



Revised July 1, 2014

" [OP/BP 2.30](#), "*Development Cooperation and Conflict*", were revised on July 2014 to take into account the recommendations in " World Bank Group A New Approach to Country Engagement" (R2014-0089), which were approved by the Executive Directors on May 22, 2014. As a result of these recommendations, ; [OP/BP 13.16](#), *Country Portfolio Performance Reviews* has been retired, [OP/BP 2.30](#) *Development Cooperation and Conflict* references to ISN were replaced by CEN and included in the Country Engagement Directive; [OP 1.00](#) *Poverty Reduction* footnote 2 has been deleted; [BP 3.10](#), *Financial Terms and Conditions of IBRD Loans, IBRD Hedging Products, and IDA Credits*, [OP/BP 4.02](#) *Environmental Action Plans*, [OP 8.00](#), *Rapid Response to Crises and Emergencies*, [OP 11.00](#), *Procurement* have also been updated to reflect editorial changes. Questions on this OP/BP may be addressed to the Manager, Fragile and Conflict-Affected Countries (OPCFCinfo@worldbank.org).

Development Cooperation and Conflict

1. In a country affected by conflict in which the Bank¹ has an active lending portfolio, Bank assistance is normally defined in the context of the Country Partnership Framework (CPF). When such conflict leads to significant changes in the environment for Bank assistance, the country director determines whether:

- (a) continued assistance in accordance with the CPF is feasible, making allowances as necessary for changed conditions, and giving special consideration to the Bank's fiduciary responsibilities and the impact of the conflict on the continued ability of Bank assistance to accomplish the purposes set out in the CPF;
- (b) conditions warrant initiating a Country Engagement Note (CEN);² or
- (c) continued assistance is no longer possible,³ and a watching brief should be initiated.

Watching Brief

2. On initiating a watching brief, the country director informs the Regional vice president (RVP) through a short strategy note covering the following, as appropriate:

- (a) the Bank's relations with the country in the period leading up to the conflict, and any lessons that can help to guide the Bank's future assistance;
- (b) the impact of potential Bank suspension of lending and other activities in the country on the activities of cofinancing partners, and possible strategies for maintaining key activities important for the coping strategies of the country's population;

¹ The terms used in this BP have the meanings set forth in [OP 2.30](#).

² See World Bank Group Directive, "Country Engagement", July 1, 2014, Catalogue Number OPCS5.01-DIR.01.

³ This may involve suspension of disbursements in accordance with [OP/BP 8.60](#), *Development Policy Lending*, [OP/BP 9.00](#), *Program-for-Results Financing* and [OP/BP 10.00](#), *Investment Project Financing*.

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- (c) the possible modalities of watching brief activities, including potential key partners, areas of activity, and likely funding options;
- (d) any likely consequences of the conflict for the development environment in other countries in the region--for example, outflows of refugees or other spillover effects of the conflict; and
- (e) the proposed frequency of updated situation reports to the RVP (see paragraph 3 below). During the watching brief, the country director periodically provides brief situation reports to the RVP. The reports outline the dynamics of the conflict, note any significant changes in the situation of the country, and summarize any activities carried out by the Bank's country staff and any major initiatives anticipated in the near future. The country director sends a copy of the report to the Post-Conflict Unit for distribution to the Post Conflict Management Steering Group (PCMSG), and to the Executive Directors for information.

Guidance and Reporting

3. A Post Conflict Management Steering Group (PCMSG) reviews the application of the Bank's policy on countries affected by conflict, and provides guidance to staff on specific cases. The PCMSG meets quarterly to identify and discuss global or regional trends in conflict and recommend changes in Bank strategies and procedures to facilitate appropriate responses.
4. Twice a year, the Conflict Prevention and Reconstruction Unit prepares a monitoring report on countries and areas affected by conflict. The report compiles information furnished by the RVPs and:
 - (a) provides the basis for periodic reviews of the Bank's response to conflict;
 - (b) alerts senior management and Executive Directors to patterns in conflict that affect Bank activities;
 - (c) informs Executive Directors about the Bank's work in countries affected by conflict; and assists the Bank in assessing countries' eligibility for special resources.
5. The PCMSG reviews the report, and the Conflict Prevention and Reconstruction Unit finalizes it. The Vice President, Environmentally and Socially Sustainable Development, submits the report to the MD for clearance and then circulates it to the Directors for information.