bank”). Fragility is multifaceted and evolutionary. Threats of fragility can occur in any country and manifest in different ways across the continent. External shocks and pressures can weaken even countries with strong capacity and stable institutions.

Persistent Fragility in Africa

1.2 The acute need to address fragility and to build long-term resilience in Africa remains. Some vulnerabilities are structural such as weak institutional and human capacity, limited management capacity of natural resources, poor infrastructure, constrained access to markets, environmental degradation, group-based inequality, and gender inequality.

1.3 Without capacitated and legitimate institutions, countries struggle to implement effective economic policies, enforce the rule of law, attract business investments, and deliver public infrastructure and services. Weak institutional capacity in public sector management, social inclusion, structural and economic policies, cripple opportunities to transition out of fragility and achieve stability.

1.4 Conflict and collective violence are major drivers of intractable fragility in many areas in Africa. They undermine the potential for good governance, economic development, and social cohesion, while having devastating long-term impacts on nations’ human, financial, and infrastructure resources. In response, governments increase their budget allocations to security, which limits resources dedicated to development, and worsens the burden of the public debt.

1.5 Women, youth, and girls are often easy targets of gender-based violence. During conflicts, women are especially subject to displacement, damaged livelihoods, land dispossession, disrupted access to public services, additional workloads, and domestic and sexual violence. Youth are likely to drop out of school and engage in informal, unstable, and risky employment. At the extreme, they become victims of trafficking, exploitation, and violent extremism.

1.6 Some fragile regions have become hotspots for terrorism due to weak state control over national territories and poorly developed security sectors. Countries in the Horn of Africa, the Sahel, and the Lake Chad Basin remain on high alert as terror groups take advantage of the focus on the COVID-19 pandemic and intensify armed insurgencies. For example, the recurrent attacks of Boko Haram in Chad, Niger, and north-eastern Nigeria amid the COVID-19 pandemic are deepening insecurity and threatening lives of vulnerable populations.

1.7 Growth in many countries is still driven by primary commodities and heavily relies on exports of extraction-related industries, natural resources, and agriculture. External shocks from global commodity markets, climatic, security, and political pressures weaken those countries, threaten their capacities, and unsettle their institutions. In situations of crises, fluctuations of commodity prices filter down to community livelihoods.

1.8 The harms of mismanagement of natural resources manifest in several African countries, where they exacerbate fragility and conflict. Worse still, transboundary dynamics surrounding natural resources have been known to amplify conflict. These factors are usually rooted in the fact that many natural resources are not contained within political borders.

1.9 African economies are among the least competitive and most informal worldwide, with more than 50% of Africa’s urban residents relying on the informal sector. Despite progress made in economic and social inclusion, the number of people living under the poverty line in fragile situations is rising, with women-
headed households particularly affected as women are over-represented in the informal sector. Significant challenges for public service provision and civilian protection remain and create deep inequalities. For example, Somalia is the fifth-poorest country in the world: income is estimated at USD 435 per capita, over half the population lives below the poverty line, and 67% of youth are unemployed.

1.10 With the economic slowdown caused by the COVID-19 pandemic, 28.2 to 49.2 million Africans could be pushed into extreme poverty as an estimated 30 million jobs are lost. In a context where wealth distribution is highly unequal, the direct impact of the pandemic on more than 23 million already vulnerable workers in Africa will drive the total number of people living in extreme poverty to 463 million.

1.11 Infrastructure deficits constrain the already poor living conditions of people. Already poor connectivity reduces access to basic services, deepens social divisions, and marginalizes rural communities. Poor access to infrastructure also increases the cost of doing business, degrades trade linkages, and exacerbates imbalanced and exclusive growth. For example, in Burundi, Chad, Madagascar, Niger, and Sierra Leone, less than 6.4 percent of the population has access to on-grid electricity. Only 34 percent of Africa’s population can access roads, and transport costs are double those in other developing regions.

1.12 The lack of adequate infrastructure combined with high inequality, has led to slow progress in fighting poverty. This can lead to institutional failure and uncontrollable migration flows. Without credible and sustained prospects of a better future, youth seek a better life outside their countries, become susceptible to anti-social behaviors, and present an easy source of recruitment for criminal and terrorist enterprises.

1.13 With climate change, severe weather hazards, and the destruction of biodiversity, food insecurity is growing fast. Tropical cyclones in Southern Africa have revealed deep vulnerabilities and lack of preparedness in Malawi, Mozambique, and Zimbabwe. In another example, food insecurity in South Sudan affected 74% of the population during the 2018 post-harvest period, when food shortages were driven by high prices for staple foods and by the disruption of livestock migration routes because of insecurity and drought.

1.14 These drivers exemplify the variability of fragility patterns in Africa. Experience suggests that one driver has a knock-on effect on other drivers, trapping a state or region in a vicious cycle. Experience underlines the need to make use of all instruments available within the Bank. While the ambition of the New Strategy is to address root causes of fragility and build resilience, experience demonstrates that countries can move quickly out of fragility when governments show sustained commitment.

Opportunities for Building Resilience

1.15 Economic and demographic growth achieved in the recent years in Africa shows an underlying resilience, and more opportunities for sustained development. The promising trajectories of several African economies must be harnessed to create decent jobs, leverage economic diversification, better manage the exploitation of natural resources, and build sustainable and inclusive growth. Further, Africa’s fast-growing population, and accompanying increase in its working age population, creates a window of opportunity. If properly harnessed, these can translate into higher growth and yield a demographic dividend.

1.16 The launch of the African Continental Free Trade Area (AfCFTA) set the foundations for a single market for goods and services in Africa that aims to unlock manufacturing, facilitate industrialization, reduce market fragmentation, and catalyze private investments. However, trade liberalization can result in significant decline of uncompetitive national and subnational industries, with the risk of job losses. If such risks are well managed, fragility and inequality can be better mitigated.

1.17 Policy makers have committed to improve social inclusion and adopted regional agendas, such as the 2030 Agenda for Sustainable Development and the African Union (AU) Agenda 2063. Inclusive and equitable development is critical to building the resilience of poor, marginalized and deprived communities. Moreover, the benefits of promoting gender equality yield high dividends in community-based development.
African Development Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (2022-2026)
1.18 Spurred by job opportunities in sectors like construction, technology, tourism, hospitality, finance and manufacturing, Africa’s middle-income class has more than tripled over the past 30 years. Educated citizenry constitutes a pool of human capital that increases the demand for consumer goods and public services. Meanwhile, policy makers need to ensure that lower income citizens can, among others, access decent paying jobs and enhanced living conditions.

1.19 African countries increasingly work in solidarity. A singular momentum of African solidarity emerged in response to the COVID-19 pandemic to rebuild in a more equal and sustainable way. Several countries have effectively committed to exchange healthcare workers, collaboratively procured medical supplies, and availed them to other countries on favorable terms. Similar evidence was observed in joint campaigns undertaken—with the support of Regional Economic Communities (RECs)—to address terrorism, deforestation, and forced displacements.

1.20 Sectors with high-levels of digitization have weathered the COVID-19 pandemic better than others, and digital solutions have enhanced productivity and service delivery. This is an opportunity to support the adoption of new technologies and vocational trainings. Moreover, the growing entrepreneurship culture in Africa represents great opportunities to increase the financial, human, and social capital to build long-term economic resilience.

1.21 This Concept Note outlines proposed areas of focus for the New Strategy. It explains the position of the Bank as a leading organization for addressing fragility in Africa; presents the direction it wants to take for the 5 next years, including the vision, objectives and key focus areas of the New Strategy; introduces the collaborative implementation approach; and lays out the Strategy development process.
2. The Bank's Fragility Agenda

2.1 Reducing fragility relies on collective efforts. All development actors must translate analysis into action, both individually and collectively, to achieve sustained improvements in resilience. The New Strategy recognizes the lessons from the past and aims to scale up resilience building over time, consistently and collectively.

2.2 Both the recommendations of the 2020 Independent Development Evaluation (BDEV) and the discussions of the Fifteenth Replenishment of the African Development Fund (ADF-15) highlighted the need to better translate knowledge into fragility-sensitive programming targeting structural capacities of national and regional institutions. Nonetheless, the successful ADF-15 replenishment and the Seventh General Capital Increase (GCI-VII) set a favorable dynamic towards scaling-up the Bank's fragility agenda.

2.3 The Bank was one of the first multilateral organizations to shape the concept of fragility and institutionalize the fragility agenda in its business model in 2001 (Figure 1). After establishing the 2004 Post-Conflict Country Facility (PCCF) to assist post-conflict countries in clearing their arrears, it introduced the Post-Conflict Enhancement Factor (PCEF) into the formula of the Performance-Based Allocation (PBA) to allocate more concessional resources to conflict-affected countries.

2.4 The 2008 adoption of the Strategy for Enhanced Engagement in Fragile States and the creation of a dedicated unit (the Fragile States Unit) raised awareness on the need for mobilizing: (i) supplementary resources for conflict-affected countries on top of their regular PBAs; (ii) resources for arrears clearance; and (iii) capacity building and knowledge management. The 2008 Strategy also placed a focus on addressing regional spillover effects, environmental challenges, and the impact of conflicts on women and other vulnerable groups. In 2008, the PCCF evolved into the Fragile State Facility (FSF)—the first of its kind among Multilateral Development Banks (MDBs)—to support the Strategy's implementation.

2.5 The Bank then adopted the 2014 Strategy, introduced a paradigm shift from “fragile states” to “fragile situations”, and introduced changes in its processes, financing modalities, and internal management. Under ADF-13 and ADF-14, the Transition Support Facility (TSF) replaced the FSF, and adjustments were sought to improve resource allocations to transition States, as well as to reinforce fragility assessments.

2.6 Incorporated in the Bank’s 2013-2022 Ten-Year Strategy (TYS), and its High 5s objectives as an area of special emphasis, informed by the 2014 report of the High Level Panel on Transition States, and based on the Bank’s understanding of drivers of fragility, three areas towards building resilience formed the core priorities of the 2014 Strategy: (i) Strengthening state capacity and support for effective institutions; (ii) Promoting inclusiveness to build resilience; and (iii) Leading on policy dialogue, partnerships, and advocacy on issues of fragility in Africa. All these milestones allowed the Bank to respond to fragile situations with financial interventions, advocacy, and awareness-raising.

2.7 The 2014 Strategy achieved many of its objectives. Recognizing that tailored approaches are required to drive effective responses to fragile situations, key practices and tools were implemented. These included: (i) Fragility assessments and analytical tools; (ii) The application of the Fragility Lens in the Bank’s programming; (iii) Partnerships and awareness-raising through policy dialogue; (iv) The development of internal and external capacities; and (v) The mobilization of effective financing for fragile situations.

2.8 The Bank prioritized a strong analytic basis to enhance its ability to operationalize the Fragility Lens in strategies and operations and help identify targeted entry points for resilience-based interventions. Full-Fledged Fragility Assessments are key components in mainstreaming resilience considerations as they are precursors to developing Diagnostic Notes and Strategy
The development and rollout of the Country Resilience and Fragility Assessment (CRFA) is a cornerstone of the Bank’s analytical approach to fragile situations. By providing more fragility-oriented strategic intervention areas, the Bank was able to target specific fragility assessments also give specific attention to political economy analyses and focus on specific risks due to potential outbreak of conflict in neighboring countries, as well as non-political and institutional risks. It has brought new quantitative rigor to measuring both capacities and pressures within all RMCs. This provides a data-driven triangulation in support of Full-Fledged Fragility Assessments and a more systematic understanding of national and regional fragility, and entry points for strengthening resilience. 

2.9

The development and rollout of the Country Resilience and Fragility Assessment (CRFA) is a cornerstone of the Bank’s analytical approach to fragile situations. 

2.10

By providing more fragility-oriented strategic intervention areas, the Bank was able to target...
At the level of project implementation, the Bank has developed a fit-for-purpose procurement policy, which allows degrees of flexibility for faster procurement rules and procedures in fragile situations. It has also developed Fiduciary Principles Agreement with the United Nations (UN) agencies to foster closer operational collaboration, especially in conflict-affected countries.

2.11

At the level of project implementation, the Bank has developed a fit-for-purpose procurement policy, which allows degrees of flexibility for faster procurement rules and procedures in fragile situations. It has also developed Fiduciary Principles Agreement with the United Nations (UN) agencies to foster closer operational collaboration, especially in conflict-affected countries.

2.12

Regarding advocacy, policy dialogue, and partnership, the presence of the Bank on the ground creates favorable conditions for interventions to be sustainable, relevant, and effective, through a better understanding of countries’ constraints and opportunities. Where fragility issues extend beyond its mandate, the Bank has selectively established effective partnerships with key humanitarian, peacebuilding, and development actors to leverage its operational impact, engage in policy dialogue, and contribute to knowledge generation.

2.13

Moreover, the Bank initiated the Africa Resilience Forum (ARF) in 2017. Other key examples of its advocacy involvement as a member of international and regional fora include: The International Network on Conflict and Fragility (INCAF), Oslo Consultative Group, the MDB Platform on Economic Migration and Forced Displacement, the Sahel Alliance, and the Aswan Forum.

2.14

Structured capacity building programs generated internal and external trainings focusing on the Bank’s approach to addressing fragility and the Fragility Lens application. The 2020 BDEV independent evaluation found that more beneficiaries were trained than initially anticipated, including operational and sectoral Task Managers, Country Managers, and Country Economists. Specific trainings were also conducted for the benefit of key strategy and policy makers from RMCs and Regional Economic Communities (RECs). Beyond the sensitization objectives, these trainings aimed at equipping beneficiaries with working knowledge through an effective use of fragility-sensitive tools.

2.15

Lastly, more than US$ 5.2 billion has been mobilized through the TSF since 2008. The bulk of these resources were utilized to consolidate peace, build resilient institutions, stabilize economies, improve the lives of vulnerable populations, and lay the foundations for sustainable inclusive growth. For example, alongside the PBAs, TSF resources secured electricity access to 5 million people and supplied improved water and sanitation to 8 million women over the past decade (Figure 2). Moreover, the TSF provided flexibility and, to some extent, allowed the Bank to deliver quick responses in times of crisis, leverage its convening power to foster policy dialogue.

What the Bank can do better?

2.16

In line with the recommendation of the 2020 BDEV evaluation and the policy commitments of the ADF-15 replenishment, there is room for the Bank to scale-up the implementation of its fragility agenda.

2.17

The Bank’s interventions in fragile situations need to involve towards more integrated, structural, and coordinated approaches while staying tailored to the context. These rely on the quality of policy dialogue and capacity building to ensure the firm commitment of national authorities to good governance. Equally important is the focus on the political buy-in, as well as receptiveness to structural and institutional reforms as a prerequisite for the Bank’s effective operational engagement.

2.18

By focusing on its long-standing relationships with RMCs, its convening power as an African institution, and its capacity to engage in trusted policy dialogues, the Bank looks forwards to further harnessing these comparative advantages. While collaborating with other actors, a scaled-up strategic and operational engagement will allow the Bank to reinforce its leadership role on the fragility agenda in Africa.
2.19 Responding to the various fragility drivers requires strong capacity to manage changes supported by agile operational mechanisms and flexible financial instruments. Meanwhile, alongside “responsiveness” and “flexibility”, there is room to increase the Bank’s “selectivity”, which is critical to leverage its operational effectiveness and development impact.

2.20 Pro-active coordination with external partners in the development, humanitarian, and peacebuilding spectrum is central for transitioning out of fragility. Partnerships are key to scaling-up the Bank’s comparative advantage through operation-oriented collaborations, especially where work is better done by specialized actors, such as in active conflict situations.

2.21 Fragility is not confined within national borders and has spillover effects that go beyond TSF-eligible and low-income countries. For example, Libya’s armed conflict has had a destabilizing effect on surrounding countries and contributed to violence in the Sahel. As the largest host country for refugees in Africa, Uganda hosts over 1.2 million refugees putting intense pressure on the country’s internal resources. These examples call for innovating holistic and fit-for-purpose financing mechanisms that enable containing and preventing regional risks.

2.22 Building resilience of communities in rural and remote areas is an important pathway to harnessing regional peace and stability. Exclusion of these communities and vulnerable groups such as youth and women, heightens
Development of a New Strategy

2.23
Alongside other partners, the Bank has made significant steps towards responding to various fragility manifestations in Africa. Nevertheless, it recognizes that much more can be achieved. Building on opportunities and lessons learned from the 2014 Strategy, the 2022-2026 Strategy for Addressing Fragility and Building Resilience in Africa (hereafter “the New Strategy”) intends to optimize the Bank’s comparative advantages.

2.24
The New Strategy will seek to: Enhance selectivity and impact through strategic and operational decisions to achieve the desired changes in the lives of beneficiaries; Promote resilience-based tools, practices, and instruments for more effective diagnoses of fragility, and more selective interventions; and Prioritize collective efforts and preventative measures, while remaining flexible and responsive to emergencies and crises.

2.25
The New Strategy seek to build on the thrust of the 2014 Strategy while putting a strong premium on the following adjustments: Promoting prevention as a central tenet of the Bank’s engagement in fragile situations; Renewing the emphasis on building community resilience; Addressing regional fragility; Strengthening private sector development in fragile situations; Increasing use of lending and non-lending tools in fragile situations with better application of selectivity principles; Scaling-up coordinated approaches with humanitarian, peace and development actors for resilience; Posting appropriately skilled and highly motivated staff in fragile situations; Enhancing the principle of “staying engaged” in insecure environments and active conflict settings; and Bolstering results measurement in fragile contexts.

the risk of polarization and conflict escalation. Where market-based solutions and technology advances should drive the development of community-centric approaches, this would incentivize private actors to support peacebuilding and community development initiatives.
3. Strategic Direction

3.1 The New Strategy aims to unpack the concept of the fragility continuum through a clear differentiation of contexts of interventions, ascertain complementarity with global and regional agendas, ensure alignment with the Bank’s mandate, spell out a clear vision, and identify achievable priorities.

3.2 Fragility is an evolving concept which has been broadly accepted in international, regional, and national policies. Different multilateral and bilateral agencies use the concept of fragility in different ways and from different perspectives. The 2014 Strategy defined fragility as a “condition of elevated risk of institutional breakdown, societal collapse, or violent conflict”. It also shifted the concept paradigm from “Fragile States” to “Fragile Situations” to reflect that fragility can manifest at the local, national or regional level in any country regardless of its political or socio-economic standing.

3.3 The New Strategy will further refine the conceptualization of fragility and resilience towards a working definition. From an operational standpoint, this definition is meant to promote more nuanced approaches to managing risks and finding the entry points for building resilience along the fragility continuum.

3.4 To anchor this working definition with its operational application, the New Strategy will propose a methodology to differentiate contexts of interventions. It will move away from a linear and binary classification—driven by the TSF-eligibility—to a comprehensive, structured and context-tailored framework for preventing and addressing risks of fragility (Figure 3). This is critical to ascertain realistic operational engagement and ensure that the Bank’s financing is selectively utilized towards achieving the greatest impact.

Figure 3  Indicative Differentiation of Operational Engagements

Strategic Alignment

3.5
Fragility is considered an area of special emphasis in the TYS. Thus, the New Strategy will be aligned with the TYS, or its successor strategy as amended from time to time, with a fragility perspective. Furthermore, a strong alignment with the strategic frameworks underlying the High 5s is crucial and will be consistently ensured.

3.6
The New Strategy will also align its priorities with the TYS cross-cutting themes, namely Economic Governance, Climate Change, and Gender. An increasing consideration will be given to the priority areas of the Bank’s strategies for the Private Sector Development (PSD), the Capacity Development, as well as strategies for improving the quality of life for the people of Africa, and Jobs for Youth. In addition, alignment with other sectorial strategies, such as Skills and Decent Jobs, Water, and Healthcare Infrastructure strategies, and corporate strategic frameworks, such as the People Strategy, will be carefully taken on board.

3.7
The New Strategy will carefully consider the operational thrusts spelled in the ADF-15 and the GCI-VII Policy Commitments. These include: (i) Reinforcing resilience-based analytics for a systematic mainstreaming of the fragility lens in programming; (ii) Scaling-up strategic partnerships to address regional drivers of fragility; (iii) Increasing the quality of delivery capacity; (iv) Promoting selectivity and sharpening the operational focus; and (v) Supporting the development of the private sector to leverage job creation in fragile situations.

3.8
The New Strategy will also align with global and regional agendas such as the Sustainable Development Goals (SDGs), the AU Agenda 2063, and key regional and sub-regional strategies and policies by placing special attention on peace, security, justice, inclusive growth, women and youth, reduced inequalities, and sustainable communities.

Theory of Change (ToC)

3.9
The ToC underpinning the New Strategy will clearly articulate optimal pathways for achieving desired objectives. Given the complex and multi-dimensional nature of fragility, the ToC will complement the linear Logical Framework approach by identifying linkages between strategic outcomes and operational levers of change along different fragility contexts. A set of assumptions and risks will also be identified so that the strategic vision is realistic and achievable. While these are subject to further refinements during the consultations with internal and external stakeholders, Figure 4 provides a preliminary representation of the ToC.
**Figure 4  Preliminary ToC of the New Strategy**

### Priority areas

- **Strengthening state capacity and effective institutions**
  - Key enablers: Strong conceptualization of the fragility continuum, resilience building needs, and the Bank’s comparative advantages
  - Activities: Use a working definition of fragility, make fragility diagnostics more actionable for risk identification, pipeline development, and programming; sustain the annual rollout of the CRFA and extend its ownership by internal and external stakeholders.
  - Output: Programming and operational documents are fragility sensitive.
  - Outcome: Fragility factors are effectively mainstreamed in national development plans/sector strategies and RECs’ regional plans.
  - Impact: Reformed institutions with enhanced governance, transparency and accountability standards.

- **Promoting resilient societies and regional stability**
  - Key enablers: Strengthen partnerships to leverage prevention and resilience investments; secure technical inputs from partners.
  - Activities: Build the understanding of the fragility concept and capacity among staff; adapt incentives and rewards for staff working in/on fragile situations.
  - Output: Increased portion of public investment in national/regional budgets for social infrastructure in fragile contexts.
  - Outcome: More regional flagship initiatives to prevent environmental shocks and cross border crises.
  - Impact: Fewer regions, countries, and sub-national areas in state of fragility.

- **Catalyzing private investment for job creation and inclusive economic development**
  - Key enablers: Build institutional capacity; lead trainings, advisory, policy dialogue in RMCs and RECs on fragility issues.
  - Activities: Build the understanding of the fragility concept and capacity among staff; adapt incentives and rewards for staff working in/on fragile situations.
  - Output: Productive and sustainable value chains and investments initiatives, including through infrastructure, harnessed in fragile contexts.
  - Outcome: Vulnerable groups acquire skills and tools to access jobs and to run businesses.
  - Impact: Fewer regions, countries, and sub-national areas in state of fragility.

### Key enablers

- Strong conceptualization of the fragility continuum, resilience building needs, and the Bank’s comparative advantages
- Use a working definition of fragility
- Make fragility diagnostics more actionable for risk identification, pipeline development, and programming
- Sustain the annual rollout of the CRFA and extend its ownership by internal and external stakeholders
- Strengthen partnerships to leverage prevention and resilience investments
- Secure technical inputs from partners
- Build the understanding of the fragility concept and capacity among staff
- Adapt incentives and rewards for staff working in/on fragile situations
- Build institutional capacity
- Lead trainings, advisory, policy dialogue in RMCs and RECs on fragility issues
- Advocate for or facilitate civil society capitalization and empowerment
- Identify robust project pipelines
- Support intervention addressing regional fragility, community resilience, and private sector development
- Apply the Fragility Lens consistently in strategies and programming
- Anchor the principles of selectivity and responsiveness in programming
- Mobilize additional funds
- Leverage MEOs in fragile situations
- Increase synergies between existing financing instruments and lending tools
4. Building Blocks of the New Strategy

Vision and Objectives

4.1
The 2020 BDEV independent evaluation assessed the three priorities of the 2014 Strategy as satisfactory and consistent with other Bank’s strategies. It also concluded that its central thrust remains valid.

4.2
A core tenet of the New Strategy is to scale-up and reinvigorate the Bank’s fragility agenda enhanced by a preventative approach in fragile situations. The ultimate vision of the New Strategy is to have fewer regions, countries, and sub-national areas in state of fragility.

4.3
Three objectives are identified: (i) Reformed and capacitated institutions with enhanced governance, transparency, and accountability standards; (ii) Strengthened social cohesion, security, and regional stability; and (iii) People and communities equipped with improved access to economic opportunities.

4.4
Analytics, programming, partnerships, resources, and personnel deployed in a tailored manner along the fragility continuum will seek to leverage the highest impact. These will help achieve post-pandemic recovery, job creation, poverty reduction and socioeconomic development, through inclusive and green growth. The New Strategy will particularly re-emphasize the role of community-centric and private sector development approaches as pathways for preventing conflict, building regional peace, and promoting economic stability.

Strategic Priority Areas

4.5
Building on its vision and objectives, the Bank’s capacity and comparative advantage, and lessons learned from the implementation of the 2014 Strategy, three priority areas are identified for the New Strategy. These are interconnected, mutually reinforce each other, and will be implemented in coordination with partners.

**Priority #1 — Strengthening state capacity and effective institutions**

4.6
This priority area consolidates the first pillar of the 2014 Strategy, capitalizes on the Bank’s experience in this space and scales-up its engagement in strengthening effective capacities in national and regional institutions. A selectivity lens will be applied to build capacity and legitimacy of key institutions to achieve: (i) strengthened state capacity and good governance; (ii) more effective, legitimate and trusted institutions; (iii) enhanced preparedness to natural disasters and crisis situations; (iv) conducive legal and regulatory environments and financial climates; (v) improved business environments to attract both internal and external investments and ease businesses; (vi) transparent natural resource governance; and (vii) effective multi-sector development planning approaches and strategies that support economies to grow out of fragility.

**Priority #2 — Promoting resilient societies and regional stability**

4.7
This priority area builds on one of the Bank’s comparative advantages and expertise in infrastructure development, as demonstrated in the last few years through strong portfolios in energy, road transport and associated rural infrastructure. This priority area seeks to support national and regional infrastructure projects and improve access to basic services in fragile situations across the High 5s. It prioritizes a systematic integration of gender, youth, climate, and governance as cross-cutting themes necessary to leverage greater impact of infrastructure development in rural, semi-rural and urban areas. It includes an ambition to improve access to basic services through robust health, water, and sanitation infrastructure.
4.8 By providing transformative regional interventions and connectivity to public services for marginalized and vulnerable groups, this priority area translates the need to mitigate externalities across national borders, promote economic security, and harness regional stability. Among others, this would be achieved by preventing upstream the socioeconomic causes of regional insecurity and situations of humanitarian crises, such as migration, refugees, and forced displacement. It also seeks to tackle downstream unforeseen crises, such as environmental and natural disasters.

4.9 This priority area looks at creating the conditions for increased investment and private sector growth supporting job creation and inclusive economic development. It puts a premium on supporting vocational training and promoting entrepreneurship, with special attention to youth and women-owned businesses, alongside catalyzing conducive conditions to build domestic value chains, create local wealth, enable economic opportunities, and lay the foundation for sustained peace and economic security.

4.10 While programs stimulating investments through financial and non-financial support to local businesses, startups, and SMEs in vulnerable areas are prioritized, this priority also spurs Foreign Direct Investments (FDIs), promotes development of domestic financial markets, and fosters investment incentives that encourage external capital to access opportunities in fragile environments. The priority area also requires better interventions in fragile situations through effective project preparation, as well as planning of public and private investments at regional, national and community levels.

Key Cross-Cutting Themes

4.11 The New Strategy will place special emphasis on four areas that have been identified as crucial cross-cutting themes towards building resilience. These are informed by the current COVID-19 pandemic, the evolving trends, and manifestations of fragility across the continent in the last few years, and opportunities for addressing them.

A — Supporting Post-COVID-19 Recovery

4.12 The implementation of the New Strategy will play a pivotal role to support the Bank’s efforts to accelerate the recovery of RMCs from the economic impacts of the COVID-19 pandemic, to rebuild better and stronger long-term resilience to future shocks. It will kick-off a new phase for scaling-up the Bank’s engagement for addressing structural drivers of fragility, supporting capacity development of national and regional institutions, and strengthening preparedness for preventing crises, health outbreak, and natural disasters.

B — Addressing Regional Fragility

4.13 The New Strategy will emphasize the need for coordinated interventions to address regional fragility. It will seek to mitigate externalities across regions and national borders, prevent the socioeconomic causes of regional insecurity and situations of humanitarian crises, and address potential consequences of regional fragility hotspots, such as transnational and organized violence. The Bank will continue to leverage partnerships with RECs, as trusted regional brokers, and will adopt the humanitarian-peace-development nexus approach in addressing regional fragility.

C — Building Community Resilience

4.14 Community development is key to long lasting peace and development. The New Strategy will highlight the importance of community-centered development for peace building, social healing, and conflict transformation. The Bank will increasingly work with the civil society, private sector actors, and specialized stakeholders to mainstream community-sensitive approaches in its operational activities. This presents an opportunity for the Bank’s project portfolio to reach, more comprehensively, to the most vulnerable populations, while stressing on the pivotal role of women for building peace in fragile and conflict-affected contexts.
4.15
It will emphasize the catalytic role of communities in stimulating local consumption, creating domestic wealth, and unlocking opportunities for decent jobs, especially for the youth and women. This would require a focus on regional and domestic value chains that take advantage of growth potentials in existing community assets. For example, this will allow small scale farmers in rural communities to take advantage of new economic opportunities and pull their resources together to obtain greater incomes and break free from poverty.

D — Developing the Private Sector

4.16
Across its three priority areas, the New Strategy considers the engagement of private entities as a key lever for job creation and inclusive growth. Improving the business environment—through investment facilitation, support to financial markets, promotion of appropriate state regulation that creates markets and supply chain programs—is crucial to promote private sector-led initiatives targeting the development of local Small and Medium Enterprises (SMEs), youth, and women-owned enterprises.

4.17
In line with its PSD Strategy, the Bank will intensify the complementarity between its sovereign and non-sovereign operations at the sector level. It will leverage initiatives and special purpose vehicles to scale up private sector participation in fragile settings. A stronger focus will be given to project preparation, feasibility studies, as well as co-financing, de-risking, guarantees, and blended finance instruments in key backbone infrastructure sectors and human capital, critical to enabling business activities.
5. Implementation of the New Strategy

5.1
The Bank will adopt a differentiated approach to operationalize and implement the New Strategy as indicated in Figure 3 along the fragility continuum. Recognizing that, in some instances, the interplay of emerging and complex factors does not necessarily follow a linear trend, a core principle of the differentiated approach is to constantly promote context-specific interventions while working in close collaboration with key partners.

5.2
The operationalization will be enabled by the undermentioned operational levers, which will underpin the delivery of the New Strategy. A comprehensive implementation action plan and operational guidelines will be developed for the New Strategy. In addition, a communication, sensitization outreach program will be developed for the roll out of the strategy and support its effective implementation.

Prevention: Anticipating risks and providing targeted solutions

5.3
Preventing extreme manifestations of fragility—such as economic crises, social unrests, institutional failure, environmental stress, violent conflict, and state collapse—requires early identification of their root drivers guiding context-specific and tailored interventions that target building long-term capacity. Through a sustained deployment of the CRFA, and other fragility assessment tools, the New Strategy will foster the Bank’s ability to analyze risks and drivers of pressures, as well as to consistently identify sources of resilience while applying the Fragility Lens in programming.

Synergies: Increasing ownership and operational linkages across the Bank

5.4
The implementation of the New Strategy will align with the Bank’s operational frameworks. All units of the Bank, especially regional and sector departments, are key to the successful implementation of the New Strategy. To this end, strategic alignments and operational synergies between the New Strategy and the sectoral High 5s strategies and cross-cutting strategies will be established.
**Partnerships**: Strengthening strategic partnerships and alliances

5.5
The Bank has already established strong partnerships with regional and international humanitarian, development, and peacebuilding actors that complement its work. While existing partnerships are crucial, the New Strategy will increasingly seek to engage in dialogue and advocacy with non-state actors such as civil society organizations and private entities, as well as specialized state actors and development agencies.

5.6
Partnerships will be critical for the Bank’s impact in situations of active conflict, where it may not directly intervene but will play a convening role, gathering key stakeholders and creating platforms for policy dialogue and advocacy.

**Programming**: Fostering selective and flexible interventions

5.7
The New Strategy will promote fragility-sensitive programming and foster the principles of “selectivity” and “flexibility”. It will promote mainstreaming of fragility considerations in strategies, and operations and internal processes/procedures towards preventative and resilience-based programming, in line with the Bank’s approach to selectivity.

5.8
Alongside selectivity, the implementation of the New Strategy will include flexibility, to respond to pressing priorities, fast changing situations, and crises. Flexibility is essential in fragile situations where critical issues such as health outbreaks, natural disasters, and environmental damage require swift interventions.

**Results**: Measuring operational impact in building long-term resilience

5.9
The New Strategy will also articulate a monitoring and evaluation framework, consistent with the Results Measurement Framework (RMF) of the Bank. The Framework, underpinned by the New Strategy’s ToC, will measure demonstrable impact through quantitative and qualitative metrics, in alignment with the Bank’s RMF.

5.10
Overall, the monitoring, evaluation and results reporting components of the New Strategy will consider peer institutions’ practices and will tackle the limitations of treating fragility as an additional dimension to consider, rather than addressing it as a core consideration when assessing results.

**Resources**: Bolstering financial synergies through fit-for-purpose instruments

5.11
Securing the right financial resources is a crucial component for successful implementation of any strategy. The ongoing discussions under the ADF-16 Working Group provide a timely opportunity to the New Strategy to inform a comprehensive approach to creating synergies and complementarities between the Bank’s financing instruments.

5.12
A holistic review is therefore being undertaken to maximize the financing impact along the different contexts of the fragility continuum. In full alignment with the proposed priorities for the New Strategy, the purpose of this review is to explore innovative avenues to adapt the allocation framework of the ADF—including the TSF—and make its financing architecture fit-for-purpose to better tackle structural vulnerabilities, address regional fragility, and promote community and private sector development in fragile settings.

**Staffing**: Reinforcing footprint and skills-mix on the ground

5.13
The New Strategy will seek to scale-up the number and quality of personnel posted in fragile and conflict-affected settings. It will also introduce incentives to attract highly skilled staff. In addition, it will sustain internal capacity building programs on the Bank’s strategic and operational approach to fragility.
African Development Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (2022-2026)
6. Development Process and Timeline

6.1
The overall timeline for the development of the New Strategy extends throughout 2021. It is thus envisaged that the New Strategy will be approved before the end of 2021 and will be ready for effective implementation from January 2022. Figure 5 summarizes the key activities and deliverables, including the preparation of this concept note, the New Strategy document, the internal and external consultations with key stakeholders as well as the official launch and dissemination.

6.2
It is important to highlight that the New Strategy will draw its development upon comprehensive and in-depth consultations. These are critical to ensure strong buy-in of internal and external stakeholders, adopting lessons learned, and reflecting best practices. Consultations will cover national governments, regional organizations, multilateral and bilateral actors across the development, humanitarian, and peacebuilding nexus, civil society organizations, and the private sector. In the context of the COVID-19 pandemic, virtual consultations will be held with a range of relevant stakeholders in two rounds.

Round #1 (April, May, and June 2021) – Consultations on the New Strategy Concept Note

6.3
The Bank will engage a series of dialogues on the direction, building blocks, and the implementation of the New Strategy spelled out in this Concept Note. These are meant to help shape the development of the first draft of the Strategy. In support of the virtual meetings, an online questionnaire will be used to collect the inputs of consulted stakeholders in a structured manner.

Round #2 (August and September 2021) – Consultations on the New Strategy Draft Document

6.4
Based on the outcomes of the first round of consultations, the Bank will prepare the first draft of the New Strategy. This will serve as a baseline for a second round of consultations. The purpose of these consultations is to help refine the final draft of the Strategy document prior its presentation to the Bank’s Board of Directors for approval in October 2021.

Figure 5  Timeline for the Development of the New Strategy in 2021

6.5
The development and the consultation process of the New Strategy is conducted under the general oversight of a Bank-wide Inter-Departmental Working Group (IDWG)—including Country Offices and Regional Directorates—coordinated by the Transition States Coordination Office (RTDS).
African Development Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (2022-2026)

3 The term “Transition States” refers to Regional Member Countries (RMCs) eligible for the Transition Support Facility (TSF).

Take part in the development of the New Strategy through the online survey. Your views, comments, and recommendations will help us shape the right direction!

Clic Here to Access the Survey