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October 2022

# Revision of Fragile and Conflict-Affected Situations Classification



## ABBREVIATIONS

ACCORD	-	African Centre for the Constructive Resolution of Disputes
ACLED	-	Armed Conflict Location and Event Data Project
ADB	-	Asian Development Bank
ADF	-	Asian Development Fund
AfDB	-	African Development Bank
AfDB New Strategy	-	2022-2026 Strategy for Addressing Fragility and Building Resilience in Africa
AfDF	-	African Development Fund
BMC	-	Borrowing Member Country
CA	-	concessional assistance
CAS	-	country allocation share
CAST	-	conflict assessment system tool
CCPR	-	composite country performance rating
CDB	-	Caribbean Development Bank
CDP	-	Committee for Development Policy
CEN	-	country engagement note
COL	-	concessional ordinary capital resources lending
CPA	-	country performance assessment
CPF	-	country partnership framework
CPIA	-	country policy and institutional assessment
CPR	-	country performance rating
CPS	-	country partnership strategy
CRFA	-	country resilience and fragility assessment
DMC	-	developing member country
DPO	-	Department of Peace Operation
ECOSOC	-	Economic and Social Council
ERCD	-	Economic Research and Regional Cooperation Department
EVI	-	economic and environmental vulnerability index
EVP	-	economic vulnerability premium
FA	-	fragility assessment
FCAS	-	fragile and conflict-affected situation(s)
FCS	-	fragile and conflict-affected situation(s)/state(s)
FCV	-	fragility, conflict and violence
FFP	-	Fund for Peace
FRA	-	Fragility and Resilience Assessment
FRA	-	fragility and resilience assessment
FSA	-	Fragile and Conflict-Affected Situations and Small Island Developing States Approach
FSF	-	fragile states facility
FSI	-	fragile state index
GA	-	General Assembly
GBV	-	gender-based violence
GCFF	-	global concessional financing facility
GNI	-	gross national income
GPG Fund	-	IBRD Fund for Innovative Global Public Goods Solutions
IBRD	-	International Bank for Reconstruction and Development

IDA	-	International Development Association
IMF	-	International Monetary Fund
LDC	-	least develop country
MDB	-	multilateral development bank
MVI	-	multidimensional vulnerability index
OAI	-	Office of Anticorruption and Integrity
OCR	-	ordinary capital resources
OECD	-	Organisation for Economic Co-operation and Development
OHRLLS	-	Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
PBA	-	performance-based allocation
PCA	-	principal components analysis
PCCF	-	post-conflict country facility
PCI	-	per capita income
PCPI	-	post-conflict performance indicators
POP	-	population
PPFD	-	Portfolio, Procurement, and Financial Management Department
PRA	-	prevention and resilience allocation
RDA	-	recovery duration adjuster
RECA	-	remaining engaged in conflict allocation
RMC	-	regional member country
RRA	-	risk and resilience assessment
SDC	-	Swiss Agency for Development and Cooperation
SDCC	-	Sustainable Development and Climate Change Department
SIDS	-	small island developing state(s)
SPD	-	Strategy, Policy and Partnerships Department
TAA	-	turn around allocation
TSF	-	transition support facility
UA	-	Unit of Account
UCDP	-	Uppsala Conflict Data Program
UN	-	United Nations
USAID	-	United States Agency for International Development
UVI	-	universal vulnerability index
VAC	-	violence against children
WB	-	World Bank
WHR	-	window for host communities and refugees
WPC	-	weakly-performing country

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## I. ACKNOWLEDGEMENTS

1. This paper is led by Kuang-Chen Chen through bilateral and multilateral discussions among MDBs, with relevant ADB departments and FCAS team members. The views expressed herein are solely those of the author and do not necessarily represent the views and policies of the FCAS team, or any other partner.

2. Perspectives from other institutions or departments may arise from informal discussions during that particular period. FCAS team does not guarantee their positions. Likewise, the FCAS team does not guarantee the accuracy of the data included in this paper and accept no responsibility for any consequence of their use.

## II. PURPOSE

3. The Asian Development Bank's (ADB) Fragile and Conflict-Affected Situations and Small Island Developing States Approach (FSA), which was launched in May 2021, outlines the operational approaches, and presents a 2021-2025 action plan for how ADB will achieve its Strategy 2030 objectives, which called for differentiated approaches to development work in fragile and conflict-affected situations (FCAS), small island developing states (SIDS),<sup>1</sup> and subnational pockets of poverty and fragility.

4. The FSA accentuates the need to improve ADB's FCAS classification criteria, placing it as the second of the nine enhanced operational approaches. ADB has used the multilateral development banks (MDBs)' harmonized classification system since 2013 to define a developing member country (DMC) as FCAS based on two criteria: (i) the average of ADB country performance assessment (CPA) and World Bank Group (WBG) country policy and institutional assessment (CPIA) is 3.2 or less, or (ii) the presence during the previous 3 years of a United Nations and/or regional peacekeeping or peacebuilding mission from such organizations as the African Union, the European Union, or the North Atlantic Treaty Organization (excluding border monitoring operations). However, the drivers of fragility differ among countries. CPA as a whole does not illustrate the robust determinants of country-specific fragility. The FSA acknowledges the limited usefulness of a CPA rating as a defining characteristic, particularly in Pacific countries. The CPA highlights the policy and institutional framework of economic management, structural policies, policies for social inclusion, and public sector management, excluding the conflict- and natural disaster-induced displacement and the spill-over effect such as the influxes of cross-border displacement from neighboring countries.

5. Further, due the issue of timing, country scope, and differences in the reference period between CPA and CPIA, misalignment always exists between the ADB's and WBG's lists. The WBG published FY23 List of Fragile and Conflict-affected Situations in July 2022, at which point

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<sup>1</sup> SIDS, as they self-identify, are a distinct group of DMCs with specific social, economic, and environmental vulnerabilities, including geographic remoteness and dispersion, small populations and markets, narrowly based economies, low fiscal revenue, high import, and export costs for goods, and increasing exposure to natural hazards and climate change. Sixteen ADB DMCs are SIDS: Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Maldives, Nauru, Niue, Palau, Papua New Guinea, Timor-Leste, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

the ADB's 2022 CPA results were not yet available. The FY23 list used the ADB's 2020 CPA ratings, with the assessment period from 1 July 2018 to 30 June 2020, and WBG 2021 CPIA ratings, with the assessment period from 1 January 2021 to 30 December 2021. The FY23 list refers to WBG fiscal year, which runs from 1 July 2022 to 30 June 2023. In addition, while CPA 2022 include Cook Islands, Mongolia, Nauru, Niue, and Palau, CPIA 2021 does not include these countries and thus those without CPIA ratings are not considered in the forming of WBG's list regardless their CPA ratings.

6. Recognizing the difference between CPA and CPIA, and the need for a delicate measurement for the conflict, WBG introduced a revised classification system in 2020, using the lowest CPA or CPIA ratings rather than the average score, including the relative number of outgoing forced displacements as a signal of political and security crisis, and introducing the methodology on conflict based on the number of fatalities. The International Monetary Fund (IMF) announced the adoption of the World Bank's classification criteria in 2022 to inform its approaches to fragile and conflict-affected states (FCS) with adequate transitional arrangements developed to support the staff and operations.<sup>2</sup> On the other hand, the African Development Bank (AfDB) has moved away from a linear and binary classification and focuses on operational framework for preventing and addressing risks of fragility.

7. ADB has refrained from applying World Bank's new classification criteria citing three main concerns: (i) the use of lowest CPA or CPIA rating will asymmetrically rely on CPIA rating since the CPA score is systematically higher than CPIA; (ii) the CPA or CPIA as a whole cannot show the granularity of the fragility in the DMCs; (iii) WBG methodology does not include natural disaster- and conflict-induced internally displaced people, and the spillover effects of conflict situations and political or economic crisis, such as the influxes of cross-border displacements.

8. As mandated by the FSA, this paper serves as a piece of due diligence and analytical work for preparing an in-depth assessment, and an official memorandum outlining an evidence based FCAS classification that reflects regional dimensions and SIDS characteristics. It recommends improvements to ADB's existing classification system through a review of the evolution of ADB's FCAS definition and classification, and a comparison of different methodologies among MDBs and international agencies.

### III. THE EVOLUTION OF FCAS DEFINITION AND CLASSIFICATION IN ADB

9. The economic and social transformation of the Asian-Pacific region over the last several decades is nothing short of dramatic. While many countries in the region have become prosperous, inclusive, resilient, and sustainable, some are stuck in the fragility trap. ADB has identified these countries as FCAS and recognized the lack of effectiveness for standard forms of assistance to them.<sup>3</sup> ADB's began its focus on enhancing engagement and improving aid effectiveness in FCAS in 2004 to assist ADB achieve the Millennium Development Goals.

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<sup>2</sup> International Monetary Fund (IMF). 2022. [IMF Policy Paper – IMF Strategy for Fragile and Conflict-Affected States \(FCS\)](#). Washington.

<sup>3</sup> Asian Development Bank (ADB) referred to fragile and conflict-affected situations (FCAS) countries as weakly-performing countries (WPCs) in 2004. The terminology has evolved over time. In line with international practice, ADB officially used the term FCAS in the [Asian Development Bank's Support to Fragile and Conflict-Affected Situations](#).



10. In 2004, in preparation for the Asian Development Fund (ADF) IX discussions, ADB outlined the need for a new approach to assistance for weakly-performing countries (WPCs)<sup>4</sup> and proposed initial indicators and factors that underpin weak performance: (i) per capita incomes; (ii) growth rates of per-capita incomes; and (iii) the quintile rankings of ADB's country performance ratings (CPRs).<sup>5,6</sup>

11. In 2007, in line with the 2005 *Paris Declaration on Aid Effectiveness*, ADB adjusted its approach for working in WPCs based on selectivity and focus and strategic partnerships. ADB identified five factors that underlie weak performance: (i) weak policy, policy implementation, and management capacity; (ii) small, isolated market conditions; (iii) physical and social disruption linked to violent conflict; (iv) meager public sector resources; and (v) volatility and unpredictability of aid. Since then, ADB identified a DMC as WPC based on its CPA rankings and conflict considerations. A WPC had to be either (i) ranked in the fourth or fifth quintiles of CPA scores for two of the most recent 3 years, or (ii) considered to be in conflict or post-conflict, and thus vulnerable. Correspondingly, ADB first listed 12 DMCs as WPCs with the objective of improving aid effectiveness.<sup>7</sup>

12. In 2012, ADB categorized the fragility continuum into three stages: FCAS, transitional situations, and resilience and/or stable situations, which are outlined in Figure 1; and identified countries in fragile or conflict-affected situations as those of its DMCs with weak governance, ineffective public administration and rule of law, and civil unrest. It distinguishes between fragility and conflict-affected:<sup>8</sup>

- 1) Fragility reflects weakness in the state's functional capacity to provide basic security within its territory, institutional capacity to provide for the basic social needs of its population, or political legitimacy to represent its citizens effectively at home and abroad.
- 2) Conflict is a violent or non-violent process in which two or more parties disagree about interests and values. Although it may provide an opportunity for change, if not managed correctly and peacefully, it can escalate into violence. Conflict can be a cause, symptom, or consequence of fragility, although some fragile situations are less associated with or dominated by conflict, as in the case of small Pacific Island countries. However, a lack of state responsiveness may raise the risk of violence.

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issued by Independent Evaluation Department in 2010. In the latest ADB reorganization discussion, FCAS team may be renamed as office of transitional states and engagement.

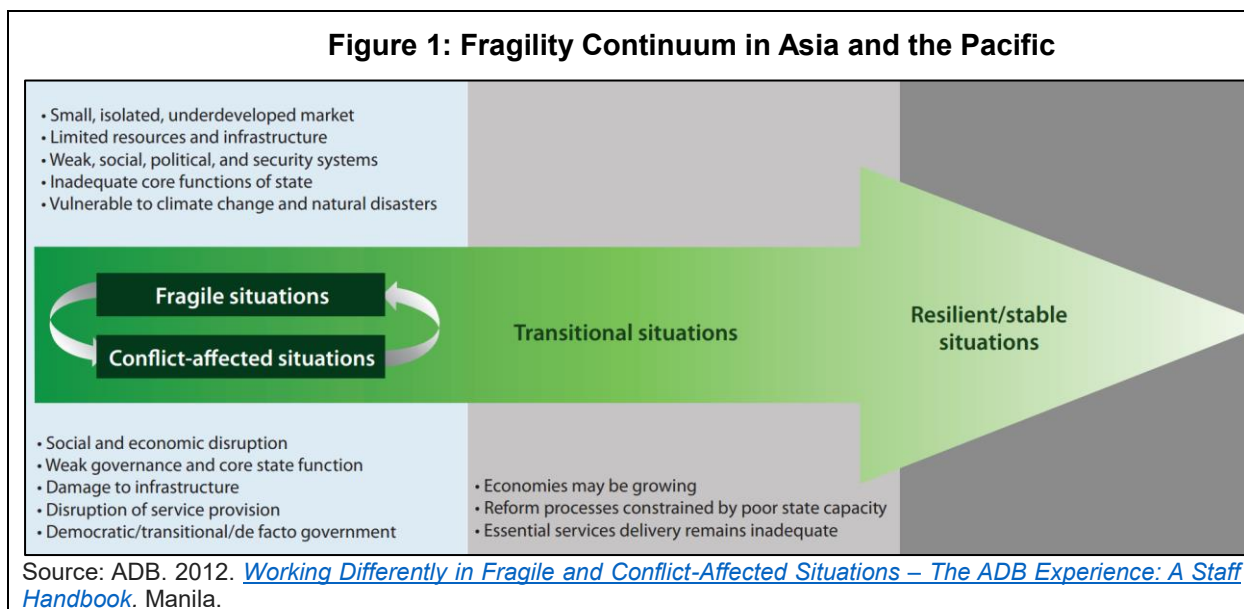
<sup>4</sup> Given that grant funding was not available under the ADF VIII (2001–2004), the new approach emphasized that ADF grant assistance to WPCs was needed for short-term emergency assistance because they were generally more prone to disasters due to special geographical circumstances, civil conflicts, or poor health systems.

<sup>5</sup> ADB referred to CPA as CPRs in 2004. ADB CPA ratings are currently used for the FCAS classification and the performance-based allocation (PBA) formula for ADF country allocation.

<sup>6</sup> ADB. 2004. [ADB's Approach to Weakly-Performing Developing Member Countries – A discussion paper](#). Manila.

<sup>7</sup> ADB. 2007. [Achieving Development Effectiveness in Weakly Performing Countries](#). Manila.

<sup>8</sup> ADB. 2012. [Working Differently in Fragile and Conflict-Affected Situations: The ADB Experience](#). Manila.



13. In 2013, ADB recognized fragility and conflict characteristics at the subnational level and used a differentiated approach to reflect these subnational characteristics in the country partnership strategy (CPS). ADB also aligned its FCAS classification system with the World Bank, AfDB and the International Monetary Fund (internal only), classifying a DMC as FCAS if (i) it had an average harmonized CPA (that is, World Bank’s country policy and institutional assessment and ADB’s country performance assessment) annual rating of 3.2 out of 6 or less, or (ii) it had the presence during the previous 3 years of a United Nations and/or regional peacekeeping or peacebuilding mission from such organizations as the African Union, the European Union, or the North Atlantic Treaty Organization (excluding border monitoring operations). ADB acknowledged the FCAS classification should not only be based on the CPA rating but also on other fragility- and conflict-related characteristics. ADB thus endeavored to develop indicators for assessing fragility and conflict.<sup>9</sup>

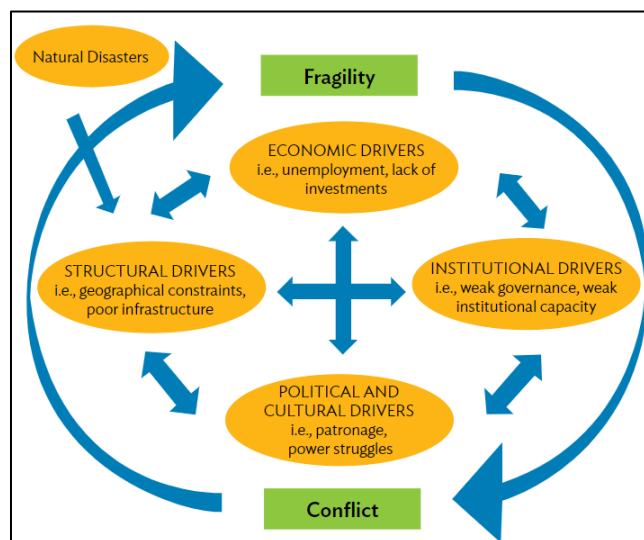
14. In 2014, ADB redefined fragile situations as the state’s failure to perform its function effectively and to provide basic social services such as health, education, security; incapacity to uphold the rule of law; and inability to provide sustainable sources of income for the population to get out of poverty. ADB also proposed two analytical tools: a fragility index and a country-led fragility assessment. The ADB fragility index was based on the four dimensions derived from this definition: economic, political or state, justice, and security and peace. Apart from that, the fragility index further included two additional dimensions, environmental sustainability, and vulnerability to natural hazards.<sup>10</sup> In addition to the index, Figure 2 illustrates how ADB conducted fragility assessment to address the economic, institutional, political and cultural, and structural issues, improving the understanding of local context in a fragile country and feeding into development strategies, programs and projects.<sup>11</sup>

<sup>9</sup> ADB. 2013. [Operational Plan for Enhancing ADB’s Effectiveness in Fragile and Conflict-Affected Situations](#). Manila.

<sup>10</sup> ADB. 2014. [Fragility Index for a Differentiated Approach](#). Manila.

<sup>11</sup> ADB. 2014. [Practical Guide to Fragility Assessment](#). Manila.

**Figure 2: Schematic Representation of Political Economy in Fragile Situations**



Source: ADB. 2014. *Practical Guide to Fragility Assessment*. Manila.

15. In a 2016 report, ADB separated out the countries in fragile situations (9 SIDS), conflict-affected situations (Afghanistan and Myanmar), transitional situations (Nepal), and subnational conflict situations (Philippines). ADB followed the fragility definition issued in 2014, while characterizing conflict-affected situations as the presence of secessionist groups dissatisfied with the country's sociopolitical system, and therefore calling for significant government reforms.<sup>12</sup> This definition was based on ADB's experience in engaging with its conflict-affected member countries.

16. In the 2019 background paper for ADF XI and 12, ADB reiterated the need for a more comprehensive definition of fragility, conflict, and violence, including subnational conflicts such as gender-based violence, organized crime, and/or localized situations, and fragile situations, irrespective of the CPA ratings such as the vulnerability to natural disasters, climate change, economic shocks, and debt sustainability risks.<sup>13</sup>

17. In the 2021 FSA, ADB redefined fragility as a combination of exposure to risk and insufficient coping capacity of the state, system and/or communities to manage, absorb, or mitigate those risks. This definition corresponded to the Organisation for Economic Co-operation and Development (OECD) fragility definition in 2016. In addition, ADB has characterized FCAS by weak governance and institutional capacity, economic and social insecurity, greater vulnerability to the effects of climate change and natural hazards, and, in some cases, political instability. In this vein, FCAS DMCs include (i) those affected by fragility, and (ii) those affected by conflict.<sup>14</sup> Table 1 illustrates the change of terminologies and definitions of FCAS.

<sup>12</sup> ADB. 2016. *Mapping Fragile and Conflict-Affected Situations in Asia and the Pacific: The ADB Experience*. Manila.

<sup>13</sup> ADB. 2019. *Relevance and Results of Concessional Finance: Asian Development Fund XI and 12*. Manila.

<sup>14</sup> ADB. 2021. *Fragile and Conflict-Affected Situations and Small Island Developing States Approach*. Manila.

**Table 1: The Evolution of ADB Definition on Fragile and Conflict-Affected Situations**

Year	Term	Definition	
2004	WPC	Three indicators underlie weak performance: (i) per-capita incomes; (ii) growth rates of per-capita incomes; and (iii) quintile rankings of ADB's Country Performance Ratings.	
2007		Five indicators underlie weak performance: (i) weak policy, policy implementation, and management capacity; (ii) small, isolated market conditions; (iii) physical and social disruption linked to violent conflict; (iv) meager public sector resources; and (v) volatility and unpredictability of aid.	
2010	FCAS	Weak governance, ineffective public administration and rule of law, and civil unrest.	
2012		Fragile situations	Conflict-affected situations
		Fragility reflects weakness in the state's functional capacity to provide basic security within its territory, institutional capacity to provide for the basic social needs of its population, or political legitimacy to represent its citizens effectively at home and abroad.	Conflict is a violent or nonviolent process in which two or more parties disagree about interests and values. Although it may provide an opportunity for change, if not managed correctly and peacefully, it can escalate into violence. Conflict can be a cause, symptom, or consequence of fragility; although some fragile situations are less associated with or dominated by conflict, as in the case of small Pacific Island countries. However, a lack of state responsiveness may raise the risk of violence.
2014		State's failure to perform its function effectively and to provide basic social services such as health, education, security; incapacity to uphold the rule of law; and inability to provide sustainable sources of income for the population to get out of poverty.	
2016		The presence of secessionist groups that are dissatisfied with the country's sociopolitical system, and therefore calling out for significant government reforms.	
2021		Weak governance and institutional capacity, economic and social insecurity, greater vulnerability to the effects of climate change and natural hazards, and in some cases political instability.	
	Fragile situations	Conflict-affected situations	
	A combination of exposure to risk and insufficient coping capacity of the state, system and/or communities to manage, absorb, or mitigate those risks.	A regional, national, or subnational situation involving armed parties.	

FCAS = fragile and conflict-affected situation(s), WPC = weakly performing country.

Source: Asian Development Bank.

18. For a more comprehensive assessment on fragility, ADB has developed fragility and resilience assessments (FRAs) by integrating all dimensions of fragility (including climate change, disaster risk management, governance and corruption, public financial management, and political, conflict, socioeconomic, forced displacement, inequality, gender, and poverty and social dimensions) into four drivers: the structural-environmental, institutional, economic, and political-

societal drivers.<sup>15</sup> ADB has required FRAs to be incorporated into the country partnership strategy (CPS) preparation for all FCAS-classified countries.

19. Given that the state's functional capacity had long been ADB's fragility definition, the CPA played a key role in the FCAS classification system as an analytical tool to measure policy and institutional framework. ADB implemented and published its own classification methodology in 2007 and revised it in 2013 by harmonizing the CPA with the World Bank's country policy and institutional assessment (CPIA). The evolution of ADB FCAS classification is outlined in Table 2.

**Table 2: Evolution of ADB Classification on Fragile and Conflict Affected Situations**

<b>CPA-based Classification (2007–2012)</b>	
(i)	Country is ranked in the fourth and fifth quintiles on country performance assessments for two of the most recent 3 years, or
(ii)	Country is considered to be in conflict or post-conflict and thus vulnerable.
<b>Harmonized MDB Classification (2013–2021)</b>	
(i)	The average of ADB CPA and World Bank CPIA is 3.2 or less, or
(ii)	The presence during the previous 3 years of a United Nations and/or regional peacekeeping or peacebuilding mission from such organizations as the African Union, the European Union, or the North Atlantic Treaty Organization (excluding border monitoring operations).

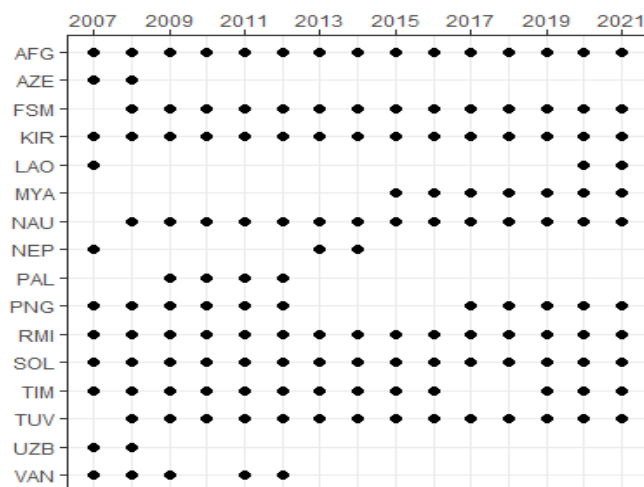
CPA = country performance assessment, FCAS = fragile and conflict-affected situations, MDB = multilateral development bank.

Source: Asian Development Bank.

20. Based on these two classification methodologies, 16 ADB DMCs have been categorized as FCAS since 2007 as outlined in Figure 3. Of them, Azerbaijan, Nepal, Palau, Uzbekistan, and Vanuatu have graduated from the list, while 11 DMCs remain classified as FCAS.

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<sup>15</sup> ADB. 2021. [Fragile and Conflict-Affected Situations and Small Island Developing States Approach](#). Manila.

**Figure 3: ADB Developing Member Countries in Fragile and Conflict-Affected Situations**

CPA = country performance assessment, CPIA = country policy and institutional assessment, DMC = developing member country, FCAS = fragile and conflict-affected situations.

Sources: ADB. 2012. [Working Differently in Fragile and Conflict-Affected Situations – The ADB Experience](#). Manila; ADB. 2013. [Operational Plan for Enhancing ADB's Effectiveness in Fragile and Conflict-Affected Situations](#). Manila; ADB. 2022. [Annual Evaluation Review – Fragile and Conflict-Affected Situations and Small Island Developing States \(Appendix\)](#). Manila.

#### IV. COUNTRY PERFORMANCE ASSESSMENT

21. The last chapter has shown that the CPA is fundamentally important for the FCAS classification. Moreover, the CPA is also a vehicle for policy dialogue and its criteria help construct the performance-based allocation formula with different weights for the country allocation of all ADF-eligible DMCs. In addition, a clear understanding of the CPA and its relationship with World Bank's CPIA is necessary.

22. The WBG launched its CPIA in the late 1970s. Its criteria have evolved over time. In 2004, the WBG set up an external panel to review the CPIA scores and methodology and streamlined the criteria to 16. For each criterion, the WBG scores a country on a scale of one (low) to six (high). These 16 criteria are grouped into four clusters. Each of the four clusters equals 25 percent of the overall score. Within each cluster, all criteria are weighed equally. The World Bank then computes the overall score by figuring the average score of each cluster, and then by averaging the scores of the 4 clusters.<sup>16</sup>

**Table 3: Criteria of Country Policy and Institutional Assessment**

Cluster A – Economic Management (25%)	
1.	Macroeconomic Management
2.	Fiscal Policy
3.	Debt Policy
Cluster B – Structural Policies (25%)	

<sup>16</sup> World Bank Group (WBG). 2021. [CPIA Criteria 2021](#). Washington, DC.

4. Trade
5. Financial Sector
6. Business Regulatory Environment
<b>Cluster C – Policies for Social Inclusion (25%)</b>
7. Gender Equality
8. Equality of Public Resource Use
9. Building Human Resources
10. Social Protection and Labor
11. Policies and Institutions for Environmental Sustainability
<b>Cluster D – Public Sector Management (25%)</b>
12. Property Rights and Rule-based Governance
13. Quality of Budgetary and Financial Management
14. Efficiency of Revenue Mobilization
15. Quality of Public Administration
16. Transparency, Accountability and Corruption in the Public Sector

Source: WB. 2021. [CPIA Criteria 2021](#). Washington.

23. In 2005, the WBG started to disclose the numerical scores for all CPIA criteria as well as the overall score.<sup>17</sup> In the same year, ADB began to publish annual CPA ratings, using the International Development Association (IDA)'s CPIA questionnaire as the basis for the CPA. Since 2016, ADB has conducted the CPA exercises on a biennial cycle rather than annual for all concessional assistance countries to provide greater operational flexibility in the use of allocations.<sup>18</sup> Likewise, in the same year, the WBG began to carry out full CPIA assessments only once every three years, which were supplemented by minor updates in the middle years for IDA countries.<sup>19</sup>

24. Figure 4 shows the CPA and CPIA ratings in the FCAS countries. In practice, CPA ratings tend to be higher than CPIA ratings (See Appendix 1). Further, since the WBG has not conducted the CPIA in Nauru and Palau, the ADB harmonized scores for these two countries have been based only on ADB's CPA ratings since 2013

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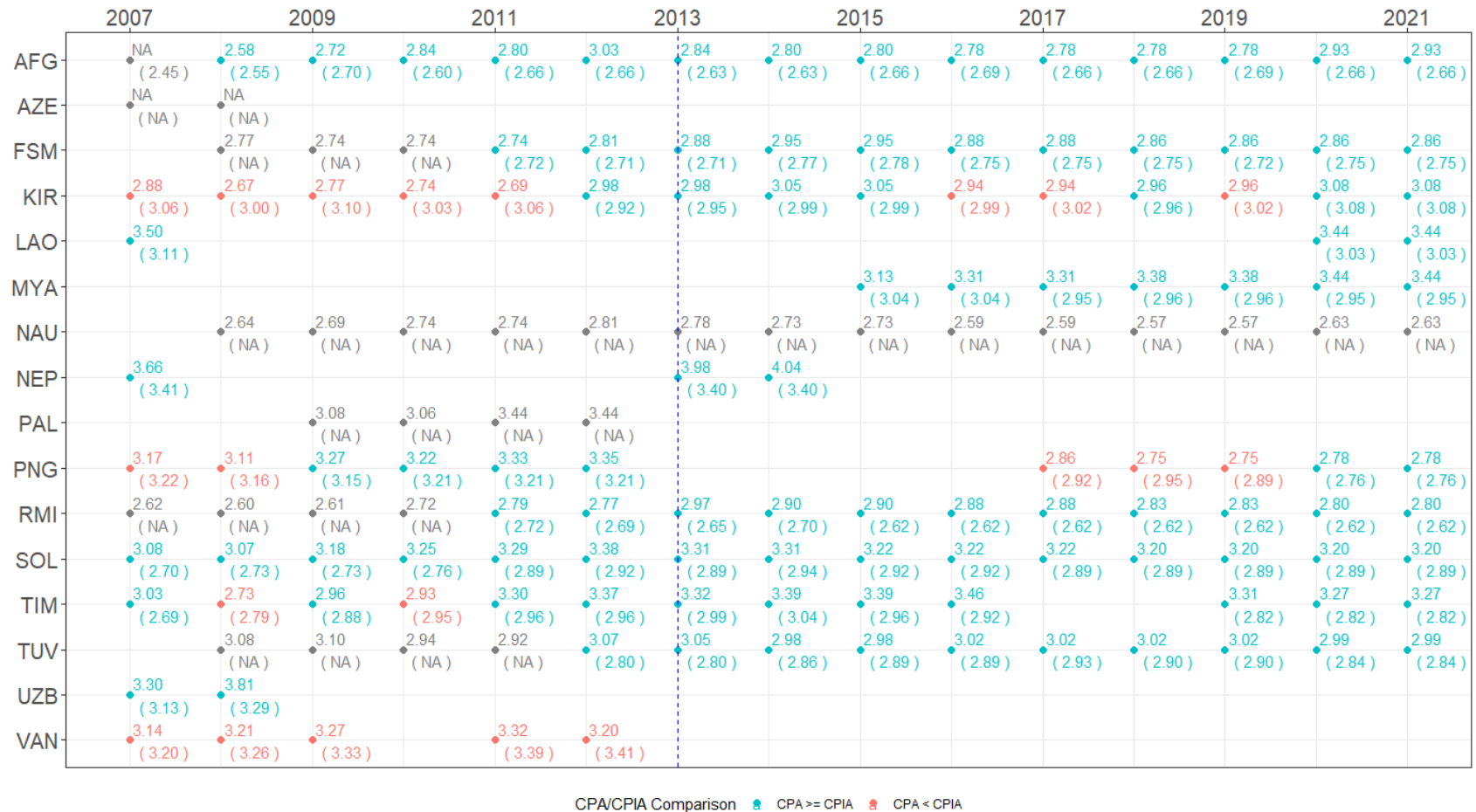
<sup>17</sup> WB. 2021. [CPIA Criteria 2021](#). Washington, DC.

<sup>18</sup> ADB. 2016. [Concessional Assistance Policy: Policy Paper](#). Manila.

<sup>19</sup> World Bank. 2021. [CPIA Criteria 2021](#). Washington, DC.



**Figure 4: Comparison of Country Performance and Country Policy and Institutional Assessment in FCAS Countries**



Note: CPA ratings show in the figure with CPIA ratings listed in parentheses.  
 Source: Asian Development Bank.



25. ADB CPA teams conduct CPAs for all concessional assistance eligible DMCs, which refers to Group A and Group B countries as outlined in Table 4. The CPA team consists of the ADB country teams (representatives of the regional departments), the focal point (Strategy, Policy and Partnerships Department [SPD]), the regional coordinators, the technical group and working group (experts from Economic Research and Regional Cooperation Department [ERCD]; Office of Anticorruption and Integrity [OAI]; Portfolio, Procurement, and Financial Management Department [PPFD]; and Sustainable Development and Climate Change Department [SDCC]), and the review panel (chaired by the director general of SPD and comprising the heads of the regional departments, ERCD, OAI, PPFD, and SDCC). The CPA implementation follows these steps: (i) the country teams propose initial ratings which are supported by detailed write-ups, consult with national authorities about the preliminary assessments, and prepare an aide-memoire; (ii) the technical group recommends revisions to the write-ups or ratings to ensure consistency of the CPAs across countries; (iii) technical experts in the country teams again review the revised CPAs and then convey the revised assessments to the CPA working group along with their comments; (iv) the CPA working group submits its country rating recommendations to the review panel, based on the technical group's findings; and (v) the CPA review panel finalizes the country ratings and submits them for ADB Management approval.<sup>20</sup>

**Table 4: Country Classification Decision Matrix**

Creditworthiness	Per Capita GNI Cutoff		
	Below Per Capita GNI Cutoff	Above Per Capita GNI Cutoff	
		LDC	Other
Lack of	Concessional assistance-only (Group A)	Concessional assistance-only (Group A)	OCR Blend (Group B)
Limited	OCR Blend (Group B)	OCR Blend (Group B)	OCR Blend (Group B)
Adequate	OCR Blend (Group B)	OCR Blend (Group B)	Regular OCR-only (Group C)

GNI = gross national income, LDC = least developed country, OCR = ordinary capital resources.

Source: ADB. 2022. [Operations Manual Policies and Procedures: Classification and Graduation of Developing Member Countries](#). Manila.

26. In 2022, the FCAS team is joining the CPA team for the first time in as a member of the technical group and working group with the following objectives: (i) to identify opportunities to better incorporate fragility in the assessments and scores of the CPA and explore approaches to resolve the challenges in the PBA system to anchor country allocations on both country performance and vulnerability; (ii) to develop a better understanding how changes in the CPA scores, i.e. trends in policies, institutional capacity and governance, are leading to changes in the FCAS classification for individual countries.

## V. THE PERFORMANCE-BASED ALLOCATION SYSTEM AND EXTRA-FORMULA ALLOCATION

27. While the CPA is the core of FCAS classification, the composite country performance rating (CCPR)<sup>21</sup> is used for the performance-based allocation formula under ADF to link country

<sup>20</sup> ADB. 2008. [Refining the Performance-Based Allocation of Asian Development Fund Resources](#). Washington.

<sup>21</sup> The CCPR uses the same CPA criteria with different weights, emphasizing the role of governance.

performance to allocation. The FSA launch coincided with an increase in ADF and Technical Assistance Special Fund 7 (TASF 7) resources for the ADF 13 period from 2021 to 2024. These are essential funding sources for FCAS countries and SIDS, most of which are eligible for ADF grants as well as concessional ordinary capital resources (COL).

28. The ADF 13 resource allocation framework takes a two-pillar approach, considering both country and thematic components. A country's allocation equals the sum of PBAs, economic vulnerability premiums (EVPs) for ADF grant-eligible SIDS, and the special allocation for Afghanistan.<sup>22</sup> On the other hand, the thematic pool is meant to support the priority development objectives included in the Strategy 2030 that cannot easily be mainstreamed into projects, with the provision of ADF grants to increase the awareness of governments and unlock projects that are underinvested.<sup>23</sup>

29. Under ADB's Graduation Policy,<sup>24</sup> Group A DMCs are eligible for COL and ADF grants; Group B DMCs are eligible for COL and have access to regular ordinary capital resources (OCR) lending; Group C DMCs have access to regular OCR lending. The eligibility for ADF grant framework is limited to concessional assistance (CA)-only countries (Group A).<sup>25</sup> That means that some Group B FCAS countries and SIDS, such as Fiji, Niue, Palau, Papua New Guinea, and Timor-Leste<sup>26</sup> are not eligible for ADF grant funding.<sup>27</sup> Table 5 shows the DMC classification in 2022.

**Table 5: 2022 DMC Classification**

Group A (Concessional assistance-only)	Afghanistan* <b>f</b> , Bhutan, Cambodia*, Kiribati* <b>sf</b> , Kyrgyz Republic, Federated States of Micronesia <b>sf</b> , Lao People's Democratic Republic* <b>f</b> , Maldives <b>s</b> , Marshall Islands <b>sf</b> , Myanmar* <b>f</b> , Nauru <b>sf</b> , Nepal*, Samoa <b>s</b> , Solomon Islands* <b>sf</b> , Tajikistan, Tonga <b>s</b> , Tuvalu* <b>sf</b> , Vanuatu <b>s</b> .
Group B (OCR Blend)	Bangladesh*, Fiji <b>s</b> , Mongolia, Niue <b>s</b> , Pakistan, Palau <b>s</b> , Papua New Guinea <b>sf</b> , Timor-Leste* <b>sf</b> , Uzbekistan.
Group C (Regular OCR-only)	Armenia, Azerbaijan, People's Republic of China, Cook Islands <b>s</b> , Georgia, Indonesia, Kazakhstan, Malaysia, Philippines, Sri Lanka, Thailand, Turkmenistan, Viet Nam.

OCR = ordinary capital resources. \* = least developed country, **s** = small island developing state, **f** = classified as a fragile and conflict-affected situation.

Source: ADB. 2022. [Operations Manual Policies and Procedures: Classification and Graduation of Developing Member Countries](#). Manila.

### A. Development of ADB's Performance Based Approach Formula

30. Given that grant funding was not available under ADF VIII (2001–2004), weakly-performing DMCs needed ADF grant assistance for short-term emergency assistance because they were generally more prone to disasters due to special geographical circumstances, civil

<sup>22</sup> ADB. 2020. [Concessional Assistance Policy for the ADF 13 Period](#). Manila.

<sup>23</sup> ADB. 2020. [ADF 13 Replenishment Meeting: ADF 13 Thematic Pool](#). Manila.

<sup>24</sup> ADB. 1998. [A Graduation Policy for the Bank's DMCs](#). Manila.

<sup>25</sup> ADB. 2016. [Concessional Assistance Policy: Policy Paper](#). Manila.

<sup>26</sup> Papua New Guinea and Timor-Leste are FCAS SIDS, while Fiji, Niue, and Palau are non-FCAS SIDS.

<sup>27</sup> Besides Group B countries, some COL-only gap countries within Group A, such as Bhutan, Cambodia, Lao PDR, and Myanmar as designated by the IDA, are not ADF-eligible. ADB. 2022. [Lending Policies and Rates](#). Manila.

conflicts, or poor health systems.<sup>28</sup> As a result, ADB introduced the CCPR by using the CPA criteria as a key input to the performance-based allocation (PBA) system.<sup>29</sup>

31. In March 2001, ADB's Board approved the Policy on PBA for ADF resources to strengthen the link between country performance and the allocation of scarce ADF resources among beneficiary countries, establishing an allocation formula that includes performance rating (CPA and portfolio performance), population, and per capita GNP, to ensure that: (i) performance is the most important factor in determining allocations; (ii) larger countries (high population) receive a higher allocation; (iii) smaller countries receive higher per capita allocation; (iv) poorer countries (low per capita GNP) receive a higher allocation.<sup>30</sup>

32. The PBA policy was substantially revised during ADF IX (2005–2008), seeking to (i) improve CPA; (ii) elevate the role of governance; (iii) strengthen the link between performance and allocation; (iv) sharpen ADF's focus on small countries; (v) clarify criteria for extra-formula allocations; (vi) deepen client involvement in and understanding of PBA; (vii) improve transparency and accountability; and (viii) reduce transaction costs and streamline implementation.

33. As a result, ADB modified the PBA formula according to these objectives by adjusting the weight of each indicator, while considering extra-formula allocations for post-conflict needs, disasters and emergencies, absorptive capacity, subregional projects, WPCs, and countries on the watch list for ADF graduation. To ensure the implementation, ADB established a PBA Focal Point in the Office of the Director-General of SPD for all matters concerned with PBA implementation such as decisions on all ADF allocations covering country programs, special needs, and subregional allocation, etc. In addition, in 2005, ADB modified CPA ratings to accommodate the IDA's 2004 CPIA criteria, and ADB publicly disclosed CPA scores in its annual report to enhance transparency.<sup>31</sup>

34. In 2008, ADB modified the PBA of blend borrowers with allocation shares exceeding 14% (soft cap) allowing them to retain half of the amount above this threshold. The resources freed up would be redistributed among the other ADF-eligible countries outside of the Pacific.<sup>32</sup> Equation 1 illustrates the PBA formula and the weight of each indicator. To simplify the ADF resource allocation, ADB removed the soft cap under ADF 13, which led to a boost of allocation to the countries with huge population.<sup>33</sup>

### Equation 1: Country Allocation Share Formula

$$S_i = CCPR_i^{2.00} \times PCI_i^{-0.25} \times POP_i^{0.60} \times (\text{scaling factor});$$

<sup>28</sup> ADB. 2004. [ADB's Approach to Weakly-Performing Developing Member Countries – A discussion paper](#). Manila.

<sup>29</sup> ADB. 2008. [Refining the Performance-Based Allocation of Asian Development Fund Resources](#). Manila.

<sup>30</sup> ADB. 2001. [Policy on Performance-based Allocation for Asian Development Fund Resources](#). Manila.

<sup>31</sup> ADB. 2004. [Review of the Asian Development Bank's Policy on the Performance-Based Allocation of Asian Development Fund Resources](#). Manila.

<sup>32</sup> ADB. 2008. [Refining the Performance-Based Allocation of Asian Development Fund Resources](#). Manila.

<sup>33</sup> The abolishment of the soft cap is not written in any ADB public document.

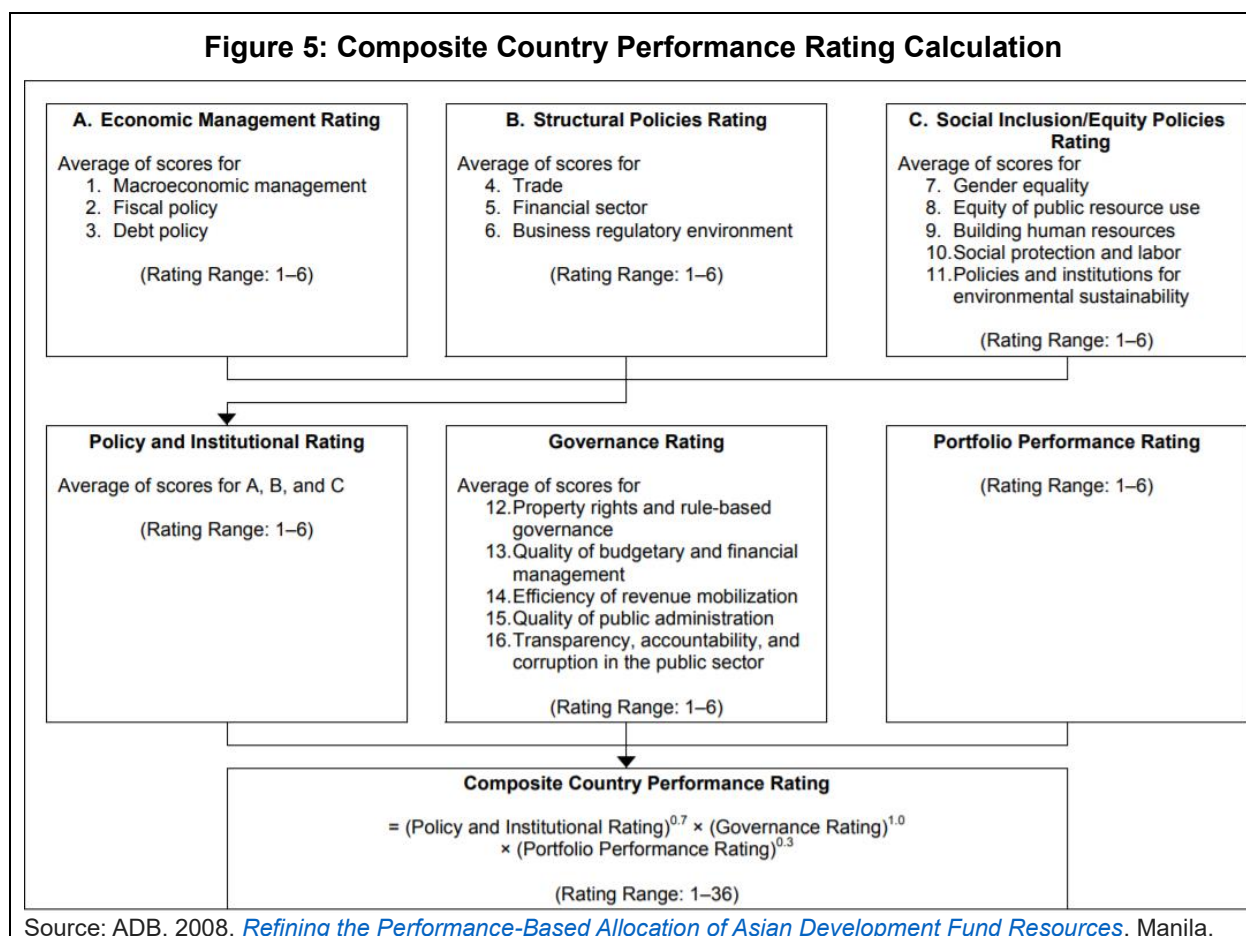
$$(\text{scaling factor}) = 1 \div \sum_i (\text{CCPR}_i^{2.00} \times \text{PCI}_i^{-0.25} \times \text{POP}_i^{0.60});$$

$$\text{CCPR}_i^{2.00} = (\text{Policy and Institutional Rating})_i^{1.40} \times (\text{Governance Rating})_i^{2.00} \times (\text{Portfolio Performance Rating})_i^{0.60}$$

CCPR = composite country performance rating, PCI = per capita income, POP = population, S = the share of the allocated concessional resources, scaling = scaling factor.

Source: ADB. 2008. [Refining the Performance-Based Allocation of Asian Development Fund Resources](#). Manila.

35. To better understand the connection between CPA and CCPR, Figure 5 outlines the composition of CCPR by using CPA criteria.



36. Table 6 indicates that population, per capita income, CPA criteria and portfolio performance are the four main factors to decide the PBA formula among multilateral financial institutions with distinct weights computations. Apart from these four factors, the AfDB incorporates the Africa infrastructure development index (AIDI) in the PBA formula, while the Caribbean Development Bank integrates the multidimensional vulnerability index (MVI) and the number of poor people in the country (POOR) in the formula.

**Table 6: PBA formula of Multilateral Development Institutions**

Multilateral Development Institution, Fund	Needs Factors		Performance Factors	Result
<b>Global Environment Facility, GEF Trust Fund (GEF-6)</b>	$GBI^{0.8} * \left(\frac{GDP}{capita}\right)^{-0.08}$	X	$(0.65CPIA + 0.15CPIA_D + 0.2Portfolio)$	= allocation share
<b>African Development Bank, African Development Fund</b>	$Population^1 * \left(\frac{GNI}{capita}\right)^{-0.125} * AIDI^{-0.125}$	X	$(0.26CPIA_{A-C} + 0.58CPIA_D + 0.16Portfolio)^4$	= allocation share
<b>Asian Development Bank, Asian Development Fund</b>	$Population^{0.6} * \left(\frac{GNI}{capita}\right)^{-0.25}$	X	$[(ADB\_CPIA_{A-C})^{0.7} * (ADB\_CPIA_D) * Portfolio^{0.3}]^2$	= allocation share
<b>Caribbean Development Bank, Special Development Fund</b>	$LogPopulation * POOR^{0.1} * \left(\frac{GNI}{capita}\right)^{-0.9} * Vulnerability^2$	X	$(0.7CDB\_CPIA + 0.3Portfolio)^2$	= allocation share
<b>International Fund for Agricultural Development</b>	$Rural\_Population^{0.45} * \left(\frac{GNI}{capita}\right)^{-0.25}$	X	$(0.2CPIA + 0.35Portfolio + 0.45RuralCPIA)^2$	= allocation share
<b>Inter-American Development Bank, Fund for Special Operations:</b>	$Population^{0.5} * \left(\frac{GNI}{capita}\right)^{-1}$	X	$(0.3Portfolio + 0.7CIPE)^2$	= allocation share
<b>World Bank, IDA (IDA18)</b>	$Population^1 * \left(\frac{GNI}{capita}\right)^{-0.125}$	X	$(0.24CPIA_{A-C} + 0.68CPIA_D + 0.08Portfolio)^3$	= allocation share

PBA = performance-based allocation

Source: GEF IEO. 2017. [Evaluation of The GEF's System for Transparent Allocation of Resources](#). Washington.

## B. ADB Extra-Formula Allocation

37. The PBA reinforces the relationship between performance and allocation. This formula tends to divert sources away from the fragile countries, creating a wide gap between the share of resources going to the most fragile countries and the share going to the large blend borrowers. In other words, even though the performance of the fragile countries has risen generally, it has not kept pace with the improvement by the largest blend countries, especially in terms of the average governance rating. The extra weight on governance in the formula expands the gap between the fragile ADF-only countries and the largest blend countries.<sup>34</sup> Hence, the World Bank created a Fragile, Conflict and Violence (FCV) Envelope for improving allocations in FCAS countries based on criteria aligned to the classification system; the AfDB set a certain amount of resources from the African Development Fund (AfDF) for the transition support facility (TSF) to build up resilience in transition states. ADB also recognizes the need for a cautious approach to allocations for FCAS countries.

<sup>34</sup> ADB. 2008. [Refining the Performance-Based Allocation of Asian Development Fund Resources](#). Manila.



## 1. Approach to Post-Conflict Country Allocations – From Post-Conflict Framework to Post-Conflict Premium

38. In 2004, ADB proposed managing decisions on allocations to address post-conflict needs under IDA's Post-Conflict Framework and country circumstances. A country would be expected to return to the normal PBA allocation process within three years, with the possibility of a two-year extension but only in exceptional cases.<sup>35</sup> This framework provides exceptional post-conflict assistance to eligible countries in three stages: (i) an initial allocation; (ii) exceptional allocations linked to performance norms; and (iii) a phased return to regular PBA. Eligibility for exceptional treatment depended on the duration and intensity of the conflict.

39. Considerations for a country's initial allocation include four dimensions: (i) prospects of peace; (ii) needs; (iii) government commitment to sustainable development; (iv) moral hazard concerns.<sup>36</sup> For the second stage, the post-conflict performance indicators (PCPI) are used to assess country performance with 12 indicators classified into four clusters: (i) security and reconciliation; (ii) economic recovery; (iii) social exclusion and social development; (iv) public sector management and institutions.

40. In 2008, ADB extended the phaseout period from three years to six years and decided to begin the 6-year phaseout for Afghanistan and Timor-Leste in ADF X (2009–2012).<sup>37</sup> The percentage of ADF grants for Timor-Leste was set to gradually decrease from 100% during 2009–2010 to 67% during 2011–2012 and 33% during 2013–2014.<sup>38</sup> On the other hand, as Afghanistan continued to face strong development needs, the donors decided in May 2010 to suspend Afghanistan phaseout for 2 years in 2011–2012 and agreed during ADF XI (2013–2016) discussions on an extended phaseout period that would resume the phaseout in 2013.<sup>39</sup>

41. Under ADF XI, Afghanistan continued to receive exceptional post-conflict assistance. ADB suspended this phaseout of the post-conflict assistance for the ADF 12 period (2017–2020). Instead, Afghanistan received a post-conflict premium (\$847 million – PBA formula-based allocation) in ADF 12 period based on its risk of debt distress in accordance with the ADF grants framework.<sup>40</sup> The special support for Afghanistan continues<sup>41</sup> in ADF 13 (2021–2024) was due to its extensive development needs.<sup>42</sup>

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<sup>35</sup> ADB. 2004. [Review of the Asian Development Bank's Policy on the Performance-Based Allocation of Asian Development Fund Resources](#). Manila.

<sup>36</sup> IDA. 2004. [Aid Delivery in Conflict-Affected IDA Countries: The Role of the World Bank](#). Washington.

<sup>37</sup> ADB. 2008. [Refining the Performance-Based Allocation of Asian Development Fund Resources](#). Manila.

<sup>38</sup> IED. 2015. [Asian Development Fund X and XI Operations: Opportunity Amid Growing Challenges](#). Manila: ADB.

<sup>39</sup> ADB. 2012. [Asian Development Fund XI Donors' Report: Empowering Asia's Most Vulnerable](#). Manila.

<sup>40</sup> ADB. 2016. [Concessional Assistance Policy: Policy Paper](#). Manila.

<sup>41</sup> ADB remains concerned about the welfare of the Afghan people and the country's economic and social development. As the international community continues to assess the evolving situation in the country, ADB maintains the hold it placed on its assistance in Afghanistan effective 15 August 2021.

<sup>42</sup> ADB. 2020. [Asian Development Fund 13 Donors' Report: Tackling the Covid-19 Pandemic and Building a Sustainable and Inclusive Recovery in line with Strategy 2030](#). Manila.

## 2. Approach to SIDS – From Set-Aside Pacific Pool to Economic Vulnerability Premium

42. SIDS are particularly fragile to natural hazards and other external shocks and have the greatest needs for capacity development. In addition, SIDS would not have programs large enough to provide meaningful support if they were to compete for resources with the larger ADF recipients. As a result, ADB established a separate pool for Pacific countries. From ADF VIII to ADF XI, the size of the Pacific pool was set at 4.5% of the total ADF resources allocated according to the PBA.<sup>43</sup>

43. During ADF XI, ADB introduced a minimum allocation of \$3 million per year in the PBA system for concessional assistance (CA) countries. To enhance the support to SIDS, donors agreed to replace the \$3 million per year minimum allocation with a \$6 million per year base allocation for all CA countries. With the introduction of the \$6 million per year base allocation, projected allocations to all Pacific DMCs, except for Papua New Guinea, increased and exceeded the 4.5% set-aside for the Pacific DMCs. Reallocation of the 4.5% set-aside for Pacific Island countries had become redundant with the increase in minimum allocations under ADF XI.<sup>44</sup> As a result, in ADF 12, the 4.5% set-aside was removed, while donors agreed that Pacific DMCs negatively affected by the removal would receive their allocations at the level of resources received during ADF XI in real terms.<sup>45</sup>

44. In ADF 13, donors endorsed the Economic Vulnerability Premium (EVP), calibrated based on the economic and environmental vulnerability index (EVI), for SIDS. The full amount of the premium will be allocated to ADF grant-eligible SIDS at high risk of debt distress and half of the amount will be allocated to those at moderate risk of debt distress with the remaining amount allocated as COL. This support will increase ADF 13 country allocations for SIDS by more than 45% in comparison to ADF 12.<sup>46</sup> Table 7 indicates the EVI score of ADF grant eligible SIDS and their share in EVP.

**Table 7: Economic Vulnerability Premium for ADF 13**

Rounded EVI Score	Country (ADF grant-eligible SIDS)	Amount (\$ million)
70–80	Kiribati	55
60–70	Marshall Islands	50
50–60	Federated States of Micronesia, Maldives, Nauru, Solomon Islands, Tonga, and Tuvalu	45
40–50	Samoa and Vanuatu	40

ADF = Asian Development Fund, EVI = economic and environmental vulnerability index, SIDS = small island developing states.

Source: ADB. 2020. [Asian Development Fund 13 Donors' Report: Tackling the Covid-19 Pandemic and Building a Sustainable and Inclusive Recovery in line with Strategy 2030](#). Manila.

<sup>43</sup> ADB. 2012. [Asian Development Fund XI Donors' Report: Empowering Asia's Most Vulnerable](#). Manila.

<sup>44</sup> IED. 2015. [Asian Development Fund X and XI Operations: Opportunity Amid Growing Challenges](#). Manila: ADB.

<sup>45</sup> ADB. 2016. [Asian Development Fund 12 Donors' Report: Scaling up for Inclusive and Sustainable Development in Asia and the Pacific](#). Manila.

<sup>46</sup> ADB. 2020. [Asian Development Fund 13 Donors' Report: Tackling the Covid-19 Pandemic and Building a Sustainable and Inclusive Recovery in line with Strategy 2030](#). Manila.

**VI. RECOMMENDATIONS FROM FCAS TEAM**

**A. Use the average of CPA and CPIA instead of the lowest score and remain the 3.2 rather than 3.0 threshold.**

45. **Since the CPA score is systematically higher than CPIA, the average score can make sure the role of CPA in the classification.** The World Bank defines fragile countries if either their CPIA or CPA score (the lowest) is below the 3.0 threshold. This methodology will diminish the role of CPA in the classification given that CPA is only lower than CPIA in Papua New Guinea, Samoa, and Vanuatu in 2020 (Appendix 1, Figure A1.1).

46. **The average of ADB CPA and WBG CPIA ensures the use of latest data and assessment period.** While the WBG continuously publishes CPIA on an annual basis, ADB has decided to conduct the CPA exercise biennially since 2016. Also, even though the gaps between CPA and CPIA ratings vary to different extents on each criterion, the overall CPA rating for a specific country in Asia and the Pacific tends to be higher than the CPIA rating since 2008. Considering the differences between the reference period, the country scope, and the global or regional perspectives, the average score guarantees a robust classification.<sup>47</sup>

47. **The average score with the 3.2 threshold corresponds to the lowest rating with the 3.0 threshold in Asia and the Pacific.** From 2007 to 2012, ADB classified a country as weakly performing country or FCAS if it was ranked in the fourth and fifth quintiles on CPAs for two of the most recent three years. Since 2013, ADB classifies a country as FCAS if the average of CPA and CPIA is equal or less than 3.2. The average score of 2020 CPA and 2020 CPIA among ADB DMCs indicates that the fourth quintile is 3.2. While the new WBG methodology adopts the lowest CPA or CPIA rating, it asymmetrically relies on CPIA rating. To keep the results of the classification consistent, the WBG lowers the threshold to 3.0. As outlined in Table 8, the average of 2020 CPIA among ADB DMCs shows that 3.0 is also the fourth quintile. Therefore, these two methodologies with different thresholds are aligned with each other since they both refer to the countries ranked equal to or below the fourth quintile.

**Table 8: Countries rank in CPA, CPIA, or the average score in Asia and the Pacific in 2020**

Score	First Quintile	Second Quintile	Third Quintile	Forth Quintile	Fifth Quintile
CPA	4.64	4.08	3.76	3.37	3.06
CPIA	3.96	3.42	3.32	3.02	2.82
Average of CPA and CPIA	4.26	3.79	3.52	3.22	2.93

CPA = country performance assessment, CPIA = country policy and institutional assessment.  
Note: this table shows the rank of the average of CPA and CPIA score, not the average of CPA and CPIA score in each quintile.  
Source: Asian Development Bank.

<sup>47</sup> For ADB DMCs with only CPA or CPIA rating, the rating will be considered alone. That is, since 2021 CPIA does not include Cook Islands, Mongolia, Nauru, Niue, and Palau, only 2022 CPA will be considered in these countries for the 2023-2024 ADB FCAS list; For ADB DMCs without CPA or CPIA rating in a particular exercise, the previous rating will be considered in the average. That is, the 2022 CPA does not include Myanmar, while 2021 CPIA includes Myanmar. The average score for Myanmar in the 2023-2024 list will be the average of the 2020 CPA and 2021 CPIA ratings.



**B. Consider the scores of each of the four CPA clusters instead of the one overall score and emphasize the public sector management (cluster D) score.**

48. **Both the FSA and the 2022 ADB Annual Evaluation Review (AER) recommend a nuanced methodology for fragility and conflict.** The FSA illustrates that the classification of FCAS and SIDS is dynamic, and the causes or critical drivers of fragility, risk, and vulnerability are context specific. The interaction and inter-dependency of these drivers in specific contexts generate multidimensional and complex risks. Similarly, the 2022 AER calls for the classification system to employ a more nuanced understanding of the institutional and socioeconomic fragility and conflict risks DMCs face.<sup>48</sup>

49. **There is a need to explore greater granularity and show the interaction of the drivers of fragility in the classification methodology.** To more effectively support ADB operations in FCAS and SIDS, the FSA identifies the revision of FCAS classification as one of the nine priority changes in business processes and procedures. The classification system is an important planning tool for FCAS and SIDS to effectively support ADB operations by recognizing the special needs in the countries. However, the CPA as a whole cannot identify the drivers of fragility in the country. Figure 6 shows the four drivers of fragility identified in the FSA, which are to some extent aligned with the four clusters in the CPA. Therefore, this paper suggests using the average of CPA and CPIA four clusters instead of a whole. That is, the average of economic management (Cluster A), structural policies (Cluster B), policy for social inclusion (Cluster C), and public sector management (Cluster D). Moving from the aggregate rating to a rating for each cluster will illustrate granular causes of fragility.

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<sup>48</sup> ADB. 2022. [2022 Annual Evaluation Review: Fragile and Conflict-Affected Situations and Small Island Developing States](#). Manila.

Figure 6: Drivers of Fragility

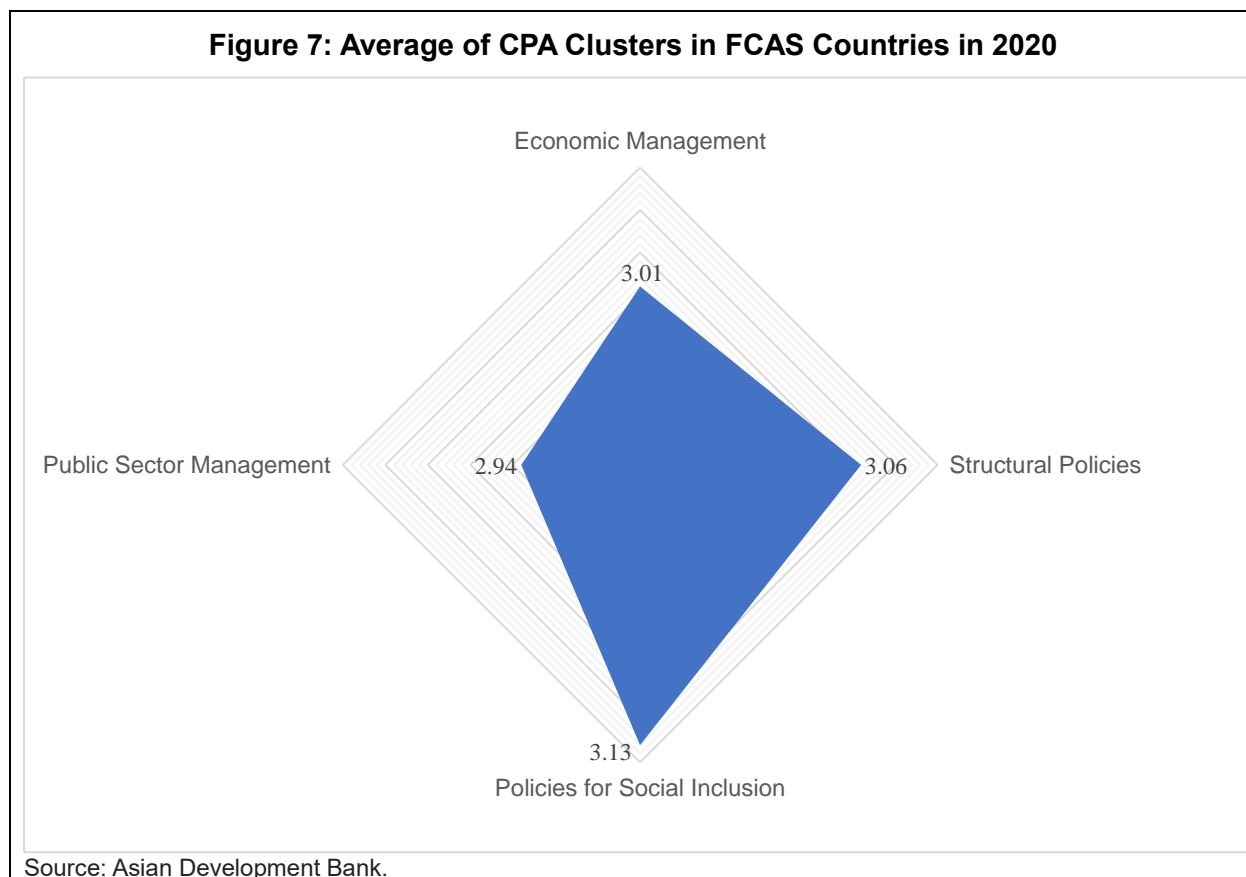


Source: ADB. 2021. [Fragile and Conflict-Affected Situations and Small Island Developing States Approach](#). Manila

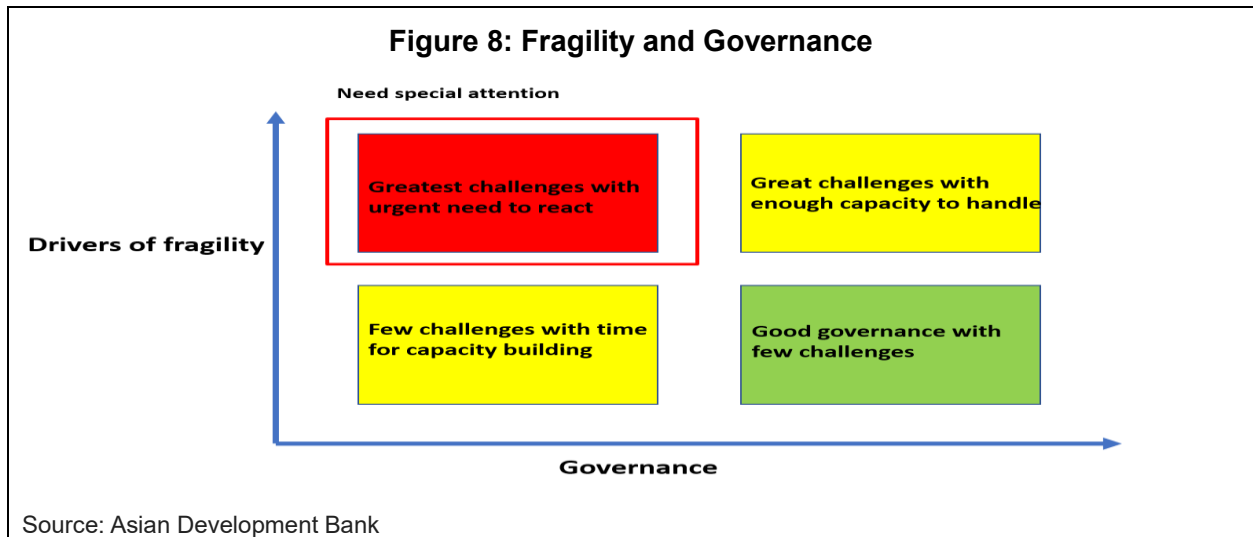
50. **Public sector management (Cluster D), also known as governance rating, is one of the most robust determinants of fragility.** In defining fragility, both ADB and WBG underscore the features of weak governance and institutional capacity (See table 1 and table A1-2).<sup>49,50</sup> AfDB and Caribbean Development Bank (CDB) also view fragility as the country's capacity to prevent, mediate, respond to, and recover from internal or external pressures. In addition, the weak governance rating is the commonality in FCAS countries. Figure 7 indicates that among the 11 FCAS countries, the average score of 2020 CPA public sector management is 2.94, lower than 3.01 of economic management, 3.06 of structural policies, and 3.13 of policies for social inclusion. Moreover, under the ADF performance-based allocation formula, public sector management has an exponential ratio of one, while the other three clusters share the same exponential ratio of 0.7. The performance-based allocation formulas for the WBG and the AfDB also put an emphasis on public sector management.

<sup>49</sup> ADB. 2021. [Fragile and Conflict-Affected Situations and Small Island Developing States Approach](#). Manila.

<sup>50</sup> World Bank. 2020. [World Bank Group Strategy for Fragility, Conflict, and Violence 2020-2025 \(English\)](#). Washington.



51. **Countries with pockets of fragility but with good governance shall not be classified as FCAS.** ADB's definition on fragility not only emphasizes the risks but also the capacity to cope with them. Figure 8 illustrates the interaction of the drivers of fragility and coping capacity. Country in specific fragile situation may not be considered as FCAS if the state has enough capacity dealing with it. For instance, the average score of economic management (cluster A) in Maldives in 2020 is 2.9, while the average score of public sector management and the average score of CPA and CPIA are 3.5 and 3.59. In other word, even though Maldives faces economic challenges, the overall performance in the country is comparatively stable.

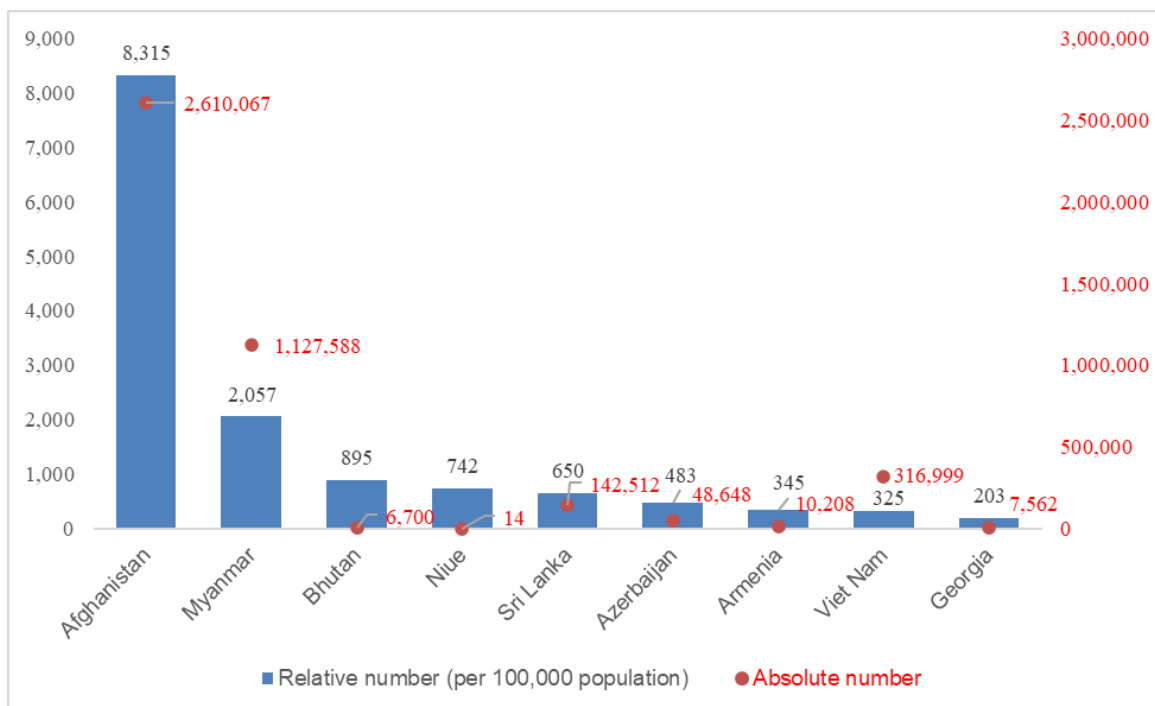


**C. Include the displacement issues, such as the cross-border displacement and internally displaced people.**

52. **Forcible movement is not considered in the current classification methodology.** Through its research into the drivers of fragility, the FCAS team has found mounting evidence that forced displacement is a critical indicator of a country's fragility. The WBG has recognized the outgoing cross-border displacement as a signal of political and security crisis if more than 2% of the country's own population has left the country. ADB also recognized this as it reflects the situation in Afghanistan and Myanmar. In addition, if either incoming cross-border displacement or internally displaced people makes up to 1% of the population in developing countries, the hosting countries have high pressure on resettlement issues such as their legal status, economic rights and services, access to social services, including health care, education, public housing, and access to justice, civil and political rights. The threshold refers to ADB Expanded Disaster Response Facility (DRF+) under ADF 13.

53. **Cross-border displaced people (country of origin) as a signal of a major political or security crisis.** This paper suggests adopting the threshold of 2% population of cross-border displaced people (country of origin), which is defined by the World Bank. This threshold aligns with the situation in Asia and the Pacific, identifying the situation in Afghanistan and Myanmar as illustrated in Figure 9.

**Figure 9: 2021 Cross-border Displacement (country of origin)**

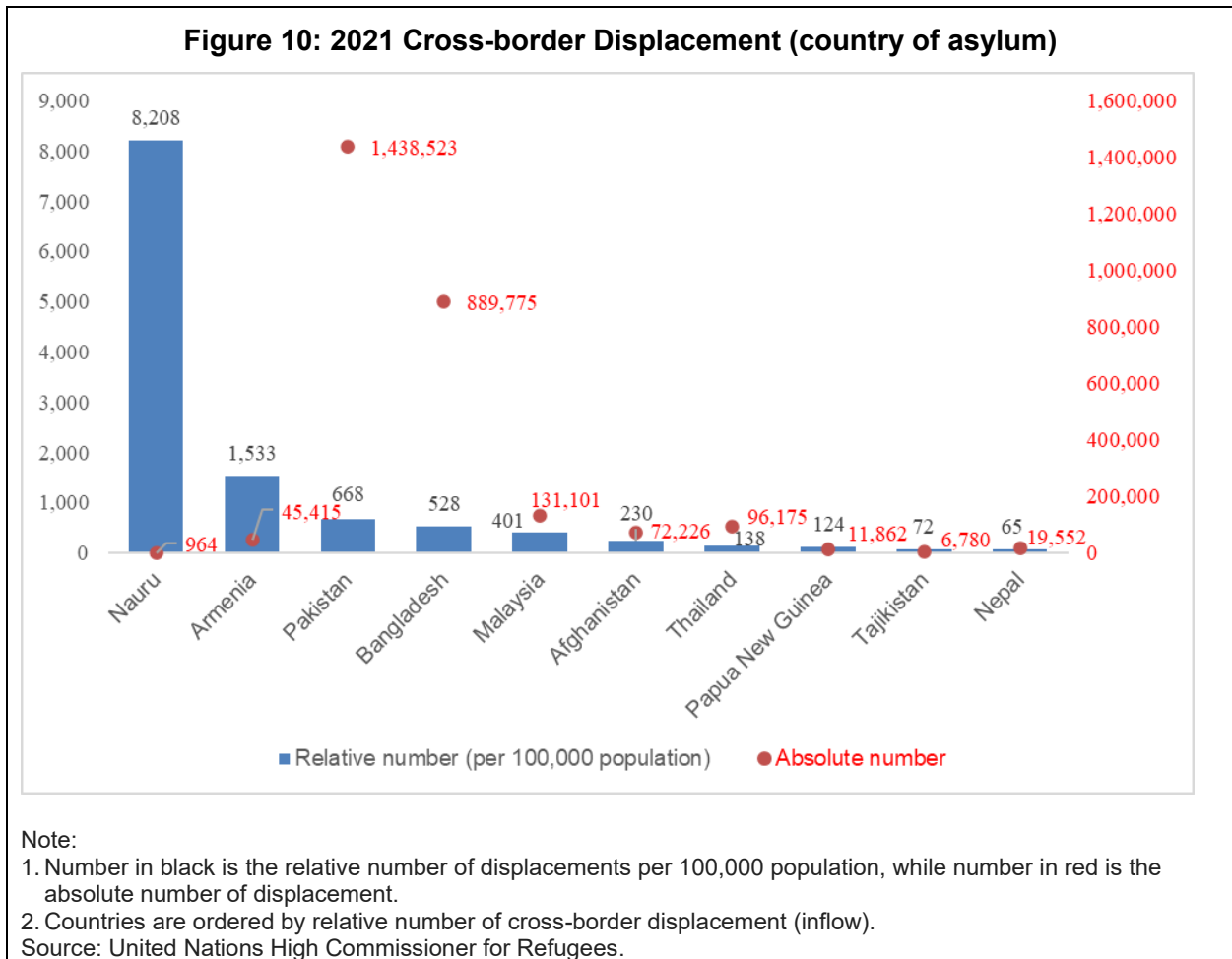


Note:

1. Number in black is the relative number of displacements per 100,000 population, while number in red is the absolute number of displacement.
2. Countries are ordered by relative number of cross-border displacement (outflow).

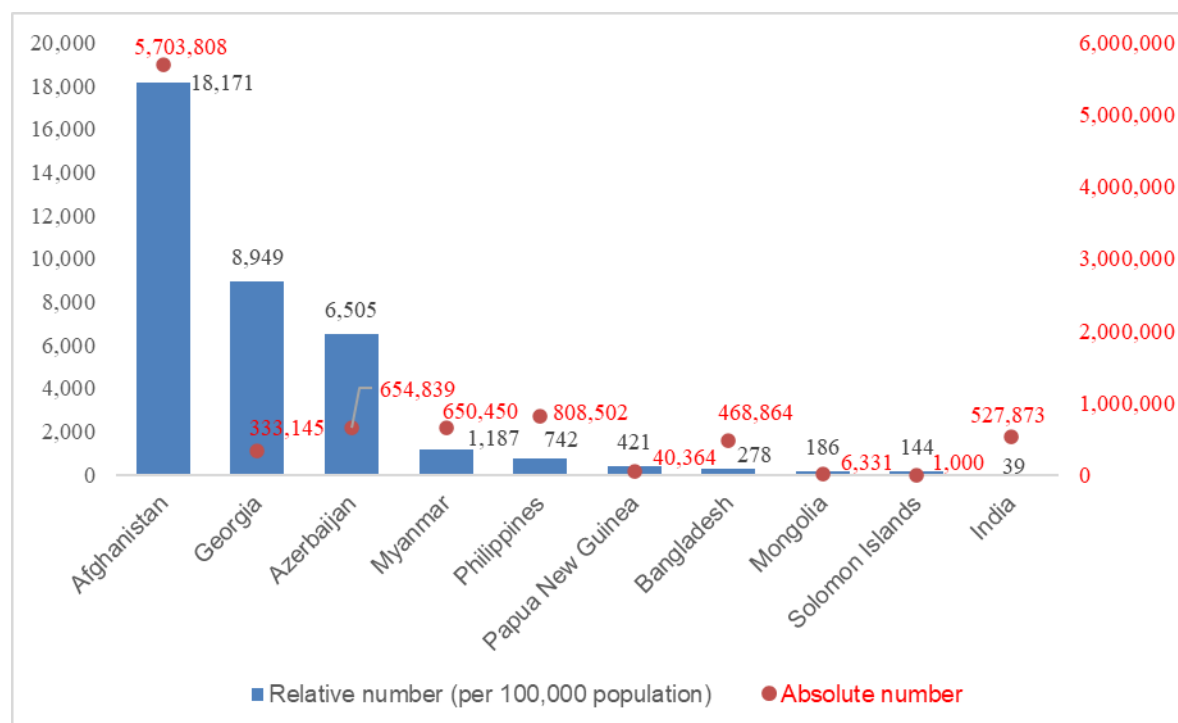
Source: United Nations High Commissioner for Refugees.

54. **Cross-border displaced people (country of asylum) reflects the spill-over effect of the natural disaster-, conflict-, political or economic crisis-induced migration, which causes the integration issue and absorption capacity.** Hosting countries face the pressure on their legal status, economic rights and services, access to social services, including health care, education, public housing, and access to justice, civil and political rights. This paper suggests the threshold of hosting at least 250,000 cross-border displaced people or 1,000 or more per 100,000 population, which is based on ADB Expanded Disaster Response Facility (DRF+) under ADF 13. For concessional assistance countries, Bangladesh, Pakistan and Nauru are above the threshold in 2021, as shown in Figure 10.



55. **Natural disaster- and conflict-induced internally displaced people.** There is no compelling reference for the threshold of natural disaster- and conflict-induced internally displaced people. The DRF+ threshold for cross-border displacement (1% of the population or more than 250,000 IDPs) is adopted to reflect the pressure of resettlement issues. For concessional assistance countries, Afghanistan, Bangladesh, India, and Myanmar are above the threshold in 2021, as indicated in Figure 11.

**Figure 11: 2021 Internally Displaced People**



Note:

1. Number in black is the relative number of displacement per 100,000 population, while number in red is the absolute number of displacement.

2. Countries are ordered by relative number of internal displacement.

Source: Internal Displacement Monitoring Centre.

#### D. Use ACLED and UCDP data to define conflict-affected situations.

56. **ADB has recognized the differentiated nature and the interaction of fragility and conflict.** The present harmonized list makes no distinction between fragility and conflict. However, countries find themselves in fragile situations without conflict. It is misleading to call these countries in fragile “and” conflict-affected situations. Since 2012, ADB has recognized the differentiated nature of fragility and conflict, providing distinct definitions, and highlighting their interplay.<sup>51</sup> Conflict may be a cause, symptom, or consequence of fragility. Certain fragile situations are less associated with or dominated by conflict. When extreme, fragility can also be expressed in the form of conflict or the collapse of state functions. ADB has acknowledged the mutual causality of fragile situations and conflict-affected situations without giving priority to either of them. A country may find itself either in fragile situations or conflict-affected situations, or both.

57. **Broaden the operational definition of “conflict-affected” based on the number of conflict-related fatalities.** Conflict is a regional, national, or subnational situation involving armed

<sup>51</sup> ADB. 2012. *Working Differently in Fragile and Conflict-Affected Situations: The ADB Experience*. Manila.

parties.<sup>52</sup> To operationalize violent conflict, there are a number of indicators being used, which include casualty, physical injury, destruction, use of weapons and personnel, and the number of forced displaced people.<sup>53</sup> Since conflict events have different contexts, the most general and objective measure of conflicts is the number of casualties.<sup>54</sup> Adopting data from the Armed Conflict Location & Event Data Project (ACLED) and the Uppsala Conflict Data Program (UCDP) ensures robust classification.<sup>56</sup> The relative death toll in conflict reflects the seriousness of the conflict. Meanwhile, the absolute number of deaths is adopted to prevent bias in small populations.

58. **ACLED and UCDP data update frequently with detailed sub-event types.** Table 9 displays relevant conflict-related indicators. Compared to other composite indices facing the issue of distinct assessment period from each indicator and the irregular publishment period, the use of ACLED and UCDP can ensure the use of the latest information with the data collected by these two institutions themselves.

**Table 9: Conflict-related Indicators**

Indicator	Organization	Characteristic
Armed Conflict Location and Event Dataset (ACLED)	University of Sussex and Trinity College Dublin	- ACLED is updated monthly. - ACLED has six event types and 25 sub-event types. - All data are date-specific and geo-referenced to the town level.
Crime and Criminal Justice Statistics	United Nations Office on Drugs and Crime	- UNODC regularly provides global statistical series on crime, criminal justice, drug trafficking and prices, drug production, and drug use. - Latest update was in 2018.
Global Conflict Risk Index (GCRI)	European Commission's Joint Research Centre (EC JRC)	- GCRI based on quantitative indicators from open sources with 24 indicators across 5 dimensions: political, security, social, economy, and geography and environment.
Global Peace Index (GPI)	Institute for Economics and Peace (Australia)	- GPI is updated every year. - GPI is composed of 23 qualitative and quantitative indicators, including internal peace and external peace indicators. Each indicator may have a different measurement period determined by the data availability
Security Level Area rating	United Nations Department of Safety & Security	- Security Level Area rating is updated any time there is a significant change in the security environment. - Security Level Area rating consists of five categories: armed conflict, terrorism, crime, civil unrest, and hazards.

<sup>52</sup> ADB. 2021. *Fragile and Conflict-Affected Situations and Small Island Developing States Approach*. Manila.

<sup>53</sup> Trinn, Christoph & Wencker, Thomas. 2016. *Introducing the Heidelberg approach to conflict research*. European Political Science.

<sup>54</sup> Small Arms Survey. 2013. *Everyday Dangers - NON-CONFLICT ARMED VIOLENCE*. Geneva.

<sup>55</sup> Geneva Declaration. 2015. *Global Burden of Armed Violence 2015: Every Body Counts*. Geneva.

<sup>56</sup> The Armed Conflict Location & Event Data Project (ACLED) aims to capture the disorders and political violence in states, including targeted attacks on civilians and battles, spontaneous demonstrations, mass arrests and property destruction. The fundamental unit of observation in ACLED is event, with 6 event types and 25 sub-event types. Different from the event type, the Uppsala Conflict Data Program (UCDP) has a dyad and actor focus, dividing conflicts into three types: state-based conflict, non-state conflict, and one-sided violence.

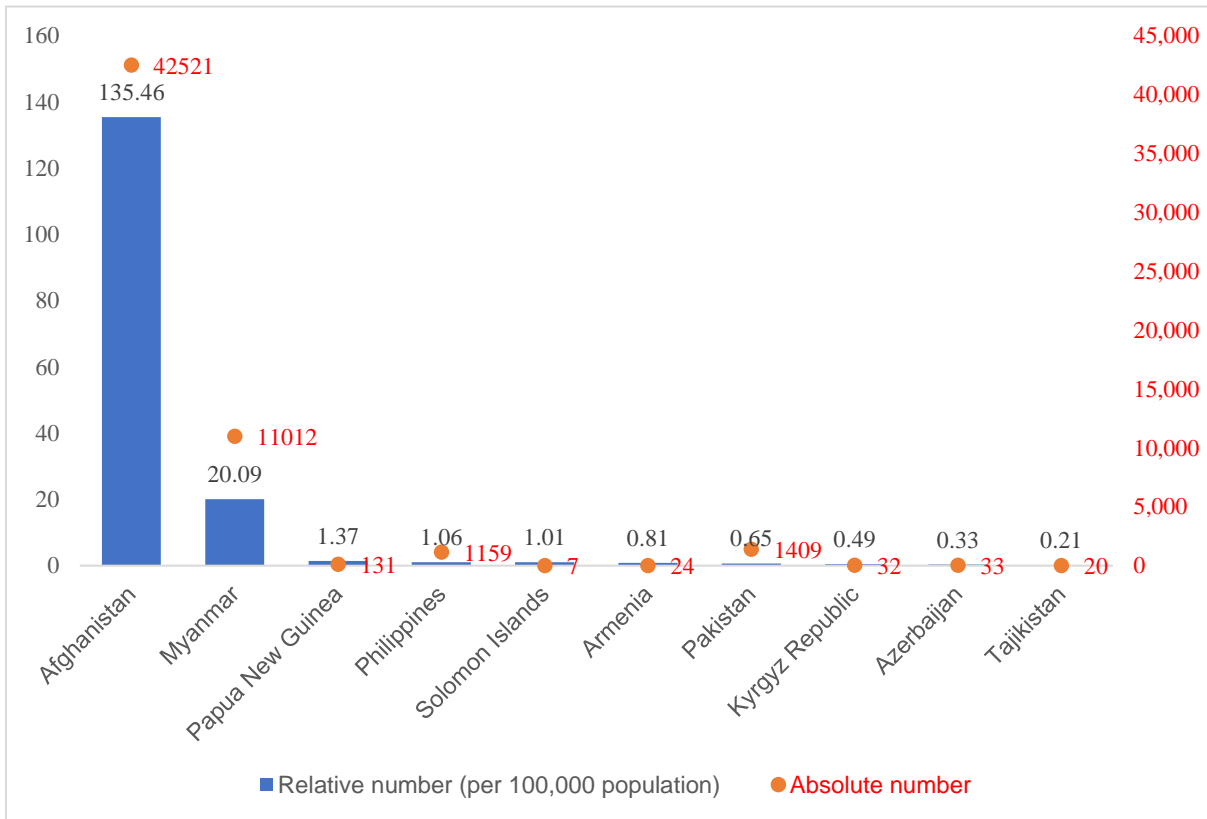


Uppsala Conflict Data Program (UCDP)	Uppsala Universitet	<ul style="list-style-type: none"> <li>- UCDP is updated every year.</li> <li>- UCDP is composed of three types of organized violence: state-based armed conflict, non-state conflict, and one-sided violence.</li> </ul>
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Source: Asian Development Bank.

59. **The threshold of the conflict death matches the situation in the region and ensures consistency among MDBs.** IMF has announced to follow the World Bank methodology, while other MDBs are also discussing on how to harmonize their methodology with the World Bank version. To ensure the consistency, this paper suggests adopting the World Bank methodology for the conflict-affected situations. The adoption of both ACLED and UCDP data ensures the robustness of the classification. The relative number of conflict deaths with 2 (ACLED) and 1 (UCDP) per 100,000 population reflects the severity of the conflict. Meanwhile, the absolute number of deaths with 250 (ACLED) and 150 (UCDP) is adopted to avoid the small population bias in SIDS. For instance, according to ACLED, in 2021 the relative conflict death in Solomon Island is around 1 per 100,000 population, while the number of absolute conflict death is 7. Hence, even though there is more than a doubling of the number of casualties in the last year, Solomon Island is not considered in conflict-affected situations. Figure 12 shows the number of deaths in the region in 2021 based on the ACLED dataset.

**Figure 12: 2021 ACLED fatality in Asia and the Pacific**



Note:

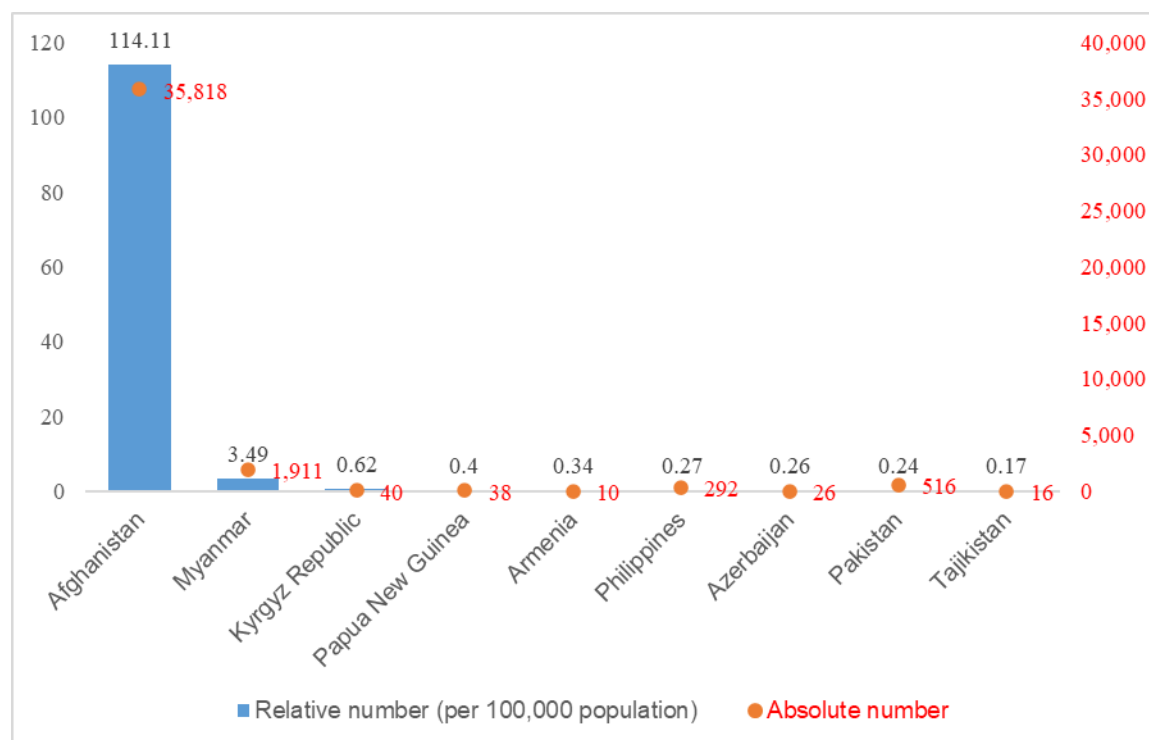
1. Number in black is the relative number of deaths per 100,000 population, while number in red is the absolute number of deaths.

2. Countries are ordered by relative number of deaths.

Source: Armed Conflict Location & Event Data Project.

60. As shown in Figure 13, while ACLED has superiority in capturing events and deaths overall, UCDP tends to have weaknesses in the presence of collecting data, especially in SIDS, with no conflict death recorded in 2021. In addition, UCDP data only considers when the conflict actors are identified. That is, it is difficult for them to collect data when the actor is unknown, such as explosions without knowing who did it while deaths occur.

**Figure 13: 2021 UCDP fatality in Asia and the Pacific**



Note:

1. Number in black is the relative number of deaths per 100,000 population, while number in red is the absolute number of deaths.
  2. Countries are ordered by relative number of deaths.
- Source: Uppsala Conflict Data Program.

**E. Use the UN peacekeeping operations as an indicator of conflict situations while including regional peacekeeping operations and excluding monitoring operations.**

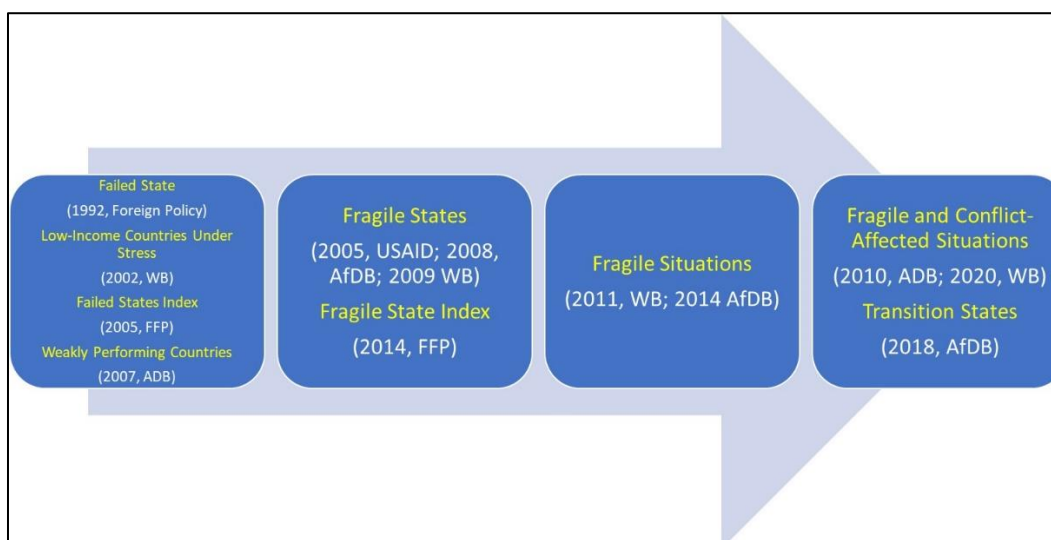
61. **UN peacekeeping operation is better considered as an indicator of conflict-affected situations.** While the WBG considers the presence of a UN peacekeeping operation as a criterion of fragile situations, the presence of peacekeeping operations in the last three years is the only conflict-related criteria in ADB's current classification system. It reflects the international community's determination that substantial investment is needed to maintain peace and stability. There is a need to include both the United Nations Department of Peace Operations (UNDPO) and the regional peacekeeping mission (excluding monitoring operations). The presence of UNDPO specifies the information source, while the monitoring operations need to be excluded, considering the current operation in India and Pakistan to observe the ceasefire in Jammu and Kashmir. The United Nations Observer Group in India and Pakistan (UNMOGIP) does not include military personnel. A regional peacekeeping mission has to be included due to the fact that in 2021, Australia, Fiji, and Papua New Guinea formed an international peacekeeping force of 200 police and troops sent to quell violent anti-government protests in the capital of the Solomon Islands, Honiara. Therefore, to maintain the classification consistency, this paper suggests putting it to conflict-affected situations.

## F. Retain the Term Fragile and Conflict-Affected Situations

62. The term FCAS is more inclusive than other options and minimizes the stigmatizing effect by identifying DMCs in certain fragile and conflict-affected situations as compared to labeling them as “failed states” or “fragile states.” Compared to failed states or fragile states, FCAS is a broader terminology that has already pointed out that fragility is not solely determined by the borders and the nature of states. This terminology does not malign a country as fragile; instead, it reflects that a country is in fragile situations in certain dimensions.

63. The use of this terminology is an international trend ADB initiated. As outlined in Figure 14, ADB has used FCAS since 2010, while WBG and AfDB renamed “fragile states” to “fragile situations” in 2011 and 2014, respectively. In addition, WBG has utilized the term FCS in the classification since 2020.

**Figure 14: From Failed State to FCAS - The Evolution of Terminology**



ADB = Asian Development Bank, AfDB = African Development Bank, FFP = The Fund for Peace, USAID = United States Agency for International Development, WB = World Bank.  
Source: Asian Development Bank.

64. The term *transition states* adopted by AfDB is not suitable for ADB. Since 2012, ADB has divided the fragility continuum into three stages: FCAS, transitional situations, and resilient and/or stable situations. That is, ADB considers transitional situations as another step along the fragility continuum.

## G. Link FCAS Classification and Resource Allocation

65. Many MDBs have exceptional financial support for FCAS countries. The FCAS classification has two objectives: to (i) draw special attention and design differentiated approaches in FCAS; and (ii) improve FCAS country allocations to help them emerge from the fragility trap. For the latter purpose, beyond the PBA formula, ADB provides special support to Afghanistan and SIDS in ADF 13. Other MDBs also set up special allocations for FCAS countries, such as WBG’s FCV Envelope, AfDB’s TSF, and CDB’s multidimensional vulnerability index in the PBA

formula. Besides, all indicators used in WBG's FCS<sup>57</sup> classification system are considered as criteria for extra-formula country allocations to strengthen the link between classification and country allocations.

66. **Not all ADB FCAS DMCs have exceptional support under ADF.** ADB's current FCAS classification is based on the CPA ratings and is linked to country allocations through the PBA system in ADF. However, some FCAS and SIDS belonging to Group B such as Fiji, Niue, Palau, Papua New Guinea, and Timor-Leste are not eligible for ADF grant financing. The fact that some of them are FCAS or SIDS does not provide them with more resource allocations. Thus, this paper proposes the new classification criteria should be associated with resource allocations.

67. **SPD is now working on a discussion paper for the ADF 13 mid-term review on revisiting the country allocation framework for concessional resources to increase allocations to FCAS and SIDS.** According to SPD, the priority is to explore an external vulnerability/fragility index to be incorporated into the PBA formula for the sake of transparency and simplification, while the second option is to look for targeted adjustments to the current allocation system. The FCAS team is part of the working group for the exploration of the external vulnerability index and use it to ameliorate the current FCAS classification system.

## VII. PROPOSED FCAS CLASSIFICATION AND THE SIMULATION

### A. Proposed Methodology

68. **Countries in fragile situations** include a range of countries facing weak governance and institutional capacity, economic and social insecurity, greater vulnerability to the effects of climate change and natural hazards, and in some cases political instability. These countries encounter different risks and have insufficient coping capacity of the state, system and/or communities to manage, absorb, or mitigate those risks.

- **A country is classified as fragile if it is:**
  - (i) a concessional assistance eligible country, and scores 3.2 or below in its average public sector management (Cluster D) rating; **AND**
  - (ii) in one or more of the following situations:
    - a. The average economic management (Cluster A) rating is or below 3.2;
    - b. The average structural policies (Cluster B) rating is or below 3.2;
    - c. The average policy for social inclusion (Cluster C) rating is or below 3.2;
    - d. Facing severe displacement issues, which are defined as:
      - More than 2% of the country's own population has left the country and become internationally recognized as refugees in need of international protection; **OR**
      - More than 1% of the country's own population is people internationally recognized as refugees in need of international protection; **OR**

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<sup>57</sup> While ADB has been using FCAS as the acronym of fragile and conflict-affected situations, WBG has been using the acronym FCS since 2020.

- More than 1% of the country's own population is internally displaced.

69. **Countries in conflict-affected situations** are identified based on the number of conflict deaths in absolute terms and relative to their population, and the presence of peacekeeping operations.

- **A country is classified as conflict-affected if:**
  - (i) a United Nations Department of Peace Operation and/or regional peacekeeping mission (excluding monitoring operations) is present; **OR**
  - (ii) it has an absolute number of conflict deaths above 250 according to the Armed Conflict Location & Event Data Project (ACLED) and 150 according to the Uppsala Conflict Data Program (UCDP); **AND**
  - (iii) the relative number of conflict deaths per 100,000 population is
    - a. higher than 2 (ACLED) and 1 (UCDP); or
    - b. higher than 1 (ACLED) and 0.5 (UCDP), and more than double the number of casualties in the last year.

## B. Simulation

70. With the use of 2020 CPA and 2020 CPIA for the simulation, Table 10 indicates that three countries would be included in the 2021 FCAS list, which are Bangladesh, Palau, and Vanuatu. However, Bangladesh and Vanuatu may not be included in 2023 since there are proposed increase in their 2022 CPA scores. It is expected that ADB 2023 FCAS classification includes Palau in the list with this proposed methodology.

**Table 10: Simulation with Proposed Methodology**

Simulation in 2021	Fragile Situation	Conflict-Affected Situation	Actual FCAS Countries
Afghanistan	V	V	V
Bangladesh (may not be included in 2023)	V		
Kiribati	V		V
Lao PDR	V		V
Marshall Islands	V		V
Micronesia, Federated States of	V		V
Myanmar	V	V	V
Nauru	V		V
Palau	V		
Papua New Guinea	V		V
Solomon Islands	V		V
Timor-Leste	V		V
Tuvalu	V		V
Vanuatu (may not be included in 2023)	V		

Source: K.C. Chen. 2022. [FCAS Classification Simulation](#).

71. Table 14 illustrates the granularity of the drivers of fragility in FCAS countries. Bangladesh is considered as in fragile situations because of hosting 889,775 cross-border displaced people and 468,864 internally displaced people, while the average score of public sector management is 3.2. Palau is classified as in fragile situations because of the economic management and public sector management, while Vanuatu is because of the policies for social inclusion and public sector management.

**Table 11: Drivers of Fragility in the Classified Countries**

Country	Economic Management (Cluster A)	Structural Policies (Cluster B)	Policies for Social Inclusion (Cluster C)	Public Sector Management (Cluster D)	Displacement	Conflict
Afghanistan	√	√	√	√	√	√
Bangladesh				√	√	
Kiribati	√	√		√		
Lao PDR	√			√		
Marshall Islands	√	√	√	√		
Micronesia, Federated States of	√	√	√	√		
Myanmar		√	√	√	√	√
Nauru	√	√	√	√	√	
Palau	√			√		
Papua New Guinea	√		√	√		
Solomon Islands			√	√		
Timor-Leste	√	√	√	√		
Tuvalu	√	√	√	√		
Vanuatu			√	√		

Source: K.C. Chen. 2022. [FCAS Classification Simulation](#).

### C. Results comparison

72. Table 12 lists the four countries in the region that are at the margin of classification among the WBG methodology, the ADB proposed methodology and the ADB current methodology. While it is expected that Palau will be added in the FCAS 2023 list, the WBG 2023 FCS list does not include it. In addition, the WBG FCS list removes Kiribati in 2023 even though the average of CPA and CPIA is low.

**Table 12: Classification Results Comparison**

Country	World Bank 2023 FCS (CPIA is below 3.0)	Proposed methodology		ADB 2021 FCAS (actual list)
		ADB 2023 FCAS (estimated)	ADB 2021 FCAS (simulation)	
Bangladesh		(Country team proposes a higher score)	√	
Kiribati	(Kiribati was included in 2022)	√	√	√
Palau		√	√	
Vanuatu		(Country team proposes a higher score)	√	

Source: Asian Development Bank.

73. Table 13 illustrates the differences among these four countries among distinct methodologies. Bangladesh is at the margin of both World Bank FCS list and ADB proposed methodology due to the low CPIA score and the average of public sector management (cluster D). This shows the consistency among these two methodologies. On the other hand, the existing harmonized methodology consider Palau and Vanuatu at the margin. The fact that the proposed methodology includes them in the list shows the inclusion for SIDS. However, these two countries

are far from the Word Bank 3.0 threshold. Also, the fact that the Word Bank FCS methodology excludes Kiribati from the list shows the inconsistency of the existing harmonized methodology.

**Table 13: Scores of the Countries at the Margin**

Country	CPA	CPIA	Average of public sector management (cluster D)	Average of CPA and CPIA
Bangladesh	4.22	3.08	3.20	3.65
Kiribati	3.08	3.02	3.20	3.05
Palau	3.22	-	3.20	3.22
Vanuatu	3.19	3.37	3.20	3.28

Source: Asian Development Bank.

#### D. Other options considered for classification

74. FCAS team has also discussed several alternative options, including harmonizing CPA with an external vulnerability index, harmonizing CPA with targeted index, or removing the classification. Each option has their pros and cons.

**Table 14: Other Options considered for ADB FCAS Classification Methodology**

Options	Description	Difficulty
External vulnerability index	Since the CPA is an expert-based index, it suggests having an evidence-based composite external vulnerability index to reflect the other dimension of fragility, that is, the risks of exposure to sharp external shocks, such as economic-, health-, and climate-related issues (See Appendix 3).	It is not easy to find a reputational and tailored external index that is suitable for Asia and the Pacific
Targeted indices	Several targeted indices to supplement the fragile characteristics in the region (See Appendix 4).	Most of the concepts captured by the targeted indices are already captured by the CPA.
No classification	Move away from a linear and binary classification and focus on operational framework for preventing and addressing risks of fragility	Unable to specify explicitly which countries need differentiated approaches

ADB = Asian Development Bank, CPA = country performance assessment, FCAS = fragile and conflict-affected situations.

Source: Asian Development Bank.

### VIII. FEEDBACK FROM RELEVANT DEPARTMENTS

75. Relevant departments raised several concerns in the consultations. First focus is the implication of the classification. Are there more resources regarding the ADF grant or TA for FCAS countries? Do FCAS countries receive exceptional assistance? How could ADB do to support the drivers of fragility identified in the classification? Does ADB really need a binary classification or a dynamic continuum works better on the implementation side?

76. Second focus is whether ADB is using the right proxy indicators to delineate the drivers of fragility in the classification. CPA-based classification has its limitations, such as the exclusion of countries without CPA ratings, and the exclusion of the fragile characteristics like natural hazards



and forced displacement. What are the right indices to measure fragility and conflict? Should ADB incorporate an external vulnerability index in the classification? What indices can include the pocket of fragility and subnational conflict in the classification?

77. Third focus is about constructing a forward-looking methodology. One of the objectives of having a list is to enhance engagement in these countries. However, the indicators, including CPA, forced displacements, and conflict deaths, are retrospective. How to incorporate forward-looking assessment in the classification to capture potential risks in the classification? Table 15 displays the comments

**Table 15 Relevant Departments' Comment Matrix**

Departments/ Missions	Participants	Comments
CWRD	Narendra Singru	<ul style="list-style-type: none"> <li>The proposed methodology assumes that CPA can be done in consultation with the government. However, considering the current situation in Afghanistan and Myanmar, ADB does not the conduct 2022 CPA exercise in these two countries. How to classify them according to this proposed methodology?</li> <li>We appreciate the emphasis on public sector management. However, this emphasis may lead to the inclusion of Pakistan in the FCAS classification since this country is facing major problems in public sector management now.</li> <li>What is the implication of the FCAS classification? That is, are there more resources on the ADF grant for FCAS countries? Do they receive exceptional assistance? CWRD is happy to have a separate discussion on the implication side.</li> <li>It is good to know that internal displacement is included in the classification. In practice, what could ADB do to support IDPs?</li> </ul>
PARD	Rosalind Mckenzie	<ul style="list-style-type: none"> <li>The FSA brings up the need for better understanding of the exposure to climate change and hazard and disaster risks. Besides CPA, there is a need to include them in the classification.</li> <li>The disaggregated approach to the CPA clusters is complicated, and SIDS are penalized for context-specific reasons under some of the CPA sub-criteria (e.g, dependence on ODA, lack of national currency etc).</li> <li>While the practical use of FCAS-classification is well understood (ie resource allocation; additional resource targeting etc under ADF), what is the benefit/purpose behind further classification of ADB DMCs into a binary category of 'conflict' or 'non-conflict'? This static binary approach does not account for the fluctuating realities of sporadic instability, conflict, and/or violence that we see in the Pacific SIDS, for example. It would be more valuable to consider instability, conflict, and violence along a dynamic spectrum.</li> </ul>
	Aaron Batten	<ul style="list-style-type: none"> <li>The proposed methodology has a strong focus on conflict indicators and is really not much picking up on the fragility that is driven by extreme vulnerability to extreme climate events. For the Pacific countries, the natural hazard is the more relevant driver because even if a country is performing positively well or has good economic management, a single adverse event can wipe out a decade of economic growth and can seriously compromise the ability of governments to deliver services, and countries can move quickly in and out of these fragile situations. There are global indices such as EVI or MVI to reflect this kind of driver of fragility. We would encourage the FCAS team to look at them more deeply.</li> <li>The FCAS classification is essentially a grouping that no one wants to belong to, because it can undermine their sovereignty. We would just ask for very close collaboration with PARD to make sure that we're managing that process and that we don't get outliers or things that don't make sense.</li> </ul>

		<ul style="list-style-type: none"> <li>• A fragility/resilience continuum would be more suitable for the Pacific countries. It would be more acceptable if all countries had some level of classification rather than a binary one.</li> <li>• Linking this proposed methodology to reward or give additional resources to FCAS countries is difficult because the whole concessional assistance policy is performance-based. The CPA is used as a primary determinant of where countries get more resources. Hence, using it to reward poorer performance could upend the entire concessional assistance policy. Perhaps around technical assistance where we can get SPD to formally recognize. However, from the experience in the Pacific, there are already ample allocations being made of TA. We don't really face a lack of TA at the moment, so it may not be a huge priority for PARD right now.</li> </ul>
LRM	Emma Allen	<ul style="list-style-type: none"> <li>• The proposed methodology based on CPA is backward looking. It would be great to also see a forward-looking methodology. For instance, the World Bank's approach to development policy lending (DPL) is a good example to take reference. Forward-looking linkages are also needed in the simulation. In the future, Lao PDR has potential issues on social inequality because the government does not have an available budget to provide social assistance. Besides, there are a lot of financial sector vulnerabilities in Lao PDR.</li> </ul>
SPD	Jan Hansen	<ul style="list-style-type: none"> <li>• We fully support the proposed breakdown and differentiated treatment of individual clusters of the CPA into the public sector management as the predominant cluster and the remaining cluster for FCAS classification. We believe it permits a much sharper and differentiated classification of FCAS and offers guidance on the focus of ADB interventions through differentiated approach in the respective FCAS countries.</li> <li>• We echo the comments of PARD that vulnerability to natural hazards should be better taken into consideration in the classification methodology which could be done by including a broad-based and stable vulnerability or fragility index which reflects vulnerability to natural disasters. In addition, vulnerability/ fragility indices directly measure vulnerability and/or fragility and conflict, while the CPA focuses on the concept of performance which is clearly relevant for FCAS classification, but perhaps less.</li> <li>• On appropriate vulnerability and fragility indices we agreed to focus on the forthcoming MVI. We also reconfirmed that the UVI is not a relevant option for allocation of concessional resources and FCAS classification due to its early stage of development, related challenges with data availability and reliability and potentially lack of capacity of COMSEC to indeed follow through with finalization and medium-term operation and maintenance of the index. We may still take a further look at World Risk Index as option after the substantial increase in coverage of ADB SIDS members in 2022. The EVI revised in 2020 is less effective, but still in the position to demonstrate heightened vulnerability of SIDS and we wonder if it could be retained as the second-best option for FCAS classification.</li> <li>• On the proposed indicators for classification as "conflict-affected", we wonder if the proposed numerical targets for conflict deaths can be substantiated to a reasonably accepted extend, or if they are rather very arbitrary, and if there are risks that they can generate meaningless data-driven classifications as FCAS which cannot be justified in substance. We wonder if an example/ illustration in this context could be a high number of deaths in a certain year in an otherwise politically stable country through an attack by foreign political terrorist organization.</li> </ul>

ADB = Asian Development Bank, COMSEC = Commonwealth Secretariat, CPA = country performance assessment, EVI = economic and environmental vulnerability index, FCAS = fragile and conflict-affected situations, IDP = internal displaced person, MVI = multidimensional vulnerability index, SIDS = small island developing states, UVI = universal vulnerability index.

Source: Asian Development Bank.

## IX. WAY FORWARD

78. FCAS team will convene more consultations and work closely with MDBs and relevant departments regarding the discussed issues. For the implication side, FCAS team will continue the cooperation with ADF team on the wider topic of FCAS and vulnerability indices, seeking opportunities to increase resource allocation for FCAS countries. FCAS team is also brainstorming a fragility/resilience continuum to fully reflect the country-specific drivers of fragility, while remaining the binary classification to identify targeted countries.

79. FCAS team keeps the engagement with the UN panel on the MVI and with the Commonwealth Secretariat on the UVI. In addition, FCAS team continues working tightly with SPD and PARD to explore other vulnerability index like World Risk Index to capture the regional fragile characteristics especially for SIDS.

80. Once the inter-departmental agreement is achieved, the FCAS team will inform a memo to SPD on FCAS classification, as mandated by the FSA. Based on the new FCAS countries, FCAS team will discuss with SPD to increase their resource allocation according to their actual need.<sup>58</sup>

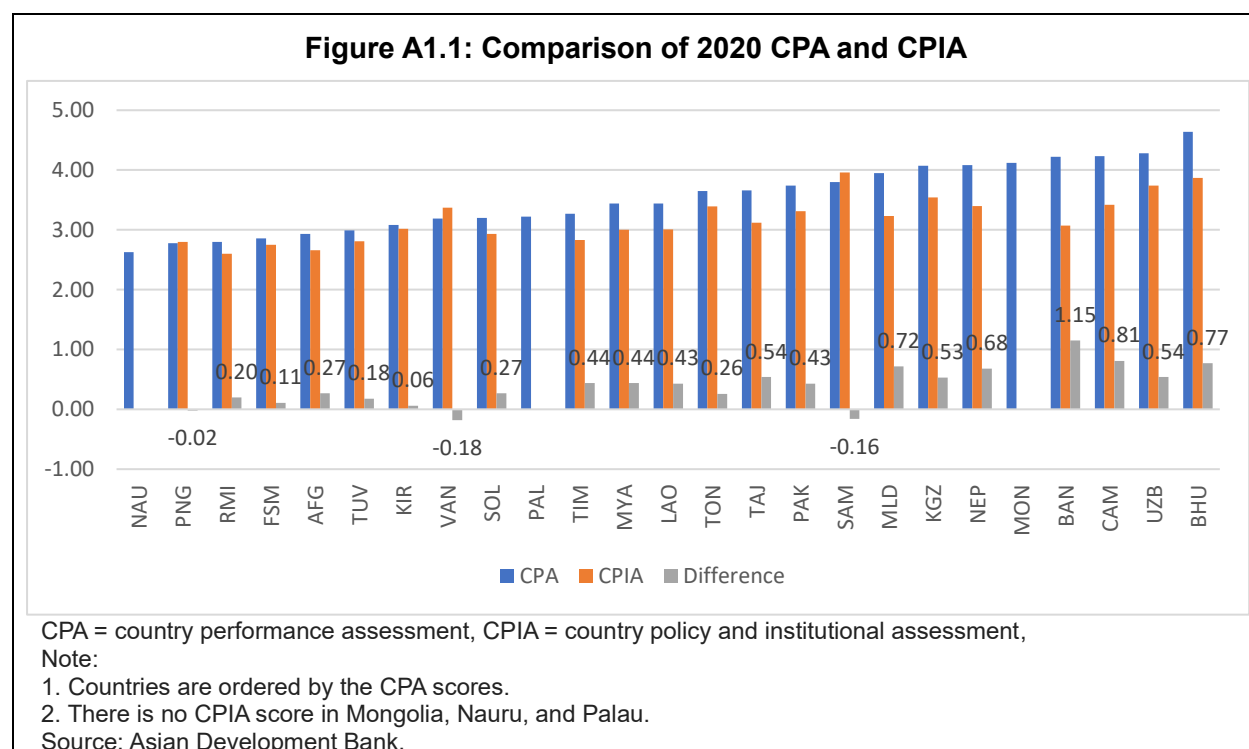
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<sup>58</sup> In the ADF 13 mid-term review discussion, ADF team would enlarge the economic vulnerability premium to group A and B SIDS, but still exclude non-SIDS FCAS countries. Due to the abolishment of the soft cap under ADF 13, concessional assistance countries with large population received a substantial increase in their allocation, including FCAS countries such as Afghanistan, Lao PDR and Myanmar, and countries at the margin of being classified as FCAS like Bangladesh, Pakistan, and Tajikistan. Given the already boosted resource allocation in these non-SIDS big group A and B countries, ADF team would suggest limiting the EVP to SIDS in ADF 14.



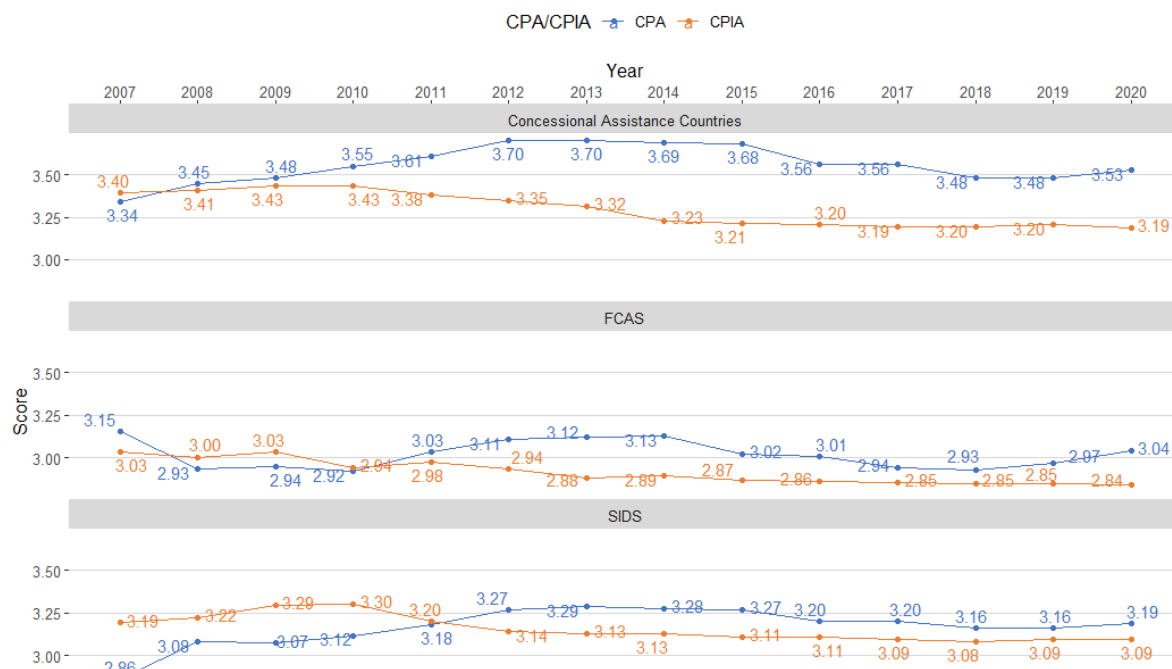
## APPENDIX 1: COMPARISON OF COUNTRY PERFORMANCE ASSESSMENT AND COUNTRY POLICY AND INSTITUTIONAL ASSESSMENT

1. In 2020, the CPIA scores in Asia and the Pacific are systematically higher than CPA scores, except Papua New Guinea, Samoa, and Vanuatu. For most countries in FCAS and SIDS, the differences are not large, while the gaps are relatively high for non-FCAS countries such as Bangladesh, Bhutan, Cambodia, etc, as outlined in Figure A1.1.



2. Starting around 2010 and 2011, CPIA ratings tend to be higher than CPA ratings in most of ADB DMCs. The gap is significantly higher in concessional assistance (CA) countries, while the gap in countries in FCAS and SIDS are within 0.1 to 0.2, as outlined in Figure A1.2.

**Figure A1.2: CPA and CPIA Comparison from 2007 to 2020**



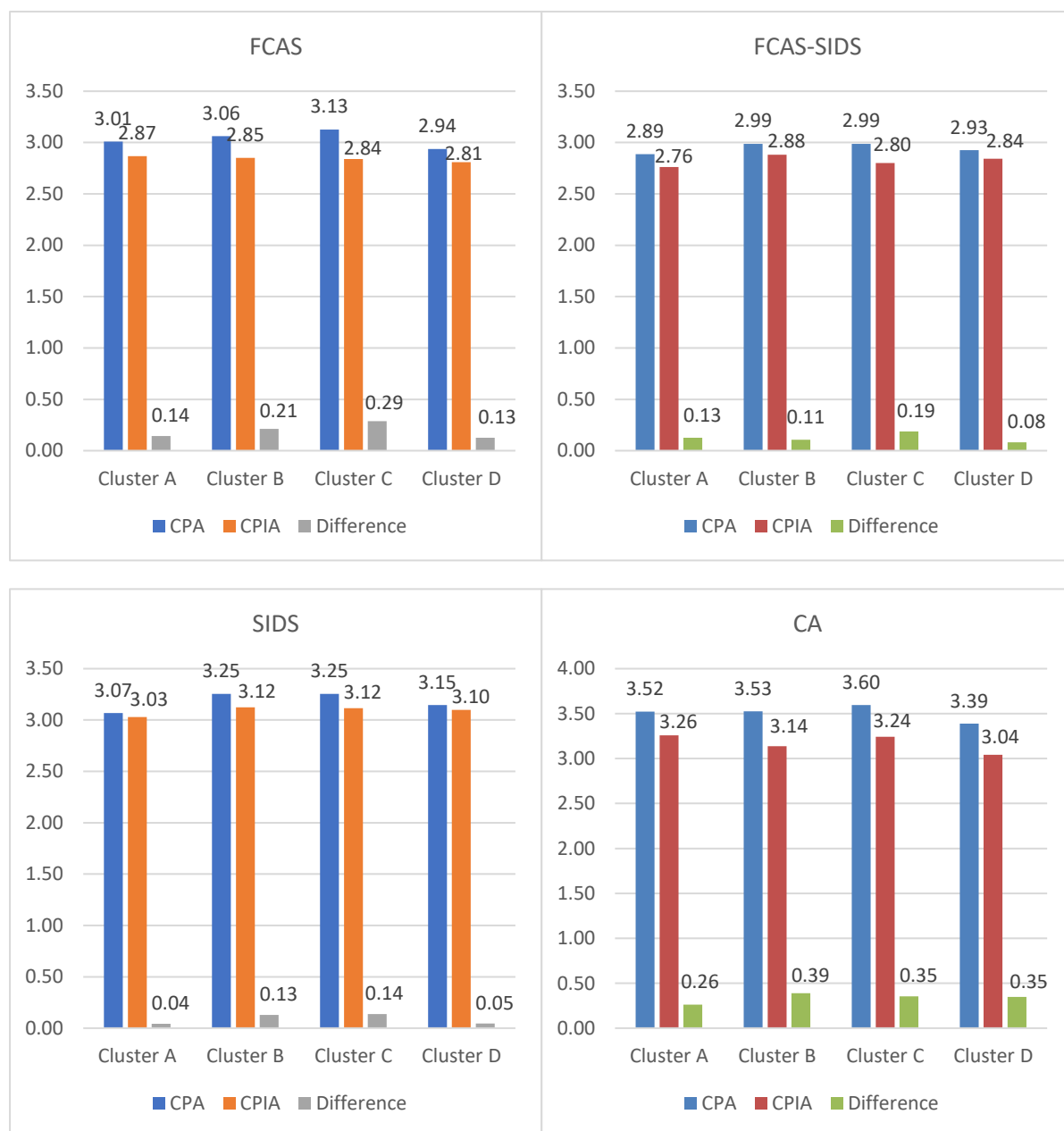
CPA = country performance assessment, CPIA = country policy and institutional assessment, FCAS = fragile and conflict-affected situations, SIDS = small island developing states.

Note:

1. ADB conducts CPAs for all concessional assistance eligible DMCs. While concessional assistance countries differ from year to year, if a country does not have a CPA or CPIA score for a given year, it will not be included in calculating the average for that year.
2. Countries in FCAS also vary year by year, the average is based on the countries classified as FCAS in a given year. Source: Asian Development Bank.

3. Figure A1.3 points out that the systematic gap differs from group to group. The differences in CA countries are largest, followed by countries in FCAS, FCAS-SIDS, and SIDS. For CA countries, the differences are significant in each cluster; for countries in FCAS, the differences mainly come from policies for social inclusion and equality and structural policies; for FCAS-SIDS, the differences mainly come from policies for social inclusion and equality, economic management, and structural policies, with no significant difference in terms of public sector management; for SIDS, similar to FCAS, the differences are from policies for social inclusion and equality and structural policies, while there is no significant difference in economic management and public sector management.

**Figure A1.3: Comparison of 2020 CPA and CPIA**

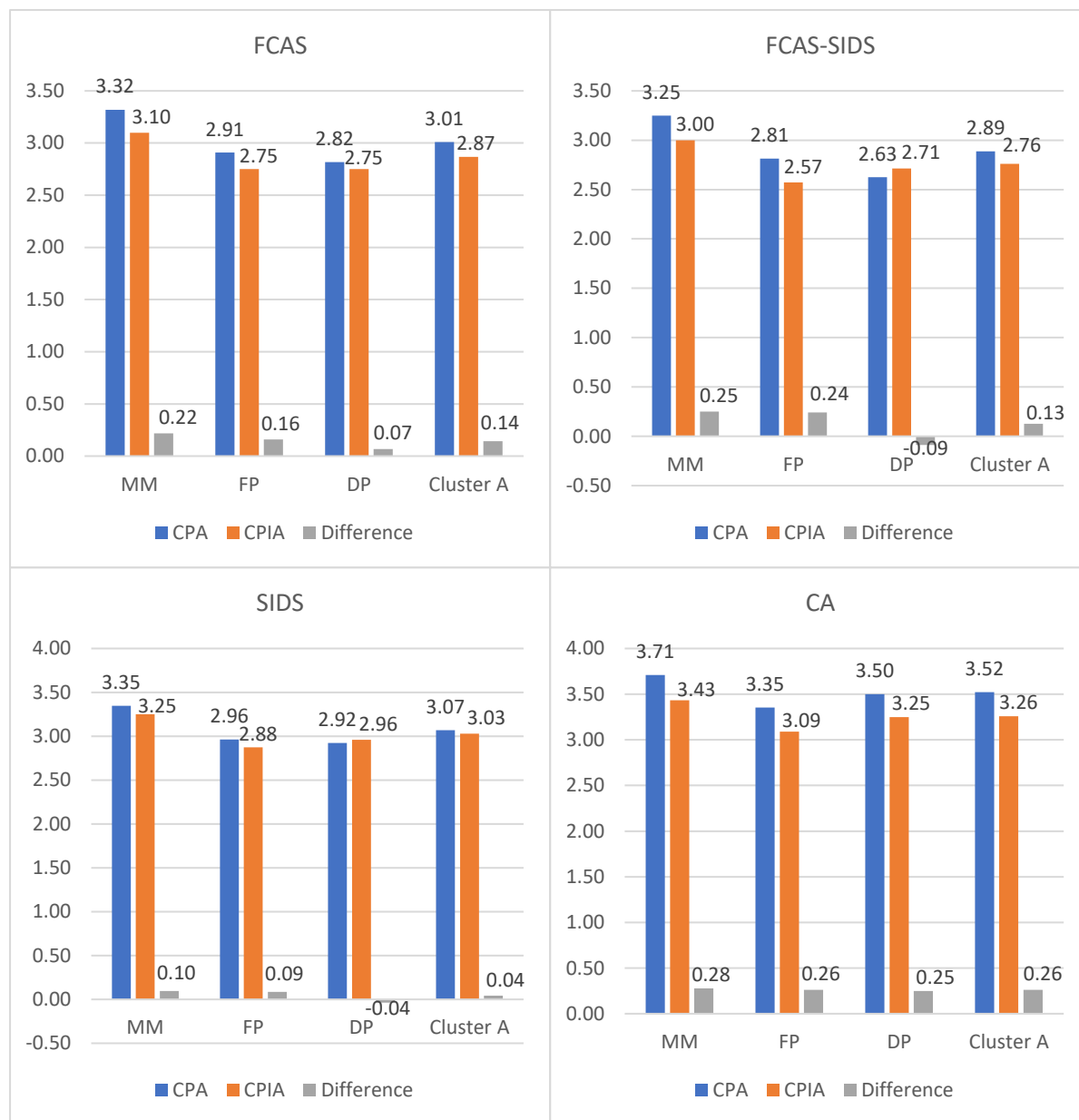


CA = concessional-assistance, CPA = country performance assessment, CPIA = country policy and institutional assessment, FCAS = fragile and conflict-affected situations, SIDS = small island developing states.  
 Note: Cluster A is economic management; Cluster B is structural policies; Cluster C is policies for social inclusion and equality; Cluster D is public sector management and institutions.  
 Source: Asian Development Bank.

- Figure A1.4 illustrates that in terms of the economic management, similar to the general comparison, the differences in CA countries are significant in each indicator; for countries in FCAS and FCAS-SIDS, the differences mainly come from macro-economic management

and fiscal policy, with little difference in debt policy; for SIDS, there is no significant difference in each indicator.

**Figure A1.4: Comparison of 2020 CPA and CPIA (Economic Management)**



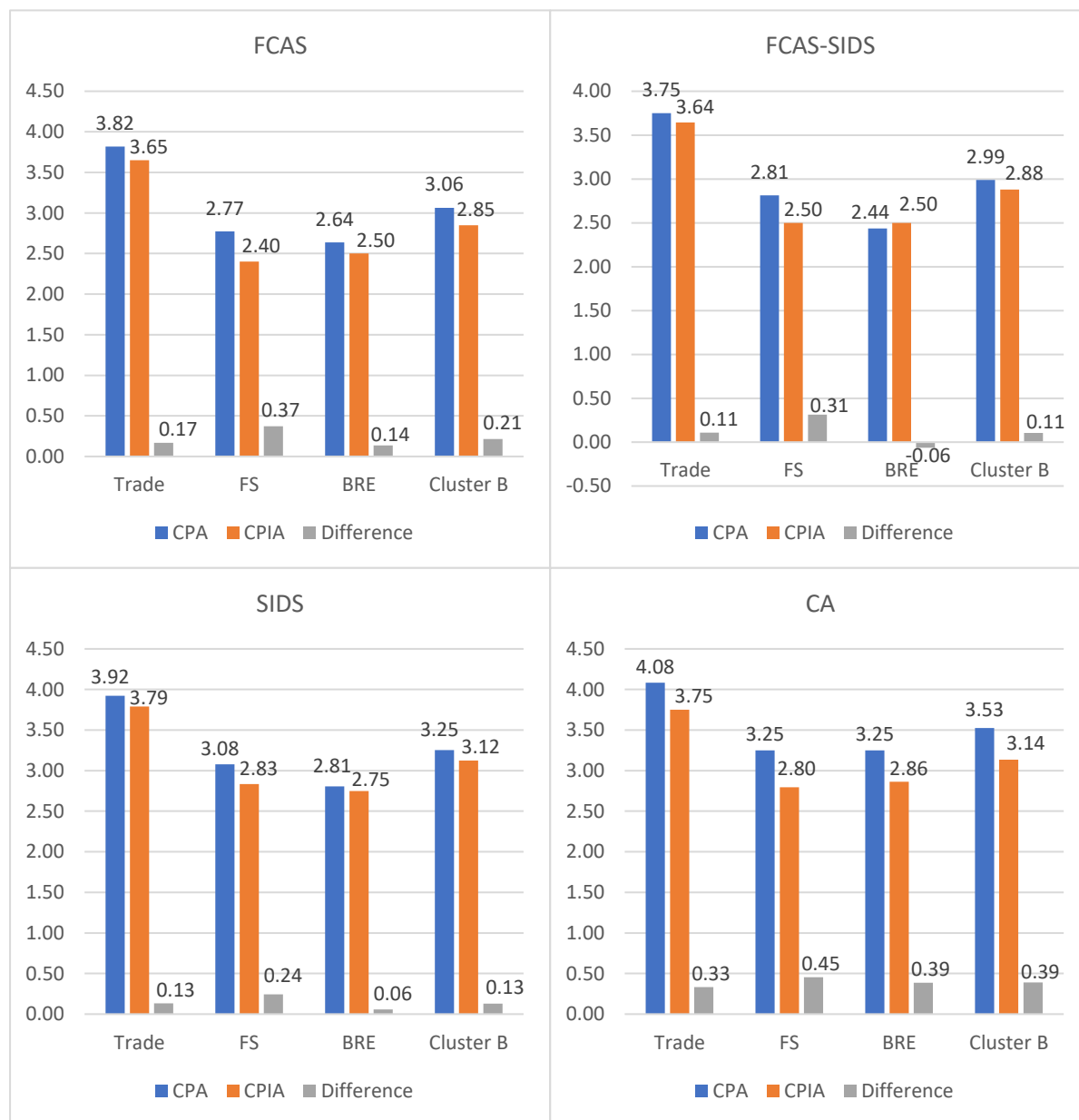
CA = concessional-assistance, CPA = country performance assessment, CPIA = country policy and institutional assessment, DP = debt policy, FCAS = fragile and conflict-affected situations, FP = fiscal policy, MM = macroeconomic management, SIDS = small island developing states.  
 Source: Asian Development Bank.

- As to structural policies. Figure A1.5 shows that similar to the general comparison and economic management, the differences in CA countries are significant in each indicator; the patterns are similar for countries in FCAS, FCAS-SIDS, and SIDS, which differences mainly



come from financial sector and trade, with little difference in business regulatory environment.

**Figure A1.5: Comparison of 2020 CPA and CPIA (Structural Policies)**



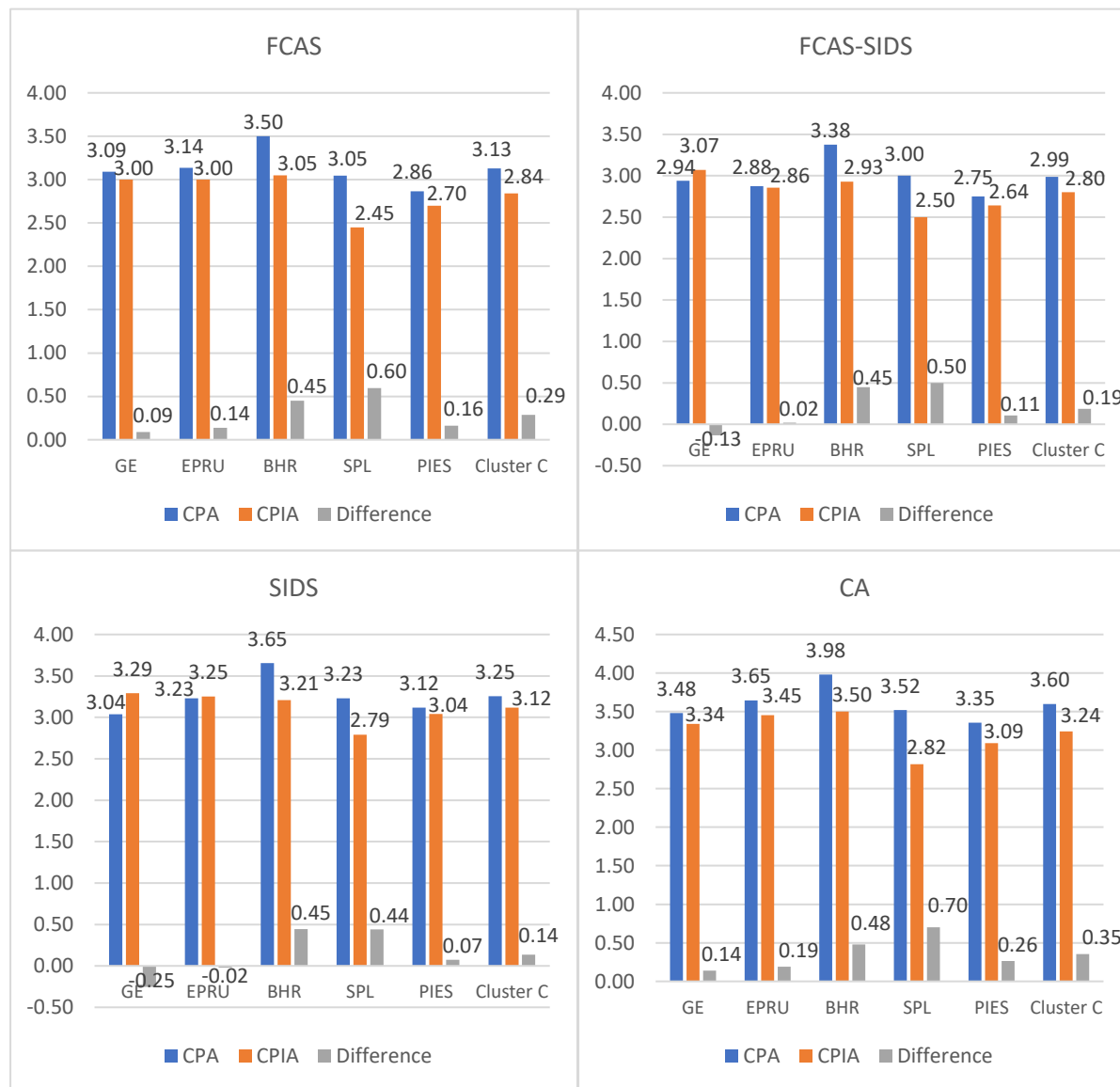
BRE = business regulatory environment, CA = concessional-assistance, CPA = country performance assessment, CPIA = country policy and institutional assessment, FCAS = fragile and conflict-affected situations, FS = financial sector, SIDS = small island developing states.

Source: Asian Development Bank.

- When it comes to policies for social inclusion and equality, Figure A1.6 indicates that the differences mainly come from social protection and labor and building human resources,

with moderate difference from policies and institutions for environmental sustainability, and no significant difference in gender equality and equality of public resource use. It is worth noticing that ADB gives a lower score on gender equality for SIDS and FCAS-SIDS. This lower score may reflect the gender-based violence in the Pacific.

**Figure A1.6: Comparison of 2020 CPA and CPIA (Policies for Social Inclusion and Equality)**



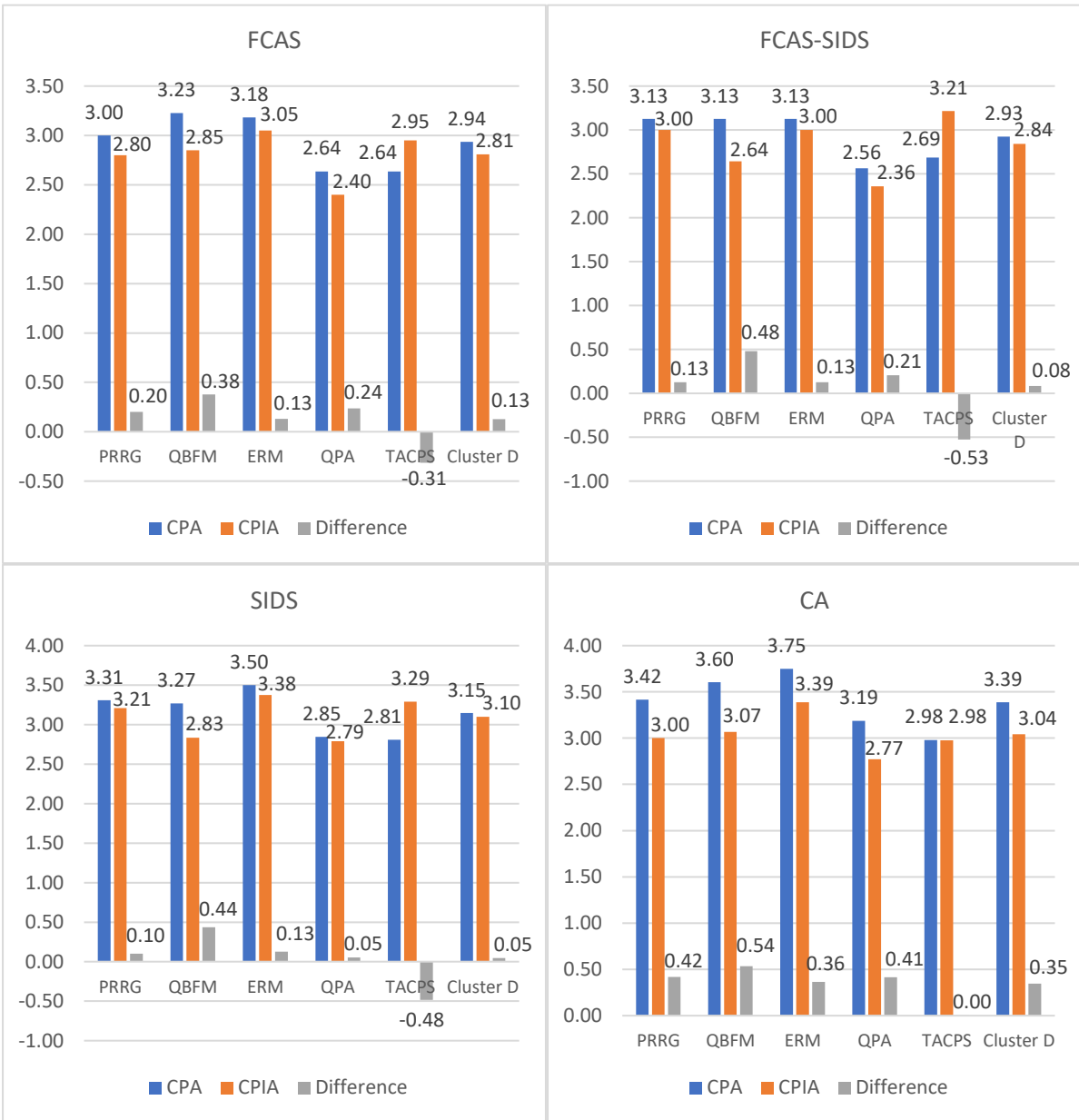
BHR = building human resources, CA = concessional-assistance, CPA = country performance assessment, CPIA = country policy and institutional assessment, EPRU, equality of public resource use, FCAS = fragile and conflict-affected situations, GE = gender equality, PIES = policies and institutions for environmental sustainability, SIDS = small island developing states, SPL = social protection and labor.

Note: Cluster C is policies for social inclusion and equality.

Source: Asian Development Bank.

6. Figure A1.7 indicates that CPIA scores share higher values in public sector management regarding to quality of budgetary and financial management, quality of public administration, property rights and rule-based governance, and efficiency of revenue mobilization. However, ADB gives substantially lower CPA scores on transparency, accountability and corruption in the public sector. Also, even though the gap on quality of public administration is limited for SIDS, the difference is significant for FCAS-SIDS.

**Figure A4-7: Comparison of 2020 CPA and CPIA (Public Sector Management)**



CA = concessional-assistance, CPA = country performance assessment, CPIA = country policy and institutional assessment, ERM = efficiency of revenue mobilization, FCAS = fragile and conflict-affected situations, PRRG = property rights and rule-based governance, QBFM = quality of budgetary and financial management, QPA = quality of public administration, SIDS = small island developing states, TACPS = transparency, accountability and corruption in the public sector.

Note: Cluster D is public sector management and institutions.

Source: Asian Development Bank.

## APPENDIX 2: FRAGILITY IN SOME INTERNATIONAL AGENCIES

1. As outlined in Table A2.1, by comparing the Asian Development Bank (ADB), the World Bank Group (WBG), African Development Bank (AfDB), and Caribbean Development Bank (CDB) fragile and conflict-affected situations (FCAS) definitions and/or classification systems, several conclusions can be highlighted. First, most MDBs have redefined fragility into two concepts: the exposure to risks and the capacity to cope with the risks, while the WBG remains the emphasis on governance issues and state institutional weakness. Second, there are discrepancies in terms of the FCAS classification. Third, all the above-mentioned multilateral development banks (MDBs) have designed their own fragility lens. Fourth, most of their classification criteria are tied to concessional financial resources.

**Table A2.1: Fragility Comparison Among MDBs**

	ADB	WBG	AfDB	CDB
<b>Fragility Definition</b>	Two dimensions (exposure to risk and coping capacity)	Uni-dimension (governance)	Two dimensions (pressure and capacity)	Two dimensions (vulnerability and fragility)
<b>FCAS Classification</b>	Binary list	Binary list	Moving away from a linear and binary classification	Linear list based on a multi-dimensional vulnerability index
<b>Fragility tool</b>	FRA	RRA	CRFA	RDA
<b>Linkage of concessional financial resources</b>	- Special Allocation to Afghanistan - EVI for SIDS	FCV Envelope	TSF	Embed vulnerability into PBA formula

ADB = Asian Development Bank, AfDB = African Development Bank, CDB = Caribbean Development Bank, CRFA = country resilience and fragility assessment, EVI = economic and environmental vulnerability index, FCAS = Fragile and Conflict-affected Situations, FCV = fragility, conflict and violence, FRA = fragility and resilience assessment, PBA = performance-based allocation, RDA = recovery duration adjuster, RRA = risk and resilience assessment, SIDS = Small Island Developing States, TSF = transition support facility, WBG = World Bank Group.

Source: Asian Development Bank.

### A. World Bank

#### 1. Definition

2. Table A2.2 shows WBG definition on fragility, conflict, and violence (FCV). The fragility definition focuses on the governance issues and institutional weakness, while the conflict is defined by the number of conflict deaths.

**Table A2.2: World Bank Description of FCV**

<b>Fragility</b>	Countries with deep governance issues and state institutional weakness are identified through policy-based and governance indicators. Fragile situations tend to be characterized by deep grievances and/or high levels of exclusion, lack of capacity, and limited provision of basic services to the population. Fragile situations tend also to be characterized by the inability or unwillingness of the state to manage or mitigate risks, including those linked to social, economic, political, security, or environmental and climatic factors.
<b>Conflict</b>	Countries in active conflict are identified based on a threshold rate of conflict-related deaths. Violent conflicts occur when organized groups or institutions, sometimes including the state, use violence to settle grievances or assert power.
<b>Violence</b>	Countries with high levels of interpersonal and gang violence, with major destabilizing impact, are identified based on the per capita level of intentional homicides. Gender-based violence (GBV) and violence against children (VAC) are also integrated into this definition.

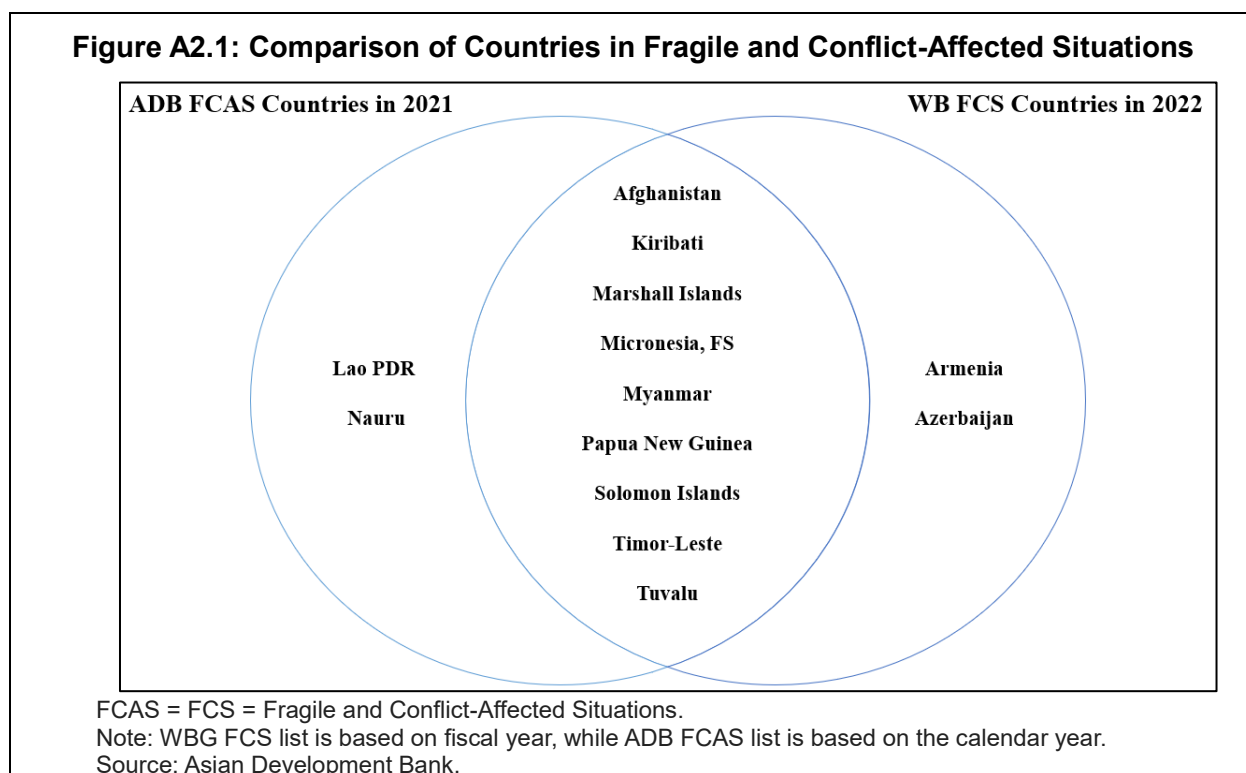
Source: World Bank Group (WBG). 2020. [World Bank Group Strategy for Fragility, Conflict, and Violence 2020-2025 \(English\)](#). Washington.

## 2. Classification Methodology

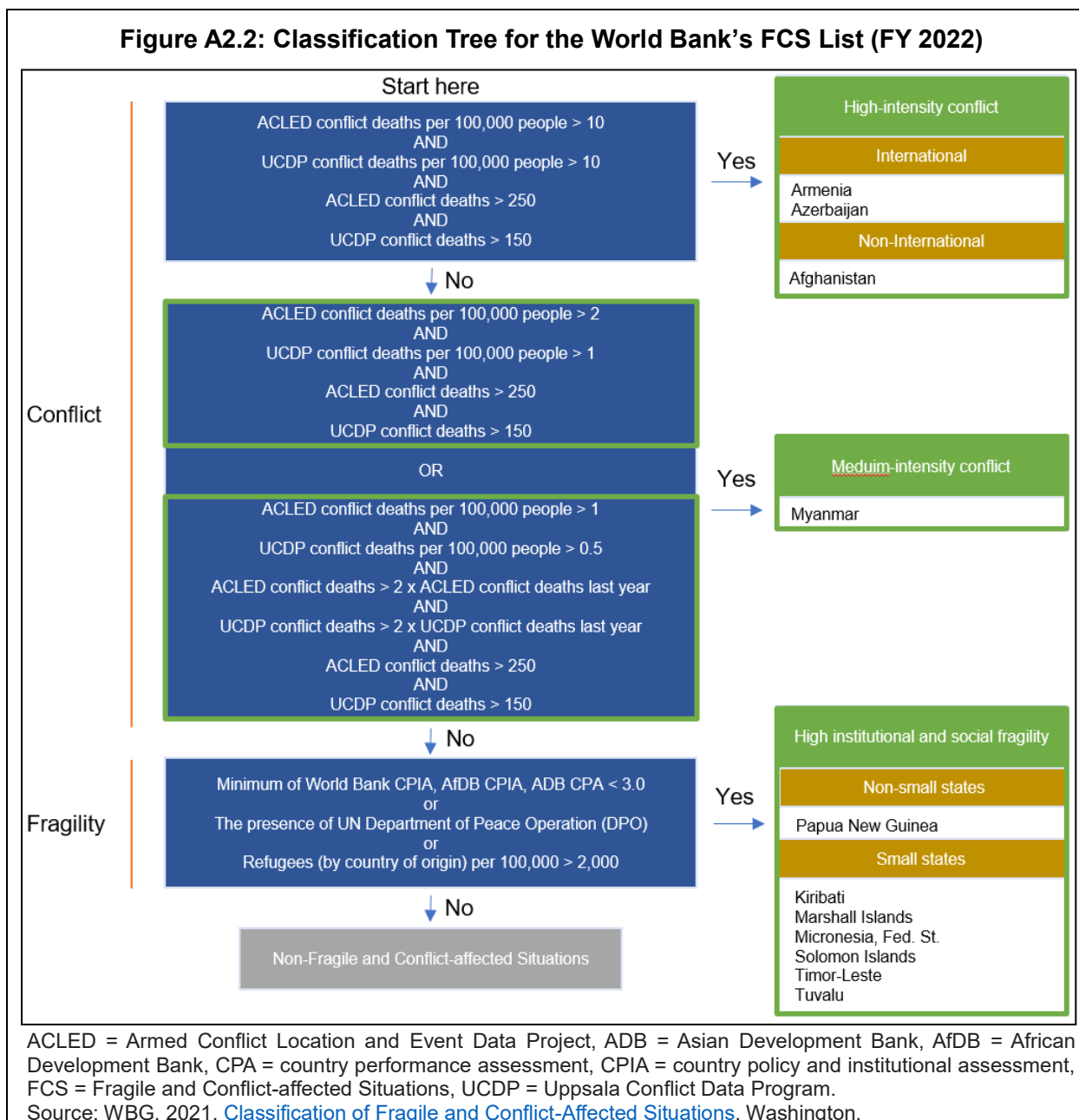
3. In 2020, the World Bank proposed a new classification system to ensure the strategic and programmatic focus in FCAS countries was adapted and tailored to the diverse challenges faced by these countries. This classification system differentiated the nature of fragility and conflict, distinguishing countries into (i) countries with high levels of institutional and social fragility, identified based on CPIA, UN Department of Peace Operation and refugees, and (ii) countries affected by violent conflict, identified based on a threshold number of conflict-related deaths relative to the population.<sup>1</sup> Based on such methodology, Figure A2.1 shows the comparison of FCAS countries in Asia and the Pacific between ADB and WBG.

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<sup>1</sup> WBG. 2020. [World Bank Group Strategy for Fragility, Conflict, and Violence 2020-2025 \(English\)](#). Washington.



4. As illustrated by the WBG during an informal exchange, when WBG introduced new components, such as refugees and conflict deaths, in 2020, the standard was to include countries that should be included, and to exclude countries that shouldn't be included based on the real situation as well as WBG's engagement with the country. All of the thresholds are therefore somehow optimal results of many simulations through applying different bars. The simulations not only included the situations in 2019 (for FY2020 list), but also a couple of more years before 2019. When WBG did the simulation exercise, the thresholds (2%, 150 or 250, etc.) were deemed appropriate. The weak points that can derive from this approach are two folds: (i) it does not have a good logical background on explaining 'why'; and (ii) it may not actively adapt and reflect future realities. So far, the WBG has found the thresholds well reflecting situations after applying them for three fiscal years. Figure A2.2 illustrates the WBG 2020 FCS methodology.



5. The WBG slightly revised the methodology in 2022 with merged features in conflict and fragility. One of the colleagues from WBG informally explained that the WBG reviewed the utility of having medium-intensity and high-intensity conflict, and small and non-small fragility distinctions internally. After discussing with the higher management, they decided not to distinguish between the different levels of conflict severity as they recognize that these situations are not static (many may fluctuate between the thresholds over the year that the list covers). In addition, they believe that these distinctions are not scientific or unambiguous. For the reasons stated above, it was found that the distinction did not add significant value to WBG monitoring and decision making, and hence did not promote the objective of the list. Table A2.3 outlines the evolution of the WBG classification systems.



**Table A2.3: The Development of World Bank's Classification**

<b>Low Income Countries Under Stress List (LICUS, 2004–2008)</b>	
(i)	Low-income countries with overall CPIA and governance average of the CPIA ratings of 3.2 or less, and
(ii)	Non-member territories and IDA-eligible countries without CPIA data.
<b>Fragile States List (2009–2010)</b>	
(i)	Core Fragile States: CPIA score of 3.0 or lower, and
(ii)	Marginal Fragile States: CPIA scores between 3.0 and 3.25.
<b>Harmonized MDBs classification (2011–2019)</b>	
(i)	A harmonized CPIA country rating of 3.2 or less, and/or
(ii)	The presence of a UN and/or regional peace-keeping or political/peace-building mission during the last three years.
<b>Fragile and Conflict-Affected Situations (2020–2022)</b>	
(i)	Fragile situations
a.	With one or more of the following situations:
-	A harmonized CPIA score below 3.0 (use the lowest score rather than average), or
-	The presence of UN Department of Peace Operation (DPO), or
-	Flight across borders of 2,000 or more per 100,000 population, who are internationally regarded as refugees in need of international protection.
b.	And that are not in medium- or high-intensity conflict.
(ii)	Conflict-Affected situations
a.	High intensity conflict
-	An absolute number of conflict deaths above 250 (ACLED) and 150 (UCDP), and
-	A number of conflict deaths relative to the population above 10 per 100,000 according to both ACLED and UCDP.
b.	Medium intensity conflict:
(a)	A lower intensity conflict
-	An absolute number of conflict deaths above 250 (ACLED) and 150 (UCDP), and
-	A number of conflict deaths relative to the population between 2 and 10 per 100,000 (ACLED) and between 1 and 10 per 100,000 (UCDP).
(b)	Or a rapid deterioration of the security situation
-	A number of conflict deaths relative to the population between 1 and 2 (ACLED) and 0.5 and 1 (UCDP), and
-	The number of casualties more than doubling in the last year.
<b>Fragile and Conflict-Affected Situations (2023–)</b>	
(i)	Fragile countries are defined as:
a.	those with one or more of the following:
-	the weakest institutional and policy environment, based on a revised, harmonized CPIA score for IDA countries (for which CPIA scores are disclosed) that is below 3.0; or
-	the presence of a UN peacekeeping operation because this reflects a decision by the international community that a significant investment is needed to maintain peace and stability there; or
-	the weakest institutional and policy environment, based on a revised, harmonized CPIA score for IDA countries (for which CPIA scores are disclosed) that is below 3.0; or (b) the presence of a UN peacekeeping
-	flight across borders of 2,000 or more per 100,000 population, who are internationally regarded as refugees in need of international protection, as this signals a major political or security crisis;
b.	and those that are not in conflict (see methodology below), as such countries have gone beyond fragility.
(ii)	Countries in conflict are defined as:

- a. those with an absolute number of conflict deaths above 250 according to ACLED and 150 according to UCDP; and above 2 per 100,000 population according to ACLED and above 1 according to UCDP; or
- b. countries with a rapid deterioration of the security situation, as measured by an absolute number of conflict deaths above 250 according to ACLED and 150 according to UCDP; and
  - a lower number of conflict deaths relative to the population between 1 and 2 (ACLED) and 0.5 and 1 (UCDP) and
  - more than a doubling of the number of casualties in the last year.

ACLED = Armed Conflict Location and Event Data Project, CPA = country performance assessment, CPIA = country policy and institutional assessment, MDB = Multilateral Development Bank, UCDP = Uppsala Conflict Data Program. Note: WBG 2023 FCS list does not separate conflict into high intensity or medium intensity. Instead, countries in conflict are identified based on the criteria of the medium intensity conflict in the table.

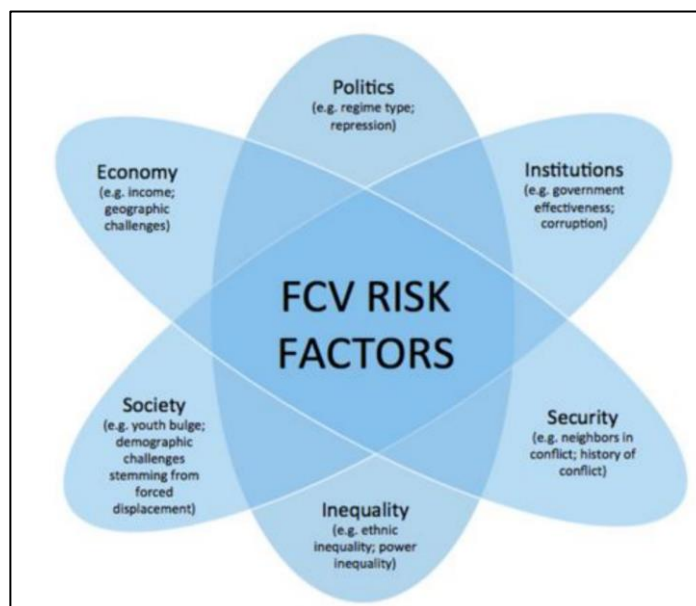
Source: WBG. 2021. [Historical Overview: The World Bank Group's Classification of Fragile and Conflict Affected Situations](#). Washington; WBG. 2022. [Classification of Fragile and Conflict-Affected Situations](#). Washington.

### 3. Fragility Analytical Tool

6. The risk and resilience assessments (RRAs), as outlined in Figure A2.3, have replaced the fragility assessment (FA) as the main tool to identify the multidimensional risks that affect a country's vulnerability. The RRA process has been refined as follow: (i) the desk review synthesizes the most recent literature to obtain a broad understanding of the FCV risk factors; (ii) the collection of primary data helps validate or test questions on conflict and fragility; (iii) country expert involvement can ensure the assessment is substantive; (iv) in-country seminars and interviews with local stakeholders will check the relevance and accuracy of desk research, as well as to glean stakeholder groups' views and perceptions; (v) WBG country team feedback provides recommendations and builds consensus on identified risks and institutional challenges and opportunities for bolstering peace and stability; (vi) dissemination and discussion with government and other stakeholders promote the RRA as a platform for broader policy dialogue on addressing FCV issues.<sup>2</sup>

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<sup>2</sup> WBG. 2019. [Risk & Resilience Assessments \(RRAs\)](#). Washington.

**Figure A2.3: Fragility, Conflict, and Violence Risk Factors**

Source: WBG. 2019. [Risk & Resilience Assessments \(RRAs\)](#). Washington.

#### 4. Fragility and Country Allocation

7. The WBG list of fragile and conflict-affected situations is relevant for the International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) resources. IDA 19 package creates a Fragile, Conflict and Violence (FCV) Envelope for improving allocations in FCAS countries based on criteria aligned to the classification system, as illustrated in Table A2.4. On the IBRD side, the list is relevant for the exemptions from IBRD's pricing changes<sup>3</sup> and the concessional financing for the IBRD Fund for Innovative Global Public Goods Solutions (GPG Fund).<sup>4</sup>

<sup>3</sup> IBRD countries are classified into four pricing groups: Group A, B, C and D. Group A countries include blends, small states, countries in fragile and conflict-affected situations and recent IDA graduates, and are exempt from the maturity premium increase regardless of their income. WB. 2018. [Changes in IBRD Loan Pricing Effective July 1, 2018](#).

<sup>4</sup> WBG. 2020. [World Bank Group Strategy for Fragility, Conflict, and Violence 2020-2025 \(English\)](#). Washington.

**Table A2.4: Special Allocation in FCV Envelope in IDA 19**

Allocation <sup>5</sup>	FCV Strategies	Criteria <sup>6</sup>	Top-up rate (Top-up cap) <sup>7</sup>
Prevention and resilience allocation (PRA)	Pivoting to prevention	(i) a quantified indicator that identifies countries at risk of high-intensity conflict or large-scale violence <sup>8</sup> ; and (ii) the Government has in place a strategy or plan acceptable to IDA that describes the concrete steps that the country will take to reduce the risks of conflict or violence, and the corresponding milestones the Government commits to implement with support from the PRA.	Up to 75% PBA (US\$700 million per country)
Remaining engaged in conflict allocation (RECA)	Remaining engaged in conflict	(i) a quantified indicator that identifies countries in high-intensity conflict; (ii) a CPIA at or below 2.5; and (iii) a proposed program that is consistent with the RECA.	(US\$300 million per country) <sup>9</sup>
Turn around allocation (TAA)	Escaping the fragility trap	(i) a CPIA below 3.0 or a period of disengagement; (ii) the Government has in place a strategy or plan acceptable to IDA that describes concrete steps that the country will take to implement a reform agenda that can accelerate its transition out of fragility and build resilience, and the corresponding milestones the Government commits to implement with support from the TAA; and (iii) a country engagement note (CEN) or country partnership framework (CPF) that makes a compelling case for WB support to the Government's reform agenda.	Up to 125% PBA (US\$ 1.25 billion per country) <sup>10</sup>
Window for host communities and refugees (WHR) (As a complement to the Envelope)	Mitigating the externalities and impacts of FCV	(i) the number of UNHRC-registered refugees is at least 25,000 or 0.1 percent of the population; (ii) the country adheres to an adequate framework for the protection of refugees; and (iii) the Government has in place a strategy or plan acceptable to IDA that describes the concrete steps, including possible policy reforms, towards long-term solutions that benefit host communities and refugees.	Up to 90% of total project amount, complement by at least 10% PBA (US\$ 500 million per country)

CPIA = country policy and institutional assessment, FCV = fragility, conflict and violence, IDA = International Development Association, PBA = performance-based allocation, PRA = prevention and resilience allocation, RECA =

<sup>5</sup> A country may move between different types of allocations within the Envelope through the IDA cycle, but will receive only one allocation at any given time. The increased allocation comes with an expectation that the country portfolio is recalibrated to focus on the purposes and activities for which the allocation is made.

<sup>6</sup> Please refer to Figure 6 Classification Tree.

<sup>7</sup> Financing from the FCV Envelope should not bring a country's allocation above 7% of total core IDA.

<sup>8</sup> The large-scale violence is defined as more than 50 international homicide-related deaths per 100,000 people using United Nations Office on Drugs and Crime data.

<sup>9</sup> If the country's country performance rating (CPR) is 2.5 or below, its PBA is calculated on the assumption that its CPR is 2.5, thus creating a floor allocation.

<sup>10</sup> Countries with a CPR of 2.5 or below, a CPR of 2.5 is used to calculate the PBA before the 125% top-up is applied.

remaining engaged in conflict allocation, TAA = turn around allocation, WHR = window for host communities and refugees.

Note: the cap % and amount, the actual allocation can be any amount/%. The decision is from the World Bank Country Management Unit (CMU) considering their capacity and the country's need within the limit.

Source: IDA. 2019. [Special Theme: Fragility, Conflict & Violence](#). Washington; IDA 2021. [Mid-Term Review of the Operationalization of the Fragility, Conflict and Violence \(FCA\) Envelope](#). Washington.

8. Table A2.5 illustrates the linkage between classification and the financing. It shows the additional resource allocation for being classified as fragility or conflict.

**Table A2.5: World Bank FCS Classification and Financial Support**

Country Grouping	Financing
High-intensity conflict	(i) These countries may be eligible to access the IDA RECA or TAA, if they meet the respective criteria. (ii) Possible access to the IDA Private Sector Window. (iii) Possible access to IDA WHR and GCFF. (iv) Possible access to IBRD GPG Fund. (v) Possible exemptions from IBRD's pricing changes as part of 2018 Capital Package.
Medium-intensity conflict	(i) These countries may be eligible to access the IDA PRA or TAA, if they meet the respective criteria. (ii) Possible access to the IDA Private Sector Window. (iii) Possible access to IDA WHR and GCFF. (iv) Possible exemptions from IBRD's pricing changes as part of 2018 Capital Package.
High institutional and social fragility	(i) These countries may be eligible to access the IDA TAA if they meet the respective criteria. (ii) Possible access to the IDA Private Sector Window. (iii) Possible access to IDA WHR and GCFF. (iv) Possible exemptions from IBRD's pricing changes as part of 2018 Capital Package.

FCS = Fragile and Conflict-affected Situations, GCFF = global concessional financing facility, IBRD = International Bank for Reconstruction and Development, IDA = International Development Association, PRA = prevention and resilience allocation, RECA = remaining engaged in conflict allocation, TAA = turn around allocation, WHR = window for host communities and refugees.

Source: WBG. 2020. [World Bank Group Strategy for Fragility, Conflict, and Violence 2020-2025 \(English\)](#). Washington.

## B. African Development Bank

### 1. Definition

9. AfDB views fragility as a condition where the exposure to internal or external pressures exceeds existing capacities to prevent, respond to, and recover from them, creating risks of instability. This definition emphasizes both capacities and pressures, replacing the 2014 definition that described fragility as a condition of elevated risk of institutional breakdown, societal collapse, or violent conflict. On the other hand, AfDB defined resilience as the ability to cope with, adapt to, and recover from shocks and stresses, and reduce vulnerability in the future. Resilience is linked

both to institutional capacity, and more widely to political, social, economic, and environmental structures and systems.<sup>11</sup>

10. AfDB identifies four situations of fragility that call for different forms of support and engagement: (i) increasing risks of conflict or collapse of state functions; (ii) active conflict and/or prolonged crisis; (iii) signs of turnaround to rebuild and reform; (iv) decreasing risks and emerging pathways to resilience.<sup>12</sup>

## 2. Classification Methodology

11. AfDB does not consider fragility as a category of states, but a continuum that can affect any state to different degrees and in varied ways.<sup>13</sup> The term “Transition States” refers to all regional member countries (RMCs) eligible for the transition support facility (TSF).<sup>14</sup> The 2022-2026 Strategy for Addressing Fragility and Building Resilience in Africa (AfDB New Strategy) refines the conceptualization of fragility and resilience towards a working definition, moving away from a linear and binary classification.<sup>15</sup> AfDB does not define any state as inherently fragile. Instead, AfDB considers fragile situations across multiple dimensions with a dual emphasis on pressures and the capacity of countries to manage those pressures.

## 3. Fragility Analytical Tool

12. Cooperating with several multilateral organizations such as the Swiss Agency for Development and Cooperation (SDC),<sup>16</sup> the Fund for Peace (FFP),<sup>17</sup> and the African Centre for the Constructive Resolution of Disputes (ACCORD),<sup>18</sup> AfDB has developed the country resilience and fragility assessment (CRFA), which was deployed since 2016 and approved in September 2018.<sup>19</sup> The CRFA is now the cornerstone of the analytical approach to fragile situations with over 125 data metrics that feed into seven dimensions: (i) political inclusiveness, (ii) safety and security, (iii) justice, (iv) economic and social inclusiveness, (v) social cohesion, (vi) regional spillover effects, and (vii) climate and environmental impacts. Based on the quantitative baseline results from the CRFA index, the CRFA report outlines the levels of pressure and capacity for each RMC and region across the seven dimensions, and extrapolates on key themes related to fragility drivers and opportunities for building resilience.

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<sup>11</sup> AfDB. 2022. [Bank Group’s Strategy for Addressing Fragility and Building Resilience in Africa \(2022–2026\)](#). Abidjan.

<sup>12</sup> AfDB. 2022. [Bank Group’s Strategy for Addressing Fragility and Building Resilience in Africa \(2022–2026\)](#). Abidjan.

<sup>13</sup> AfDB. 2022. [Bank Group’s Strategy for Addressing Fragility and Building Resilience in Africa \(2022–2026\)](#). Abidjan.

<sup>14</sup> AfDB established the post-conflict country facility (PCCF) in 2004 to assist post-conflict countries in clearing their arrears. PCCF evolved into the fragile states facility (FSF) in 2008 to address weaknesses in the PBA of resources that tend to be low relative to needs and legitimate demands from states affected by fragility. Since 2014, with the change of fragility definition and the evolution of terminology from “fragile states” to “fragile situations”, FSF has renamed to the transition support facility (TSF).

<sup>15</sup> AfDB. 2021. [African Development Bank Group’s Strategy for Addressing Fragility and Building Resilience in Africa \(2022–2026\) – Concept Note](#). Abidjan.

<sup>16</sup> AfDB. 2019. [Swiss Agency for Development and Cooperation supports Bank’s new Country Resilience and Fragility Assessment \(CRFA\) tool](#). Abidjan.

<sup>17</sup> FFP. 2017. [Country Resilience and Fragility Assessment \(CRFA\) Tool](#).

<sup>18</sup> ACCORD. 2021. [Fragility Lens Training for Building Regional Resilience](#).

<sup>19</sup> AfDB. 2020. [ADF-15: An Enabling Environment for Inclusive and Sustainable Growth and Transformation, Decent Jobs and Greater Resilience](#). Abidjan.



13. AfDB also include third-party indices in the results measurement and reporting framework to measure the overall progress in increasing resilience across Africa. These indices are: (i) fragile states index; (ii) refugees and internally displaced people measured by the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM); and (iii) conflict-related deaths measured by the Armed Conflict Location & Event Data Project (ACLED) and the Uppsala Conflict Data Project (UCDP).<sup>20</sup>

#### 4. Fragility and Country Allocation

14. The TSF aims to help Transition States facing fragility issues to build resilience through three pillars: supplemental financing, arrear clearance, and targeted assistance, as outlined in Table A2.6. The majority of TSF resources come from African Development Fund (AfDF), with additional resources and voluntary contributions from donors or third parties. In the informal exchanges, colleagues from AfDB indicate that they are exploring opportunity to harmonize the WBG classification methodology to the eligibility of the TSF pillar one. Besides the indicators set by WBG, AfDB also seeking opportunity to incorporate influx of cross-border displacement and IDPs in the methodology.

**Table A2.6: Transition Support Facility under AfDF-15 (2020–2022)**

Pillar	Objective	Amount	Source
Supplemental Financing	Directly address identified issues of fragility.	UA 799.06 million	AfDF-15
Arrear Clearance	Provide grant funding for clearing arrears.	UA 412.29 million	AfDF-14
Targeted Assistance	Address critical capacity bottlenecks, institutional weaknesses, and human resources needs to facilitate private investment in fragile situations.	UA 16 million	AfDF-15

AfDF = African Development Bank, UA = Unit of Account.

Source: AfDB. 2020. [ADF-15: An Enabling Environment for Inclusive and Sustainable Growth and Transformation, Decent Jobs and Greater Resilience](#). Abidjan.

15. An amount of the total available resources under AfDF-15 is set aside for the TSF, the private sector credit enhancement facility, the project preparation facility, and the regional operations envelope. The remaining resources are allocated through the PBA framework.<sup>21</sup>

### C. Caribbean Development Bank

#### 1. Definition

16. Table A2.7 indicates that the Caribbean Development Bank (CDB) has distinguished the terms vulnerability and fragility. Vulnerability includes three dimensions: economic, social, and environmental vulnerability. The focus of vulnerability is on the structural characteristics to make countries vulnerable to external shocks. These characteristics are independent of a country's political will or policy-induced factors and therefore do not result from recent policy choices of the

<sup>20</sup> AfDB. 2022. [Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa \(2022–2026\) \(Annex I\)](#). Abidjan.

<sup>21</sup> AfDB. 2020. [ADF-15: An Enabling Environment for Inclusive and Sustainable Growth and Transformation, Decent Jobs and Greater Resilience](#). Abidjan.

government. Economic vulnerability refers to the inherent, permanent, or quasi-permanent features of a country, which render that country exposed to economic forces outside its control.

**Table A2.7: Caribbean Development Bank Definition on Vulnerability and Fragility**

Vulnerability	Vulnerability is the exposure to sharp external shocks, either fiscal, trade, health or climate related. It is an internal or intrinsic risk factor.
Fragility	Fragility is a consequence of the tenuous institutional or societal mechanisms within a country to mediate internal pressures, causing it to either implode or face the stresses of conflict and economic collapse.

Source: CDB. 2019. [Measuring Vulnerability: A Multidimensional Vulnerability Index for the Caribbean](#). Bridgetown; CDB. 2021. [The Recovery Duration Adjuster: Rescue, Recovery & Resilience Begins Here](#). Bridgetown.

**2. Classification Methodology**

17. As outlined in Table A2.8, borrowing Member Countries (BMCs) are classified into low vulnerability, medium-low vulnerability, medium-high vulnerability, and high vulnerability according to the score of the multidimensional vulnerability index (MVI).

**Table A2.8: CDB Classification Criteria**

Classification	Score
Low vulnerability	0–0.33
Medium-low vulnerability	0.34–0.49
Medium-high vulnerability	0.50–0.69
High vulnerability	0.70–1.00

Source: CDB. 2019. [Measuring Vulnerability: A Multidimensional Vulnerability Index for the Caribbean](#). Bridgetown.

18. Table A2.9 illustrate the composition of the MVI. The MVI comprises three dimensions and six sub-indices. Within the six sub-indices, there are 15 proxy indicators.

**Table A2.9: The Composition of Multidimensional Vulnerability Index**

Multidimensional Vulnerability Index (MVI)					
Economic Vulnerability				Social Vulnerability	Environmental Vulnerability
Export Concentration	Export Destination	Strategic Imports	External Finance	Social Susceptibility	Natural Hazards and Climate Change
Weight: 16.66%	Weight: 16.66%	Weight: 16.66%	Weight: 16.66%	Weight: 16.66%	Weight: 16.66%

Source: CDB. 2019. [Measuring Vulnerability: A Multidimensional Vulnerability Index for the Caribbean](#). Bridgetown.

**3. Fragility Analytical Tool**

19. CDB has developed a vulnerability and resilience framework called recovery duration adjuster (RDA) to assess the economic, social, and environmental dimensions of vulnerability and the access for BMCs to concessional finance, as outlined in Table A2.10.



**Table A2.10: Brief Introduction of Recovery Duration Adjuster**

Context	Even when SIDS have achieved high levels of GNI per capita, these countries are susceptible to external shocks and geophysical hazards.
Principle	Initial conditions – take a holistic view of development needs and incorporate underlying structural weakness, limited implementation capacity, high debt levels and insufficient investment in resilient infrastructure and institutions as important inputs in determining the extent of a country’s vulnerability to exogenous shocks.
	Resilience – capture the duration of recovery from a shock, which provides stronger justification for accessing concessional finance to support rescue, recovery, and repositioning efforts that can build resilience and sustain overall economic development.
Objective	Create a resilience-adjusted per capita income measure that will be a more comprehensive tool for classifying SIDS and mobilizing the much-needed financial resources. <sup>22</sup>

Sources: CDB. 2021. [The Recovery Duration Adjuster: Rescue, Recovery & Resilience Begins Here](#). Bridgetown; CDB. 2021. [CDB Proposes a Resilience-Adjusted GNI Measure for Small Island Developing Economies to Access Concessional Finance](#). Bridgetown.

#### 4. Fragility, Vulnerability, and Country Allocation

20. While population, GNI per capita, CPIA and portfolio performance are the four main factors in most of the MDBs’ PBA formula, CDB has added the country vulnerability, measured by MVI, and the number of poor people in the country into the formula, as outlined in Equation A2.

##### Equation A2: Performance-based Allocation in Caribbean Development Bank

$$CAS = (\log POP \times POOR^{0.1} \times PCI^{-0.9} \times VUL^{2.0}) \times (0.7CPIA + 0.3Portfolio)^2$$

CAS = country allocation share, CPIA = country performance on policy and institutions, logPOP = the logarithm of population, POOR = the number of poor people in the country, PCI = Per Capita Income, POP = Population, Portfolio = performance of the country’s portfolio of CDB loans as measured by the Project Performance Index (PPI), VUL = country vulnerability according to MVI.

Source: CDB. 2013. [Revision of Selected Aspects of the Caribbean Development Bank’s Resource Allocation System – 2012](#). Bridgetown.

#### D. United Nations

##### 1. Definition

21. Least developed countries (LDCs) are low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets. In 2021, there are 46 countries on the list of LDCs, eleven of them are ADB DMCs.<sup>23</sup>

<sup>22</sup> By far the BMCs are assigned to one of three country groups based on their relative per-capita incomes. Countries in Group 1 mainly receive ordinary capital resources; countries in Group 2 can receive the blend of SDF and ordinary capital resources; countries in Group 3 mainly receive SDF. CDB. 2022. [Special Development Fund Annual Report 2020 & Financial Projections 2021-2023](#). Bridgetown.

<sup>23</sup> UNDESA. [Least Developed Countries \(LDCs\)](#).

**2. Classification Methodology**

22. The UN General Assembly (GA) and the UN Economic and Social Council (ECOSOC) mandate the UN Committee for Development Policy (CDP) to review the list of LDCs every three years and to make recommendations on the inclusion and graduation of eligible countries using three criteria: (i) Income; (ii) Human Assets Index (HAI); (iii) Economic and Environmental Vulnerability (EVI), as shown in Table A2.11.

23. Based on the above-mentioned three criteria, the UN has modified the components seven times (1991, 1999, 2002, 2005, 2011, 2017, 2020) since 1971 to better capture the complexity and dynamics of the fragility. The latest refinements of the criteria were adopted in 2020.

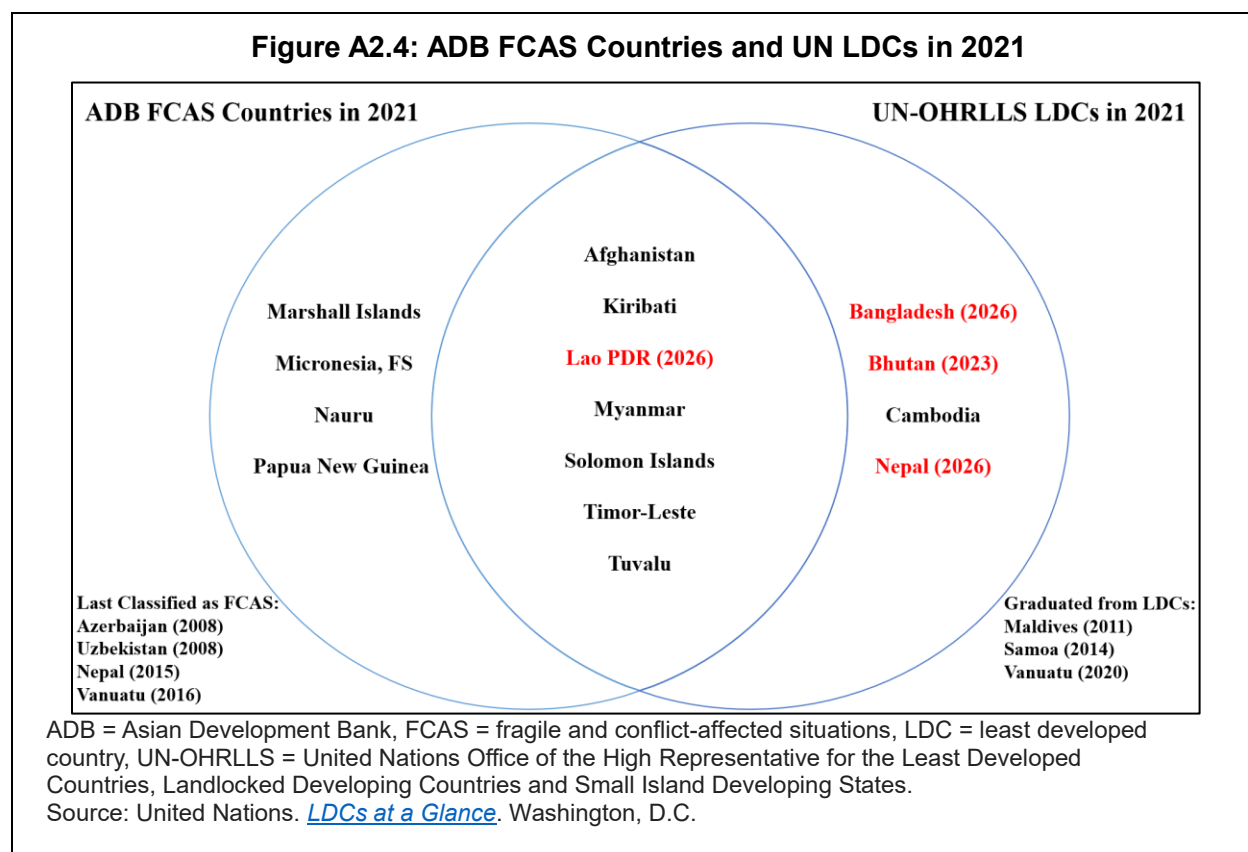
**Table A2.11: LDC Criteria and Graduation Threshold**

	Indicators	Threshold
Income	(1) GNI per capita	GNI ≥ \$1,222
HAI	Health index	HAI ≥ 66
	(1) Under-five mortality rate (U5M)	
	(2) Prevalence of stunting (STU)	
	(3) Maternal mortality ratio (MMR)	
	Education index	
	(4) Gross secondary school enrolment ratio (GSSE) (5) Adult literacy rate (ALR) (6) Gender parity index of gross secondary school enrolment(GPIS)	
EVI	Economic vulnerability index	EVI ≤ 32
	(1) Remoteness and landlockedness (REM)	
	(2) Merchandise export concentration (XCON)	
	(3) Share of agriculture, forestry, and fishing in GDP (AFF)	
	(4) Instability of exports of goods and services (XIN)	
	Environmental vulnerability index	
	(5) Share of population in low elevated coastal zones (LECZ)	
	(6) Share of population in drylands (DRY) (7) Victims of disasters (VIC) (8) Instability of agricultural production (AIN)	

EVI = economic and environmental vulnerability index, HAI = human assets index, LDC = least developed country.

Source: United Nations. [LDC Identification Criteria & Indicators](#). Washington, D.C.

24. The creation of the LDC category was endorsed by UNGA in 1971. In 2021, there are 11 ADB DMCs classified as LDCs: Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Lao PDR, Myanmar, Nepal, Solomon Islands, Timor-Leste, and Tuvalu. Among them, Bhutan and Solomon Islands will graduate in 2023 and 2024 respectively, while Bangladesh, Lao PDR, and Nepal will graduate in 2026 based on the 2021 triennial review’s recommendation and the five-year preparatory period. As for Cambodia, Myanmar and Timor-Leste will be considered for graduation in the 2024 triennial review. There are also 3 ADB DMCs graduated from LDCs: Maldives (2011), Samoa (2014), and Vanuatu (2020). Figure A2.4 shows the ADB FCAS Countries and United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) LDCs in 2021.



### 3. Multidimensional Vulnerability Index

25. The UN-OHRLLS prepared the report in 2021 for the possible development of the multidimensional vulnerability index per its mandate to coordinate the implementation of the SAMOA Pathway.<sup>24</sup> The ADB participated in the United Nations high-level panel on the multidimensional vulnerability index in April 2022, emphasizing the importance of the universality, complete country coverage of all SIDS, parsimony and robustness over time, and minimized revisions in methodology and changes in parameters.<sup>25</sup>

26. SPD planned to apply the MVI for determining additional ADF grant resources for SIDS developing member countries and to prepare a proposal on this matter to ADF donors at the ADF 13 midterm review. However, the UN panel is now seeking an extension of its mandate to June 2023, and intends to do a round of consultations on the proposed indicators and technical issues with the IFIs and MDBs when they are ready for public consumption. The UN panel will provide access first to the proposed list of indicators as part of the consultation process with the IFIs/MDBs,

<sup>24</sup> United Nations. 2021. [Possible Development and Uses of Multidimensional Vulnerability Indices, Analysis and Recommendations](#). Washington.

<sup>25</sup> Rosalind Mckenzie, Jan Hansen, and Kuang Chen Chen represent PARD, SPD, and FCAS team respectively in the meeting.

and expect that the tentative data will be in a position to provide by the end of 2022 or in January 2023.

27. SPD continues to coordinate with UN on the finalization of the MVI and then carry-out assessment to use the MVI for continuation of the economic vulnerability premium under ADF 14. However, given the postponement of the MVI, and the fact that the revised EVI is less relevant to demonstrate vulnerability of SIDS and other vulnerability and fragility indices are not suitable for calibration of economic vulnerability premium, the ADF team starts to brainstorm if ADB should develop our own vulnerability index.

**E. The Commonwealth**

**1. Definition**

28. The Commonwealth has acknowledged the need to build international consensus on defining and measuring vulnerability. As a result, the Commonwealth Secretariat proposed the universal vulnerability index (UVI) in 2021. The UVI Framework is constructed of two dimensions: vulnerability and resilience, as illustrated in Table A2.12.

**Table A2.12: The Commonwealth's Definition**

Vulnerability	The risk of being affected by exogenous shocks of various forms, origin and intensity, the effect of which is contingent on a country's specific characteristics and features, including its ability to respond to shocks as reflected in its level of resilience.
Resilience	The capacity to cope with (or to react to) exogenous shocks is the opposite of vulnerability, and to large extent depends on the current will of countries, but also on structural factors, which make resilience policies more or less effective.

Source: The Commonwealth. 2021. [The Commonwealth Universal Vulnerability Index: For a Global Consensus on the Definition and Measurement of Vulnerability](#). London.

**2. Classification Methodology**

29. Based on UVI, countries are classified into four groups: (i) extremely vulnerable: vulnerability significantly greater than resilience; (ii) highly vulnerable: vulnerability less than resilience; (iii) vulnerable: vulnerability partially matched by resilience; (iv) resilient: resilience significantly exceeds vulnerability, as outlined in Table A2.13.

**Table A2.13: The UVI of ADB Concessional Assistance Countries in 2018**

Classification	Criteria	ADB concessional assistance countries
Extremely vulnerable	UVI > 1.5	Afghanistan (1.59)* <b>f</b>
Highly vulnerable	1 < UVI < 1.5	Pakistan (1.19) Kiribati (1.16)* <b>sf</b> Timor-Leste (1.15)* <b>sf</b> FS Micronesia (1.1) <b>sf</b> Maldives (1.1) <b>s</b> Marshall Islands (1.1) <b>sf</b>
Vulnerable	0.5 < UVI < 1	Nepal (0.97)* Tuvalu (0.97)* <b>sf</b> Tonga (0.93) <b>s</b> Palau (0.91) <b>s</b> Myanmar (0.88)* <b>f</b> Solomon Islands (0.88)* <b>sf</b>

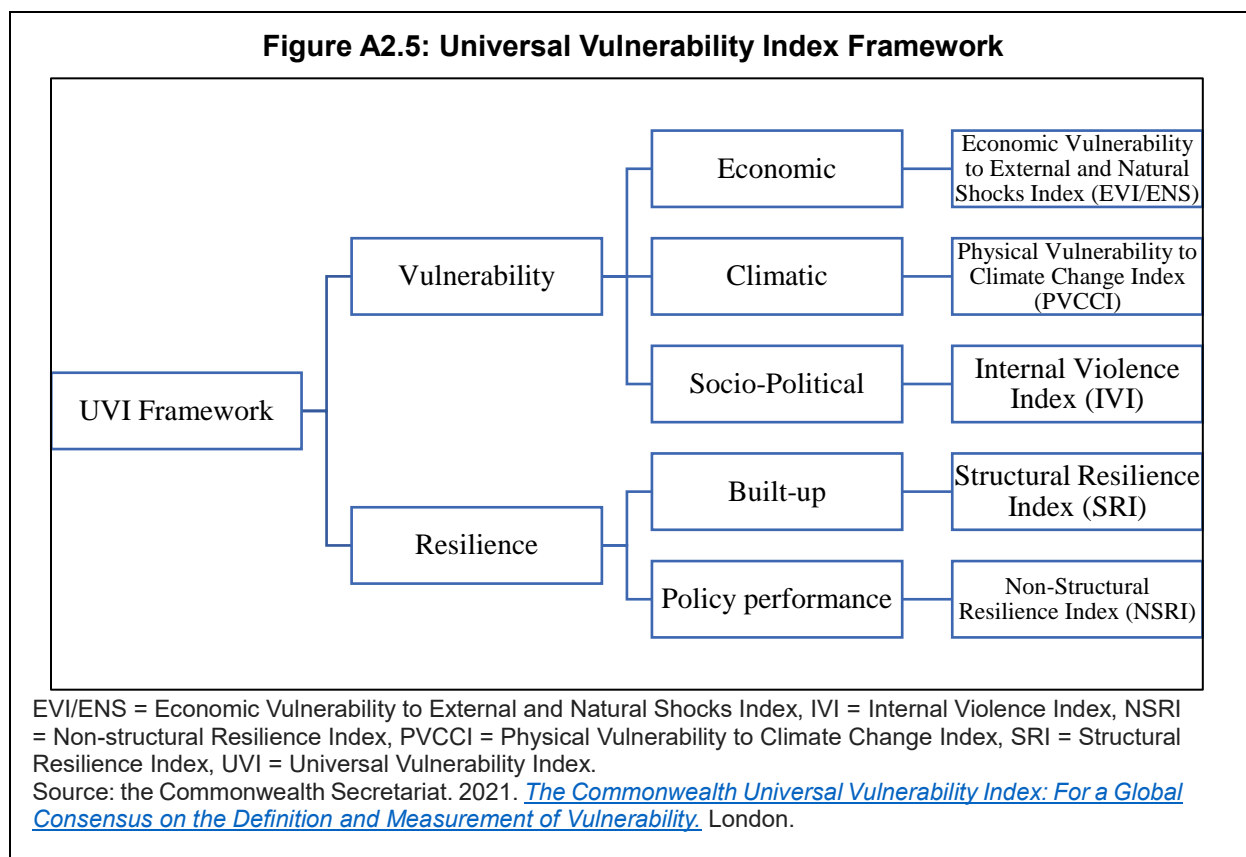
		Cambodia (0.87)* Bangladesh (0.85)* Fiji (0.85) <sub>s</sub> Samoa (0.85) <sub>s</sub> Vanuatu (0.83) <sub>s</sub> Tajikistan (0.81) Kyrgyz Republic (0.8) Mongolia (0.78) Uzbekistan (0.74) Papua New Guinea (0.68) <sub>sf</sub> Lao PDR (0.65)* <sub>f</sub> Bhutan (0.5)*
resilient	UVI < 0.5	

ADB = Asian Development Bank, CA = concessional assistance, \* = least developed country, <sub>s</sub> = small island developing state, <sub>f</sub> = fragile and conflict-affected situations, UVI = universal vulnerability index.

Note: among ADB CA countries, there is no UVI score for Nauru and Niue.

Source: the Commonwealth Secretariat. 2021. [The Commonwealth Universal Vulnerability Index: For a Global Consensus on the Definition and Measurement of Vulnerability](#). London.

30. Figure A2.5 shows the structure of the UVI. Similar to the MVI proposed by CDB, there are three vulnerable indices: economic, climatic, and socio-political vulnerability index. Besides, the UVI has also introduced two resilience indices: structural and non-structural resilience indices.



31. Table A2.14 shows the composition of each index and the proxy indicators.

**Table A2.14: The Composition of Universal Vulnerability Index**

Indices	Sub-category	Indicators
EVENSI	Exposure	Broad trade dependence index
		Export concentration index
		Share of population in low elevated coastal zones
		Share of population living in drylands
		Share of agriculture, forestry and fisheries in GDP
	Shocks	Instability of exportations of goods and services
		Instability of import unit values
		Instability of agricultural production
		Fatalities per 100,000 inhabitants due to disasters
		Losses per unit of GDP (in %) due to disasters
PVCCI	Risk related to progressive shocks	Flooding due to sea level rise or ice melting
		Increasing aridity
	Risk related to the intensification of recurrent shocks	Rainfall
		Temperature
IVI	International armed conflicts	Deaths due to internal armed conflicts
		Internally displaced people
	Criminality	Homicide rate for 100,000 inhabitants
	Terrorism	Number of terrorist incidents
		Number of deaths due to terrorism
		Number of injured due to terrorism
	Political violence	Intensity of violence during adverse regime changes
	Regional violence	Intensity of violence caused by genocides or politicides
SRI	Human development	Poverty rate
		Average years of schooling
		Adult literacy rate
		Share of population not undernourished
		Child survival rate under five
	Demographic structure	Share of population likely to work
		Number of refugees
		Outward migration
	Structural market connectivity	Transport, utilities and ICT infrastructure development
		Market remoteness
NSRI	Quality of governance index	Market potential
		Voice and accountability
		Rule of law
	Macroeconomic stability index	Control of corruption
		Inflation index
		Public debt index
		Foreign currency reserves index
		Ease of doing business score
Quality of regulations index		

EVENSI = Economic Vulnerability to External and Natural Shocks Index, ICT = information and communication technologies, IVI = Internal Violence Index, NSRI = Non-structural Resilience Index, PVCCI = Physical Vulnerability to Climate Change Index, SRI = Structural Resilience Index, UVI = Universal Vulnerability Index.

Note: all indices range from 0 to 100.

Source: the Commonwealth Secretariat. 2021. [The Commonwealth Universal Vulnerability Index: For a Global Consensus on the Definition and Measurement of Vulnerability](#). London; the Commonwealth Secretariat. 2021. [UVI Methodological Note](#). London.

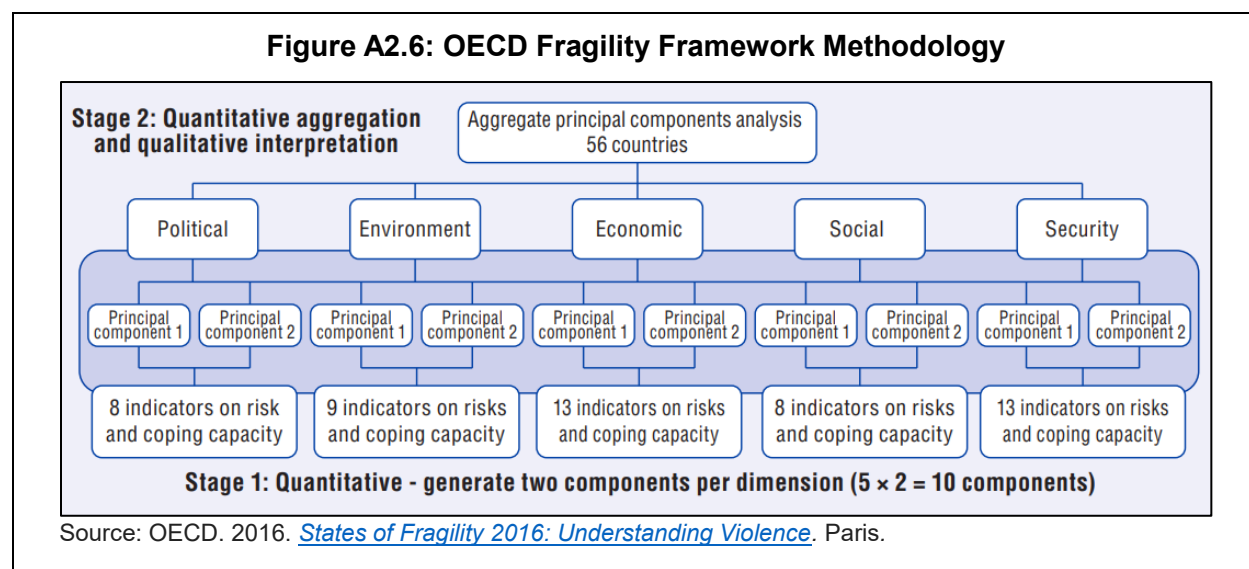
## F. Organisation for Economic Co-operation and Development

### 1. Definition

32. The Organisation for Economic Co-operation and Development (OECD) characterizes fragility as the combination of exposure to risk and insufficient coping capacity of the state, system and/or communities to manage, absorb or mitigate those risks. Fragility can lead to negative outcomes including violence, the breakdown of institutions, displacement, humanitarian crises or other emergencies.<sup>26</sup>

### 2. Classification Methodology

33. OECD's fragility framework is based on a two-stage process: (i) examine countries in each of the five dimensions: political, environmental, economic, social, and security dimensions, with 8-13 indicators on risks and coping capacity in each dimension, deriving two components for each dimension by using principal components analysis (PCA); (ii) aggregate the information to obtain an aggregate picture of fragility and conduct qualitative interpretation.



34. Table A2.15 shows the countries in fragile context in Asia and Pacific region. The OECD framework does not include many ADB classified FCAS-SIDS, while it also identifies several countries that is not considered as ADB FCAS countries, such as Bangladesh, Cambodia, Pakistan, and Tajikistan.

**Table A2.15: 2020 OECD Fragility Contexts in ADB Concessional Assistance Countries**

Country	Economic	Environmental	Political	Security	Societal
Afghanistan*f	2	1	2	1	1
Bangladesh*	3	2	3	2	1

<sup>26</sup> OECD. 2016. [States of Fragility 2016: Understanding Violence](#). Paris.



Cambodia*	3	2	3	4	1
Lao PDR*f	2	2	3	3	1
Myanmar*f	3	2	4	2	1
Papua New Guinea sf	2	2	4	3	2
Pakistan	2	2	2	2	1
Solomon Islands*sf	2	2	4	3	2
Tajikistan	2	2	1	2	1

ADB = Asian Development Bank, CA = concessional assistance, \* = least developed country, s = small island developing state, f = fragile and conflict-affected situations.

Note: six FCAS SIDS are not included in OECD fragility contexts: Kiribati, Marshall Islands, FS Micronesia, Nauru, Timor-Leste, Tuvalu; 1 = Severe fragility; 5 = Minor fragility

Source: OECD. 2020. [States of Fragility 2020](#). Paris.

## G. The Fund for Peace

### 1. Definition

35. The Fund for Peace (FFP) first published Failed States Index in 2005 and renamed it to fragile states index (FSI) in 2014.<sup>27</sup> The FSI not only highlights the normal pressures that all states experience, but also identifies when those pressures are outweighing a states' capacity to manage those pressures.<sup>28</sup>

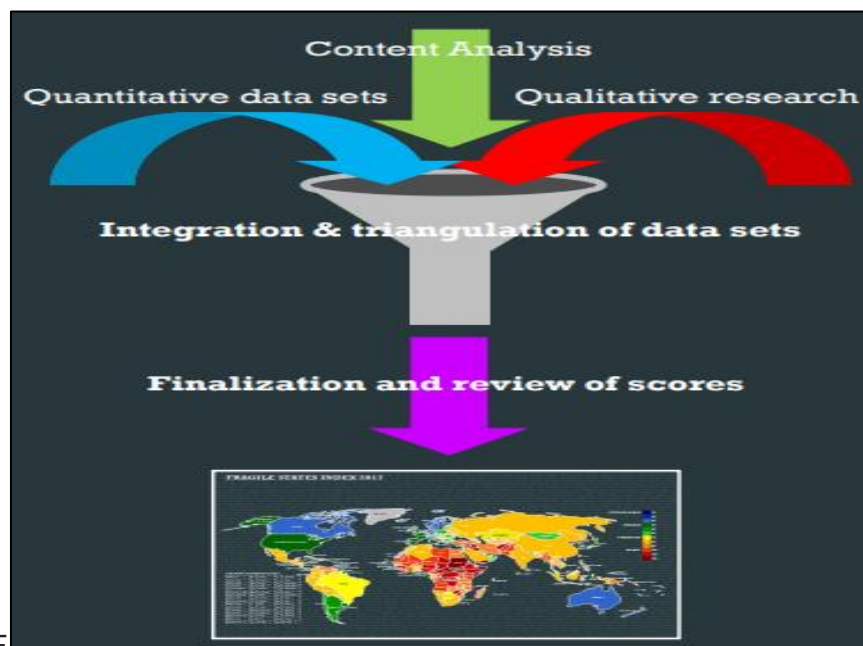
### 2. Classification Methodology

36. The FSI is constructed with 12 key political, social and economic indicators and over 100 sub-indicators. The basis of FSI is the conflict assessment system tool (CAST) with content analysis, quantitative analysis on existing data sets, and qualitative expert analysis. This methodology can be concluded into three steps: (i) use content analysis to apportion provisional scores for each country by applying global media data to determine the level of the saliency of issues in each country; (ii) compare quantitative data from multilateral statistical agencies to confirm the provisional scores; (iii) adopt qualitative review for the key events from that particular year to mitigate any potential false positives from noisy content analysis data, as outlined in Figure A2.7.

<sup>27</sup> FFP. 2014. [From Failed to Fragile: Renaming the Index](#). Washington.

<sup>28</sup> FFP. 2017. [Fragile State Index and Cast Framework Methodology](#). Washington.



**Figure A2.7: Conflict Assessment System Tool Framework**

Source: FFP. 2017. [Fragile State Index and Cast Framework Methodology](#). Washington.

37. Table A2.16 shows the 12 indicators within the four groups.

**Table A2.16: Fragile State Index Key Indicators**

Cohesion	Security Apparatus
	Factionalized Elites
	Group Grievance
Economic	Economic Decline
	Uneven Development
	Human Flight & Brain Drain
Political	State Legitimacy
	Public Services
	Human Rights & Rule of Law
Social + Cross-Cutting	Demographic Pressures
	Refugees & internally displaced persons
	External Intervention

Source: FFP. 2021. [Fragile State Index Annual Report 2021](#). Washington.

38. Pertaining to the FSI score, countries are classified as sustainable, stable, warning, and alert, as outlined in Table A2.17.

**Table A2.17: Fragile State Index in ADB Concessional Assistance Countries in 2021**

Classification	Score	ADB concessional assistance countries
Sustainable	0–30	
Stable	30–60	Mongolia (52.3)
Warning	60–90	Samoa (64.2) <sup>s</sup> Maldives (67.6) <sup>s</sup> Bhutan (68.3)* Fiji (70.4) <sup>s</sup> FS Micronesia (71.7) <sup>sf</sup> Uzbekistan (72.0) Tajikistan (75.1) Lao PDR (76.0)* <sup>f</sup> Kyrgyz Republic (76.4) Solomon Islands (79.3)* <sup>sf</sup> Cambodia (80.6)* Papua New Guinea (80.9) <sup>sf</sup> Timor-Lest (80.9)* <sup>sf</sup> Nepal (82.2)* Bangladesh (85.0)*
Alert	90–120	Pakistan (90.5) Myanmar (93.8)* <sup>f</sup> Afghanistan (102.1)* <sup>f</sup>

ADB = Asian Development Bank, CA = concessional Assistance, \* = least developed country, <sup>s</sup> = small island developing state, <sup>f</sup> = fragile and conflict-affected situations.

Note: among ADB concessional assistance countries, there is no FSI score for Kiribati, Marshall Islands, Nauru, Niue, Palau, Tonga, Tuvalu, and Vanuatu.

Source: FFP. 2021. [Fragile State Index Annual Report 2021](#). Washington.

## APPENDIX 3: HARMONIZE EXTERNAL VULNERABILITY/FRAGILITY INDEX WITH CPA FOR FCAS CLASSIFICATION

### A. Rationale

1. The FSA redefined fragility from World Bank's institutional capacity-centered definition to a two-dimension definition, aligning with the Organisation for Economic Co-operation and Development (OECD). The AfDB, the Caribbean Development Bank, the Commonwealth of Nations (the Commonwealth), and the Fund for Peace also adopt a similar two-dimension definition.

2. **A composite external vulnerability index is needed to reflect the other dimension of fragility, that is, the risks of exposure to sharp external shocks, such as economic-, health-, and climate-related issues.** The World Bank continues the CPIA-based classification with targeted indices as additional criteria because of the single-dimension fragility definition that emphasizes governance (Appendix 1). However, ADB has revised fragility into a two-dimension definition aligned with other international agencies including the AfDB, the Caribbean Development Bank, the Commonwealth, the OECD, and the Fund for Peace. As a result, the CPA, which focuses on the policy and institutional framework rather than the actual outcomes or risks, cannot fully express the concept of the new definition. For example, the CPA ratings in 2022 will emphasize the medium and long-term impact of the coronavirus disease (COVID-19) instead of the short-term effect. Hence, the CPA alone as the main classification criteria cannot reflect the risks of exposure to short-term shocks. The World Bank's Independent Evaluation Group's 2016 evaluation also notes that the CPIA index does not seek to capture specific kinds of short-term shocks and subnational, cross-border, or supranational forms of stress and violence.

3. **A composite external vulnerability index helps simplify the classification criteria, making knowledge dissemination easier.** The World Bank has added several criteria such as the number of conflict death and the influx of refugees into the classification system to capture specific kinds of fragility (See Table A1-3). These additional indices construct a complex classification methodology with multiple criteria, making knowledge dissemination challenging. A composite external vulnerability index, on the contrary, can capture these specific kinds of fragility in a more comprehensive way while making the methodology easier to understand.

4. **Fragile situations and conflict-affected situations should not be separated into two independent categories given that they interact with each other with no priority.** The World Bank considers fragile situations and conflict-affected situations as two separated categories. If a country is classified as a conflict-affected situation, it will not be put into fragile situations (Figure A1-2). However, conflict can be a cause, symptom, or consequence of fragility. When extreme, fragility can also be expressed as conflict or collapse of state functions. ADB acknowledges the mutual causality of fragile situations and conflict-affected situations without giving priority to either of them. Hence, harmonizing the CPA with an external vulnerability index which includes conflict-related indicators can be a way to incorporate conflict-affected characteristics into the FCAS classification.

5. **There is a need to include the spillover effects of conflicts in the classification.** The number of large-scale inter-state wars has declined in recent decades, whereas domestic violence and crime has increased. The internal violence and crime are phenomena that take many

forms and thus requires a composite index.<sup>1</sup> ADB recognizes the need to include subnational conflicts (which are usually regional, ethnic, or religious in origin) and spillover effects of conflicts, such as influxes of refugees in the FCAS classification.<sup>2</sup>

## B. Index Recommendation - Universal Vulnerability Index

6. Several indices have been examined, as outlined in Table A3.1. However, many of them has the limitation of country coverage, update frequency, data reliability, and index validity. UVI may be a worth-trying index for further analysis.

**Table A3.1: Fragility Indices**

Measurement	Organization	Characteristic
Country Indicators for Foreign Policy (CIFP)	Carleton University	- CIFP reflects three dimensions of countries (authority, legitimacy, and capacity). - The indicators include conflict intensity, government effectiveness, political stability, level of democracy, GDP per capita, education, and life expectancy.
Fragile States Index (FSI)	Fund for Peace (US)	- FSI is updated every year. - FSI consists of four categories of indicators (cohesion indicators, economic indicators, political indicators, and social and cross-cutting indicators).
INFORM Risk Index	European Commission	- INFORM Risk Index is updated every year. - INFORM Risk Index consists of three dimensions: hazard and exposure to natural disasters and conflicts, socio-economic vulnerability and vulnerable groups, and lack of institutional and infrastructure-related coping capacity.
Multidimensional Vulnerability Index (MVI)	United Nations	- MVI is still under development. - MVI consists of five dimensions: economic vulnerability, environmental vulnerability, social vulnerability, structural resilience, and non-structural policy resilience.
State Fragility Index (SFI)	Center for Systemic Peace (US)	- SFI is updated every three years. - SFI consists of eight indicators such as state effectiveness and legitimacy in the areas of security, politics, economy, and social welfare.
Universal Vulnerability Index (UVI)	Commonwealth Secretariat	- UVI was launched in 2021. - UVI is composed of five dimensions: economic vulnerability, physical vulnerability, socio-political vulnerability, structural resilience, and non-structural resilience.

Source: based on ADB. 2020. [ADF 13 Replenishment Meeting – Update on ADF 13 Resource Allocation Framework](#). Manila.

7. **The Universal Vulnerability Index (UVI) incorporates the measurement of subnational conflicts and influx of refugees.** The Commonwealth devised the UVI with the aim of building international consensus on defining and measuring vulnerability. The UVI consists of

<sup>1</sup> CDB. 2019. [Measuring Vulnerability: A Multidimensional Vulnerability Index for the Caribbean](#). Bridgetown.

<sup>2</sup> IED. 2022. [Annual Evaluation Review – Fragile and Conflict-Affected Situations and Small Island Developing States](#). Manila: ADB.

five indices to measure economic, climatic, socio-political, structural, and non-structural drivers of fragility. The internal violence index includes deaths due to internal armed conflicts, internally displaced people, homicide rate, intensity of violence during adverse regime changes, regional violence, terrorism, etc.<sup>3</sup> The index integrates different dimensions of violence to reflect other forms of conflict, localized situations that emerge in peaceful countries. In addition, the UVI also includes the influx of refugees and the outward migration in the index composition.

8. **The UVI helps capture the fragility faced by SIDS.** ADB classified 11 DMCs as FCAS countries in 2021, eight of them are SIDS. Many SIDS are fragile due to the complex disaster risks and/or climate change, economic shocks, and debt sustainability risks. They are isolated from markets and have very small economies and limited institutional capacity to sustain public services owing to the widely scattered geographic spread of the small islands.<sup>4</sup> Likewise, with 32 out of 54 members are small states,<sup>5</sup> the Commonwealth recognizes that these countries are especially vulnerable to issues such as climate change and developmental challenges. The UVI includes all these factors by measuring the economic vulnerability to external and natural shocks, the physical vulnerability to climate change index, the demographic structure, the structural market connectivity, the macroeconomic stability, the quality of governance, and so on.

9. **The UVI includes most of the ADB concessional-assistance DMCs.** ADB has classified 27 DMCs as concessional-assistance countries (Group A and B) in 2022. The UVI covers twenty-five of them, except Nauru and Niue, while the OECD fragility contexts cover nine of them and the fragile states index covers 19.

10. **The UVI composition is more comprehensive compared to the economic and environmental vulnerability index.** The economic and environmental vulnerability index (EVI) is used for the EVP for ADF-eligible SIDS under ADF 13. However, the EVI comprises eight indicators to measure the economic and climatic impacts, while the UVI adopts a more sophisticated methodology with 15 indicators for these impacts and other indicators for different drivers of fragility.

### C. The Applicability of Universal Vulnerability Index in ADB FCAS Classification

11. The Commonwealth proposed two aggregating methods: the multiplicative method (method 1) and the additive method (method 2), as illustrated in Equation A3. The method 1 reflects the level of vulnerability relative to the level of resilience, while the method 2 reflects the overall vulnerability of a country.

#### Equation A3: UVI aggregating methods

$$\text{Method 1} \quad UVI_1 = \frac{SVI}{GRI}$$

$$\text{with } SVI = \frac{\sqrt{EVENSI^2 + PVCCI^2 + IVI^2}}{3}, \text{ and } GRI = \frac{\sqrt{SRI^2 + NSRI^2}}{2}$$

<sup>3</sup> CDB. 2019. *Measuring Vulnerability: A Multidimensional Vulnerability Index for the Caribbean*. Bridgetown.

<sup>4</sup> ADB. 2021. *Fragile and Conflict-Affected Situations and Small Island Developing States Approach*. Manila.

<sup>5</sup> Eight ADB SIDS are also the Commonwealth member countries: Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

$$\text{Method 2 } UVI_2 = \frac{\sqrt{EVENSI^2 + PVCCI^2 + IVI^2 + LSRI^2 + LNSRI^2}}{5}$$

with  $LSRI = 100 - SRI$ , and  $LNSRI = 100 - NSRI$

EVENSI = economic vulnerability to external and natural shocks index, GRI = general resilience index, IVI = internal violence index, LNSRI = lack of non-structural resilience index, LSRI = lack of structural resilience index, NSRI = non-structural resilience index, PVCCI = physical vulnerability to climate change index, SRI = structural resilience index, SVI = structural vulnerability index, UVI = universal vulnerability index.

Source: The Commonwealth. 2021. [\*The Commonwealth Universal Vulnerability Index: For a Global Consensus on the Definition and Measurement of Vulnerability\*](#). London.

12. Given that the objective is to harmonize UVI with CPA as FCAS classification, this paper selects method 2. The UVI\_2 ranges from 0 to 100. The higher the index, the more vulnerable a country is. To make it comparable with the CPA, we reverse the index and rescale it to an index ranging from 1 to 6, corresponding to the CPA, as shown in Table A3.2.

**Table A3.2: UVI Scores in ADB Concessional Assistance Countries**

Concessional-Assistance Eligible Country	UVI_1	UVI_2	UVI_2 (reversed)	UVI_2 (reversed and rescaled)
Afghanistan	1.59	60.95	39.05	2.95
Bangladesh	0.85	45.52	54.48	3.72
Bhutan	0.50	34.99	65.01	4.25
Cambodia	0.87	46.31	53.69	3.68
Fiji	0.85	46.36	53.64	3.68
FS Micronesia	1.10	44.30	55.70	3.79
Kiribati	1.16	56.00	44.00	3.20
Kyrgyz Republic	0.80	44.66	55.34	3.77
Lao PDR	0.65	40.70	59.30	3.97
Maldives	1.10	55.40	44.60	3.23
Marshall Islands	1.10	55.52	44.48	3.22
Mongolia	0.78	45.06	54.94	3.75
Myanmar	0.88	46.48	53.52	3.68
Nauru				
Nepal	0.97	50.56	49.44	3.47
Niue				
Pakistan	1.19	56.29	43.71	3.19
Palau	0.91	48.10	51.90	3.60
Papua New Guinea	0.68	41.32	58.68	3.93
Samoa	0.85	46.38	53.62	3.68
Solomon Islands	0.88	46.88	53.12	3.66
Tajikistan	0.81	44.52	55.48	3.77
Timor-Leste	1.15	51.95	48.05	3.40
Tonga	0.93	48.52	51.48	3.57
Tuvalu	0.97	52.41	47.59	3.38
Uzbekistan	0.74	42.46	57.54	3.89
Vanuatu	0.83	45.79	54.21	3.71

CA = concessional assistance, UVI = universal vulnerability index.

Note: the time coverage of the UVI data is from 2010 to 2018.

Source: The Commonwealth. 2021. [The Commonwealth Universal Vulnerability Index: For a Global Consensus on the Definition and Measurement of Vulnerability](#). London.

13. We obtain the composite index with the arithmetic mean of the UVI\_2 (without Nauru and Niue) and ADB 2020 CPA scores (without Fiji and Niue). The average of the composite index is 3.55, as illustrated in Table A3.3. The five quantiles are 3.32, 3.45, 3.68, 3.92 and 4.45.

**Table A3.3: New FCAS Countries List (Composite Index Order in 2020)**

Concessional-Assistance Eligible Country	UVI_2 (reversed and rescaled)	CPA (2020)	Composite Index (2020)
Nauru		2.63	2.63
Afghanistan	2.95	2.93	2.94
Marshall Islands	3.22	2.80	3.01
Kiribati	3.20	3.08	3.14
Tuvalu	3.38	2.99	3.18
FS Micronesia	3.79	2.86	3.32
Timor-Leste	3.40	3.27	3.34
Papua New Guinea	3.93	2.78	3.36
Palau	3.60	3.22	3.41
Solomon Islands	3.66	3.20	3.43
Vanuatu	3.71	3.19	3.45
Pakistan	3.19	3.74	3.46
Myanmar	3.68	3.44	3.56
Maldives	3.23	3.95	3.59
Tonga	3.57	3.65	3.61
Fiji	3.68		3.68
Lao PDR	3.97	3.44	3.70
Tajikistan	3.77	3.66	3.72
Samoa	3.68	3.80	3.74
Nepal	3.47	4.08	3.78
Kyrgyz Republic	3.77	4.07	3.92
Mongolia	3.75	4.12	3.93
Cambodia	3.68	4.23	3.96
Bangladesh	3.72	4.22	3.97
Uzbekistan	3.88	4.28	4.08
Bhutan	4.25	4.64	4.45
Niue			
Average	3.61	3.53	3.55

CPA = country performance assessment, UVI = universal vulnerability index.

Note: the bold lines separate the five quintiles.

Source: Asian Development Bank.

14. In 2018, the average of the composite index is 3.53, as shown in Table A3.4. The five quintiles are 3.32, 3.45, 3.68, 3.86 and 4.39. For both 2018 and 2020, the second quintile of the composite indices are 3.45.

**Table A3.4: New FCAS Countries List (Composite Index Order in 2018)**

Concessional-Assistance Eligible Country	UVI_2 (reversed and rescaled)	CPA (2018)	Composite Index (2018)
Nauru		2.57	2.57



Afghanistan	2.95	2.78	2.87
Marshall Islands	3.22	2.83	3.03
Kiribati	3.2	2.96	3.08
Tuvalu	3.38	3.02	3.20
FS Micronesia	3.79	2.86	3.32
Papua New Guinea	3.93	2.75	3.34
Timor-Leste	3.40	3.31	3.36
Pakistan	3.19	3.58	3.38
Solomon Islands	3.67	3.20	3.43
Palau	3.60	3.30	3.45
Vanuatu	3.71	3.19	3.45
Maldives	3.23	3.82	3.53
Myanmar	3.68	3.38	3.53
Tonga	3.57	3.54	3.56
Tajikistan	3.77	3.59	3.68
Fiji	3.68		3.68
Samoa	3.68	3.78	3.73
Nepal	3.47	4.02	3.75
Mongolia	3.75	3.94	3.84
Bangladesh	3.72	4.00	3.86
Lao PDR	3.97	3.76	3.86
Cambodia	3.68	4.12	3.90
Kyrgyz Republic	3.77	4.07	3.92
Uzbekistan	3.88	4.21	4.04
Bhutan	4.25	4.53	4.39
Nauru			
Average	3.61	3.48	3.53

CPA = country performance assessment, UVI = universal vulnerability index.

Note: the bold lines separate the five quintiles.

Source: Asian Development Bank.

15. The new classification is based on two criteria: (i) country is ranked in the fourth and fifth quintiles on the average of ADB CPA and the Commonwealth UVI (composite index is or lower than 3.45) for the most recent 3 years, or (ii) the presence of UN Department of Peace Operation (DPO).

16. The first criterion pictures the fragile characteristics with the composite index, while enhances the stability of the classification by dating back to the past few years. Since ADB conducts the CPA biennially, we set up the threshold to the most recent 3 years to capture the change. This paper recognizes the fact that when ADB DMCs become more resilient in the future, the use of fourth and fifth quintiles as a threshold may not be appropriate. Another possible

threshold can be the cut-off point of 3.45, which is the fourth quintile score of the composite index in both 2018 and 2020.

17. The second criterion follows the previous criterion with the presence during the previous 3 years of a United Nations and/or regional peacekeeping or peacebuilding mission from such organizations as the African Union, the European Union, or the North Atlantic Treaty Organization (excluding border monitoring operations). This paper suggests revising it in line with the World Bank new criteria to confirm the source of information.

18. By comparing the new classification system and the previous methodology in 2020, Lao PDR and Myanmar will be removed from the FCAS list, while two additional DMCs will be classified as FCAS: Palau and Vanuatu, as shown in Table A3.5.

**Table A3.5: Difference of the Classification in 2020 with Composite Index**

Country	FCAS (original)	FCAS (New)	CPA	UVI (rescaled)	Composite Index
Afghanistan	√	√	2.93	2.95	2.94
FS Micronesia	√	√	2.86	3.79	3.32
Kiribati	√	√	3.08	3.2	3.14
Lao PDR	√		3.44	3.97	3.70
Marshall Islands	√	√	2.80	3.22	3.01
Myanmar	√		3.44	3.68	3.56
Nauru	√		2.57		
Palau		√	3.22	3.60	3.41
Papua New Guinea	√	√	2.78	3.93	3.36
Solomon Islands	√	√	3.2	3.66	3.43
Timor-Leste	√	√	3.27	3.40	3.34
Tuvalu	√	√	2.99	3.38	3.18
Vanuatu		√	3.19	3.71	3.45

CPA = country performance assessment, FCAS = fragile and conflict-affected situations, UVI = universal vulnerability index.

Note: there is no UVI score in Nauru.

Source: Asian Development Bank.

19. For Lao PDR and Myanmar, their CPA scores in 2020 are both 3.44, higher than the previous criterion 3.2. Lao PDR and Myanmar, along with Bhutan, Cambodia, and Nepal, are IDA gap countries in 2022.<sup>6</sup> In addition, in fiscal year 2022, Lao PDR has been removed from World Bank FCS list, while Myanmar is classified as medium-intensity conflict rather than high institutional and social fragility. Furthermore, even though ADB provided reengaging premium for Myanmar during ADF XI and 12, with the introduction of the need-based component in the COL allocation, this premium has been removed in ADF 13.<sup>7</sup>

20. On the other hand, the CPA scores of Palau and Vanuatu in 2020 and 2018 are around and lower than 3.2, respectively. These two countries were also classified as FCAS until 2012. Given that our objective is to reflect the other dimension of fragility, such as the risks of exposure

<sup>6</sup> IDA gap countries are not eligible for ADF grants. They are group A countries that have had GNI per capita above the operational cutoff for IDA eligibility for more than two consecutive years and are assessed as a gap country by IDA.

<sup>7</sup> ADB. 2020. [Asian Development Fund 13 Donors' Report: Tackling the COVID-19 Pandemic and Building a Sustainable and Inclusive Recovery in line with Strategy 2030.](#)

to sharp external shocks, such as economic-, health-, and climate-related issues, especially for Pacific countries, it is reasonable to put them into the list.



## APPENDIX 4: HARMONIZING CPA WITH TARGETED INDICES – A THREE-DIMENSION METHODOLOGY

1. Table A4.1 shows the indices regarding to the economic, environmental, and human capital aspects. Many of the targeted indices have the similar issues of country coverage, update frequency, data reliability and index validity. Also, the scopes may overlap to the CPA and thus change the weight of each topic. This chapter suggests using the economic vulnerability index, environmental vulnerability index, health index, education index, and the number of influx and outflux of cross-border displacement.

**Table A4.1: Targeted Indices**

Type	Measurement	Organization	Characteristic
Economic and environmental aspect	Average Annual Displacement (AAD)	Internal Displacement Monitoring Centre (IDMC)	AAD measures the magnitude of future displacement by hazard types, such as cyclonic wind, earthquake, floods, storm-surge, and Tsunami, that a country is likely to experience.
	Economic and Environmental Vulnerability Index (EVI)	United Nations Committee for Development Policy (UNCDP)	- EVI is updated every three years. - EVI is composed of two sub-indices (economic vulnerability index and environmental vulnerability index) with eight variables.
	Global Climate Risk Index (CRI)	Germanwatch (Germany)	- CRI is updated every year. - CRI scores are calculated based on the number of deaths and the sum of losses caused by extreme weather events.
	World Risk Index	Bündnis Entwicklung Hilft and Ruhr University Bochum (Germany)	- WRI is updated every year. - WRI is composed of 27 indicators covering a wide range of developmental issues (poverty, infrastructure, health, education, gender, ecosystem, corruption, etc.).
	Multidimensional Fragility Framework	Organisation for Economic Co-operation and Development (OECD)	- OECD fragility framework is updated every two years. - OECD fragility framework consists of five dimensions: political, environment, economic, social, and security. Each dimension is composed of 8-13 indicators on risks and coping capacity.
Human capital aspect	Human Assets Index (HAI)	United Nations Committee for Development Policy (UNCDP)	- HAI is updated every three years. - HAI is composed of two sub-indices (health index and education index) with six variables.
	Human Development Index (HDI)	United Nations Development Programme (UNDP)	- HDI is updated every year. - HDI reflects life expectancy, years of schooling, and GNI per capita.
	Human Capital Index (HCI)	World Bank	- HCI was created in 2018 and updated in 2020. - HCI is composed of three components: survival, education, and health.
	Multidimensional Poverty Index (MPI)	UNDP and Oxford Poverty and Human Development Initiative (OPHI)	- MPI is updated every year. - MPI reflects health, education, and standard of living with ten variables.

Source: based on ADB. 2020. [ADF 13 Replenishment Meeting – Update on ADF 13 Resource Allocation Framework](#). Manila.

2. By taking reference of MDBs' FCAS classification systems and to reflect ADB's new definition of fragility, it is also suggests classifying a DMC as FCAS if it is (i) in high institutional and political fragile situations, which reflects a lack of coping capacity; (ii) under significant external pressures/risks, which represents the exposure to risk; (iii) in conflict-affected situations. These three dimensions do not mean that ADB separate FCAS into three groups, as outline in Table A4.2. Instead, these three dimensions interplay with each other and stand for different drivers of fragility. A country may be classified as FCAS because of several dimensions. In addition, the governance rating is considered in every dimension since it is the core driver of fragility by definition and also has a higher emphasis in the PBA.

**Table A4.2: Different Dimensions of FCAS (CPA cluster)**

Transitional Situations			
Fragile situations			Conflict-affected situations
Weak policy and institutional framework	Significant external/internal pressures/risks		
(i) the harmonized governance rating is or below 3.2, and 2) the harmonized policy and institutional rating is or below 3.2.	(i) the harmonized governance rating is or below 3.2, and (ii) the country is in at least two of the six situations:		(i) the harmonized governance rating is or below 3.2, and there is a large number of conflict-related death according to ACLED and UCDP, or (ii) the presence of UN Department of Peace Operation (DPO).
	Vulnerability	1. high economic vulnerability, 2. high environmental vulnerability,	
	Human development	3. low health index, 4. low education index,	
	Demography	5. a large number of incoming refugees, 6. a large number of outgoing refugees.	

ACLED = Armed Conflict Location and Event Data Project, FCAS = fragile and conflict-affected situations, UCDP = Uppsala Conflict Data Program.

Source: Asian Development Bank.

3. Countries in high institutional and political fragile situations are those with (i) the policy and institutional rating, which is the average of scores for cluster A, B and C of CPA, is or below 3.2, and (ii) the governance rating is or below 3.2. In the PBA formula, ADB and other MDBs emphasize the importance of the governance rating (cluster D), and put macroeconomic management (cluster A), structural policies (cluster B) and social and political equity and inclusion (cluster C) into the category of policy and institutional rating.

4. As outlined in Table A4.3, there are nine countries correspond to the criteria: Afghanistan, Kiribati, Marshall Islands, Micronesia, Federated States of, Nauru, Palau, Papua New Guinea, Tuvalu, and Vanuatu. Apart from them, four countries have the governance ratings below 3.2 while policy and institutional ratings higher than the threshold: Lao PDR, Myanmar, Solomon Islands and Timor-Leste.

**Table A4.3: Policy and Institutional Rating and Governance Rating in 2020 (CPA)**

Country	Policy and Institutional Rating	Governance Rating	CPA
Afghanistan	2.97	2.80	2.93
Kiribati	3.10	3.10	3.08
Lao PDR	3.57	3.10	3.44
Marshall Islands	2.80	2.80	2.80
Micronesia, Federated States of	2.87	2.80	2.86
Myanmar	3.57	3.00	3.44
Nauru	2.57	2.80	2.63
Palau	3.20	3.20	3.22
Papua New Guinea	2.80	2.70	2.78

Solomon Islands	3.27	3.00	3.20
Timor-Leste	3.30	3.10	3.27
Tuvalu	2.93	3.10	2.99
Vanuatu	3.17	3.20	3.19

CPA = country performance assessment

Note: this table only shows countries with policy and institutional rating or governance rating is or below 3.2; scores in red are above 3.2.

Source: Asian Development Bank.

5. Countries under significant external pressures are those with the governance rating is or below 3.2 and either (i) economic and environmental vulnerability index (EVI) is or more than 32, or (ii) a country hosts at least 250,000 refugees, or refugees make up at least 1% of its population.

6. UN considers that economic and vulnerability index (EVI), the average of economic vulnerability index and environmental vulnerability index, is or higher than 32 as one of the three criteria to define least developed country (LDC). This paper suggests following this threshold for both economic and environmental vulnerability indices as the classification criteria. Other possible threshold is 40, since ADB provides Economic Vulnerability Premium for SIDS if it's EVI is or higher than 40 under ADF 13.

7. Table A4.4 shows the ratings of economic vulnerability index in Asia and the Pacific.

**Table A4.4: Economic Vulnerability Index in 2021**

Country	Economic vulnerability index
Tuvalu	69.13
Kiribati	62.96
Micronesia, Federated States of	56.55
Solomon Islands	55.10
Timor-Leste	55.01
Marshall Islands	49.30
Nauru	48.68
Tonga	45.72
Turkmenistan	43.17
Vanuatu	38.87
Palau	37.85
Azerbaijan	37.74
Afghanistan	37.09
Maldives	35.96
Papua New Guinea	35.79
Samoa	34.54
Uzbekistan	34.19
Fiji	34.09
Bhutan	32.20
Mongolia	31.73

Note: countries are sorted by economic vulnerability index.

Source: United Nations Department of Economic and Social Affairs.

8. Likewise, Table A4.5 shows the ratings of environmental vulnerability index in the region.

**Table A4.5: Environmental Vulnerability Index in 2021**

Country	Environmental vulnerability index
Marshall Islands	70.41
Mongolia	65.90
Afghanistan	52.59
Maldives	49.49
Tajikistan	49.44
Kyrgyz Republic	46.27
Armenia	45.84
Fiji	45.17
Tuvalu	45.02
Micronesia, Federated States of	43.75
Tonga	41.75
Viet Nam	41.35
Kiribati	40.42
Vanuatu	40.33
Pakistan	40.26
India	38.75
Thailand	38.52
Uzbekistan	38.43
Kazakhstan	37.96
Georgia	36.47
Solomon Islands	35.14
Azerbaijan	34.61
China	34.37
Philippines	32.24
Cambodia	31.89

Note: countries are sorted by environmental vulnerability index.  
Source: United Nations Department of Economic and Social Affairs.

9. If a ADB DMC hosts more than 250,000 refugees, or refugees make up at least 1% of its population, it is eligible for expanded disaster response facility (DRF+). The IDA 19 window for host communities and refugees sets up the threshold to host at least 25,000 refugees, or at least 0.1% of its population. Table A4.6 shows the influx of cross-border displacements in Asia and the Pacific. Although Bangladesh and Pakistan host a large number of refugees, their governance ratings are higher than 3.2. Thus, they are not classified as FCAS.

**Table A4.6: Influx of refugees in 2021**

Country	Influx of Refugees	Refugees of population (%)
Afghanistan	72,226	0.00
Bangladesh	889,775	0.01
Cambodia	32	0.00
Kyrgyz Republic	327	0.00
Nauru	964	0.08
Nepal	19,552	0.00



Pakistan	1,438,523	0.01
Papua New Guinea	11,862	0.00
Sri Lanka	952	0.00
Tajikistan	6,780	0.00
Uzbekistan	13	0.00

Source: United Nations High Commissioner for Refugees.

10. By taking reference of the WBG methodology, we suggest adopting the threshold of 2% population of cross-border displaced people (country of origin). This threshold aligns with the situation in Asia and the Pacific, identifying the situation in Afghanistan and Myanmar as illustrated in Table A4.7.

**Table A4.7: Outflux of refugees in 2021**

Country	Outflux of Refugee	Refugee of population (%)
Afghanistan	2,610,067	0.08
Myanmar	1,127,588	0.02
Sri Lanka	142,512	0.01
Pakistan	135,580	0.00
Azerbaijan	48,648	0.00
Bangladesh	20,109	0.00
Indonesia	14,077	0.00
India	13,084	0.00
Cambodia	11,849	0.00
Armenia	10,208	0.00
Georgia	7,562	0.00
Nepal	7,174	0.00
Bhutan	6,700	0.01
Lao PDR	6,622	0.00
Uzbekistan	3,035	0.00
Kyrgyz Republic	2,841	0.00
Tajikistan	2,296	0.00
Mongolia	2,275	0.00
Philippines	499	0.00
Papua New Guinea	498	0.00
Maldives	79	0.00
Solomon Islands	38	0.00
Tonga	31	0.00
Timor-Leste	11	0.00
Marshall Islands	7	0.00
Nauru	5	0.00

Note: the table is ordered by the descending number of outgoing refugees.

Source: United Nations High Commissioner for Refugees.

11. Countries in conflict-affected situations are those with (i) the presence of UN Department of Peace Operation (DPO) or (ii) the governance rating is or below 3.2 and (a) an absolute number of conflict deaths above 250 (ACLED) and 150 (UCDP), and a number of conflict deaths relative to the population between 2 and 10 per 100,000 (ACLED) and between 1 and 10 per 100,000 (UCDP), or (b) a number of conflict deaths relative to the population between 1 and 2 (ACLED) and 0.5 and 1 (UCDP), and the number of casualties more than doubling in the last year. Under these criteria, Afghanistan and Myanmar are classified as FCAS because of the conflict-affected situations, as illustrated in Table A4.8. There is no UNDPO in ADB DMCs.

**Table A4.8: Number of Conflict-Related Death**

Country	2020				2021			
	ACLED		UCDP		ACLED		UCDP	
	Death	Relative Death	Death	Relative Death	Death	Relative Death	Death	Relative Death
Afghanistan	31,365	99.92	20,836	66.38	42,521	135.46	36,396	115.95
Armenia	27	0.91	10	0.34	24	0.81	10	0.34
Azerbaijan	7,057	70.10	7,623	75.72	33	0.33	26	0.26
Bangladesh	279	0.17	4	0.00	348	0.21	22	0.01
Cambodia	12	0.07	-	-	3	0.02	-	-
India	1,323	0.10	754	0.06	993	0.07	569	0.04
Indonesia	128	0.05	22	0.01	124	0.05	75	0.03
Kyrgyz Republic	2	0.03	-	-	32	0.49	40	0.62
Myanmar	687	1.25	195	0.36	11,008	20.08	2,440	4.45
Nepal	20	0.07	-	-	-	-	-	-
Pakistan	834	0.39	409	0.19	1,407	0.65	569	0.26
Palestine	46	-	-	-	374	-	-	-
Papua New Guinea	-	-	-	-	131	1.37	38	0.40
Philippines	1,486	1.36	375	0.34	1,154	1.06	318	0.29
Sri Lanka	35	0.16	-	-	5	0.02	-	-
Tajikistan	2	0.02	-	-	20	0.21	16	0.17

ACLED = Armed Conflict Location and Event Data Project, UCDP = Uppsala Conflict Data Program.

Note: relative death is the number of conflict death per 100,000 population.

Source: Armed Conflict Location and Event Data Project, and Uppsala Conflict Data Program.

12. Another potential indicator on the conflict-affected situations is the number of internally displaced people (IDP). AfDB considers it in the resilience evaluation with the number in 2020 as baseline. However, among MDBs, there is no established threshold for the FCAS classification regarding the number of IDPs. This indicator also shows that Afghanistan and Myanmar have the highest IDPs among ADB DMCs, as outlined in Table A4.9.

**Table A4.9 Internal Displaced People in Asia and the Pacific**

Country	2020		2021	
	IDP	Relative IDP	IDP	Relative IDP
Afghanistan	2,886,317	9,194.97	3,204,805	10,209.58
Myanmar	370,320	675.52	569,591	1,039.02
Pakistan	98,898	45.95	98,898	45.95
Papua New Guinea	14,000	145.99	14,000	145.99
Sri Lanka	25,013	114.12	11,273	51.43

IDP = internally displaced people.

Note: relative IDP is the number of IDP per 100,000 population.

Source: United Nations High Commissioner for Refugees.

13. The new methodology includes Palau and Vanuatu, which face significant external risks with low coping capacities (low CPA scores), in the FCAS countries, while excludes Lao PDR and Timor-Leste, as illustrated in Table A4.10.

**Table A4.10: Difference of the Classification in 2021 with Targeted Indices (Three-Dimension with CPA Threshold)**

Country	FCAS (original)	FCAS (New)	High institutional and political fragile situations	Significant external pressures/risks	Conflict-affected situations
Afghanistan	√	√	√	√	√
Kiribati	√	√	√	√	

Lao PDR	√				
Marshall Islands	√	√	√	√	
Micronesia, Federated States of	√	√	√	√	
Myanmar	√	√			√
Nauru	√	√	√		
Palau		√	√		
Papua New Guinea	√	√	√		
Solomon Islands	√	√		√	
Timor-Leste	√				
Tuvalu	√	√	√	√	
Vanuatu		√	√	√	

FCAS = fragile and conflict-affected situations.

Source: Asian Development Bank.

14. In this vein, this paper also suggests using the harmonized policy and institutional rating and governance rating instead of the CPA scores as the criteria. As for the threshold, quartile and second quintile are under consideration, as outlined in Table A4.11.

**Table A4.11: Policy and Institutional Rating and Governance Rating in 2020 (Harmonized Index)**

Country	Harmonized Policy and Institutional Rating	Harmonized Governance Rating	Harmonized Index
Afghanistan	2.82	2.70	2.79
Bangladesh	3.80	3.20	3.65
Cambodia	4.02	3.25	3.83
Kiribati	3.02	3.20	3.05
Lao PDR	3.32	2.95	3.22
Maldives	3.62	3.50	3.59
Marshall Islands	2.67	2.80	2.70
Micronesia, Federated States of	2.87	2.80	2.86
Myanmar	3.32	2.90	3.22
Nauru	2.57	2.80	2.63
Palau	3.20	3.20	3.22
Papua New Guinea	2.82	2.70	2.79
Solomon Islands	3.14	2.85	3.07
Tajikistan	3.46	3.20	3.39
Timor-Leste	3.11	2.85	3.05
Tuvalu	2.84	3.05	2.90
Vanuatu	3.29	3.20	3.28

Note: this table only shows countries with the harmonized index of policy and institutional rating or governance rating is or below 3.3.

Source: Asian Development Bank.

15. With the harmonized policy and institutional rating and governance rating, the methodology includes Vanuatu in the FCAS countries, while excludes Lao PDR, as shown in the Table A4.12. The difference between CPA-based classification and harmonized index-based classification is on the Timor-Leste and Palau.

**Table A4.12: Difference of the Classification in 2021 with Targeted Indices (Three-Dimension with Harmonized Index and 3.2 Threshold)**

Country	FCAS (original)	FCAS (New)	High institutional and political fragile situations	Significant external/internal pressures/risks	Conflict-affected situations

Afghanistan	√	√	√	√	√
Kiribati	√	√	√	√	√
Lao PDR	√	√	√	√	√
Marshall Islands	√	√	√	√	√
Micronesia, Federated States of	√	√	√	√	√
Myanmar	√	√	√	√	√
Nauru	√	√	√	√	√
Papua New Guinea	√	√	√	√	√
Solomon Islands	√	√	√	√	√
Timor-Leste	√	√	√	√	√
Tuvalu	√	√	√	√	√
Vanuatu	√	√	√	√	√

FCAS = fragile and conflict-affected situations.

Source: Asian Development Bank.

16. Table A4.13 shows the rationale of the classification. Vanuatu is considered as FCAS because of the high economic and environmental vulnerability and the relatively weak governance rating.

**Table A4.13: Drivers of Fragility in FCAS Countries**

Country	Weak policy and institutional framework				Significant external/internal pressures/risks						Conflict-affected situations
	Policy and institution		Governance	PSM	Vulnerability		Human development		Influx of refugee	Outflux of refugee	
	EM	SP	PSI		Economy	Environment	Health	Education			
Afghanistan	√	√	√	√	√	√	√	√	√	√	√
Kiribati	√	√	√	√	√	√	√	√	√	√	√
Marshall Islands	√	√	√	√	√	√	√	√	√	√	√
Micronesia, Federated States of	√	√	√	√	√	√	√	√	√	√	√
Myanmar	√	√	√	√	√	√	√	√	√	√	√
Nauru	√	√	√	√	√	√	√	√	√	√	√
Papua New Guinea	√	√	√	√	√	√	√	√	√	√	√
Solomon Islands	√	√	√	√	√	√	√	√	√	√	√
Timor-Leste	√	√	√	√	√	√	√	√	√	√	√
Tuvalu	√	√	√	√	√	√	√	√	√	√	√
Vanuatu	√	√	√	√	√	√	√	√	√	√	√

EM = economic management, PSI = policies for social inclusion, PSM = public sector management, SP = structural policies.

Note: the marks in high institutional and political fragile situations are based on the harmonized indices with 3.2 threshold.

17. FCAS team has decided not to use this methodology considering that (i) the modifications of EVI have resulted in rating SIDS substantially less vulnerable due to replacing the indicator population with the indicator share of population living in drylands. The SPD thus decided not to use the EVI to measure vulnerability under ADF 14; (ii) even though CPA focuses on policy and institutional framework, risks are taken into consideration during the assessment. There is no need to integrate an external vulnerability index to reflect the risks; (iii) CPA has well-captured the economic and environmental vulnerability, with a significant lower score for FCAS-SIDS regarding the debt sustainability and environmental sustainability; (iv) compared to other FCAS classification systems and/or frameworks, ADB FCAS classification has already disproportionately put SIDS on the FCAS list (Appendix 1); (v) there is no strong argument to accentuate the weight of natural hazards are more influential than political stability, conflict, economy, or governance regarding fragility.

## APPENDIX 5: LIST OF PERSONS MET

## A. International institutions

Institution	Name	Contact	Discussed Topic
IDMC	Sylvain Ponserre	<a href="mailto:sylvain.ponserre@idmc.ch">sylvain.ponserre@idmc.ch</a>	<ul style="list-style-type: none"> <li>Inquire the Average Annual Displacement (AAD) dataset</li> <li>Discuss AAD, number of IDPs, and UNDRR data</li> </ul>
ACLED	Emily Rothstein	<a href="mailto:access@acleddata.com">access@acleddata.com</a>	<ul style="list-style-type: none"> <li>Inquire the access of the historical data</li> <li>The quote for ACLED data</li> </ul>
	Roudabeh Kishi	<a href="mailto:r.kishi@acleddata.com">r.kishi@acleddata.com</a>	<ul style="list-style-type: none"> <li>Recommended by Emily for the discussion on the methodology.</li> </ul>
	Lennart Landman	<a href="mailto:l.landman@acleddata.com">l.landman@acleddata.com</a>	
UNOHRLLS	Yuxin Ai	<a href="mailto:aiy@un.org">aiy@un.org</a>	<ul style="list-style-type: none"> <li>Inquire the guiding questions and the panelists at the Ministerial Meeting on South-South Cooperation during the Fifth UN Conference on LDC5.</li> </ul>
	Rita Ruohonen	<a href="mailto:ruohonen@un.org">ruohonen@un.org</a>	<ul style="list-style-type: none"> <li>Discuss the administrative procedure for VPKM's participation in the LDC5 Conference.</li> </ul>
UNDESA	Suzana Hrvatin	<a href="mailto:hrvatin@un.org">hrvatin@un.org</a>	<ul style="list-style-type: none"> <li>Discuss the timeline of the MVI.</li> <li>Jan Hansen is the main contact person from ADB</li> </ul>
	Anya Ihsan Thomas	<a href="mailto:thomasa@un.org">thomasa@un.org</a>	
The Commonwealth	Ruth Kattumuri	<a href="mailto:r.kattumuri@commonwealth.int">r.kattumuri@commonwealth.int</a>	<ul style="list-style-type: none"> <li>Introduce and discuss UVI</li> </ul>
	Alexander Lee-Emery	<a href="mailto:a.leeemery@commonwealth.int">a.leeemery@commonwealth.int</a>	
	Ankita Narain	<a href="mailto:narain@commonwealth.int">narain@commonwealth.int</a>	<ul style="list-style-type: none"> <li>Help arrange a meeting</li> <li>Jan Hansen has followed up the meeting with them.</li> </ul>
	Elaine Tan	<a href="mailto:e.tan@commonwealth.int">e.tan@commonwealth.int</a>	
AfDB	RIADH BEN MESSAOUD	<a href="mailto:R.BENMESSAOUD@AFDB.ORG">R.BENMESSAOUD@AFDB.ORG</a>	<ul style="list-style-type: none"> <li>Discuss how AfDB adjust WB methodology to TSF eligibility</li> </ul>
	MALEK SEFI	<a href="mailto:M.SEFI@AFDB.ORG">M.SEFI@AFDB.ORG</a>	
	BUMI CAMARA	<a href="mailto:B.CAMARA@AFDB.ORG">B.CAMARA@AFDB.ORG</a>	
WBG	Jae Kyun Kim	<a href="mailto:jkim19@worldbank.org">jkim19@worldbank.org</a>	<ul style="list-style-type: none"> <li>Discuss WB FCS classification</li> </ul>
CDB	Jason Cotton	<a href="mailto:jason.cotton@caribank.org">jason.cotton@caribank.org</a>	<ul style="list-style-type: none"> <li>Discuss CDB MVI and the recovery duration adjuster.</li> </ul>
IaDB	Caroline Sipp	<a href="mailto:carolines@iadb.org">carolines@iadb.org</a>	<ul style="list-style-type: none"> <li>Discuss ADB proposed FCAS classification</li> <li>Discuss pocket of fragility and subnational conflict</li> </ul>
	Francisco Castro y Ortiz	<a href="mailto:fjcastro@iadb.org">fjcastro@iadb.org</a>	
	Agustina Schijman	<a href="mailto:aschijman@iadb.org">aschijman@iadb.org</a>	
	Emmanuel Abuelafia	<a href="mailto:eabuelafia@iadb.org">eabuelafia@iadb.org</a>	
	Mejia Juan	<a href="mailto:juanmej@iadb.org">juanmej@iadb.org</a>	
	Laura Giles Alvarez	<a href="mailto:lauragi@iadb.org">lauragi@iadb.org</a>	
	El Fakh Nizar	<a href="mailto:nizarelfakh@gmail.com">nizarelfakh@gmail.com</a>	
EBRD	Sunita Pitamber	<a href="mailto:PitambeS@ebrd.com">PitambeS@ebrd.com</a>	<ul style="list-style-type: none"> <li>Discuss including an indicator related to an inclusive private</li> </ul>

			sector investment climate in the classification.
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## B. ADB Departments

Division	Name	Contact	Discussed Topic
PASP	Rosalind Mckenzie	<a href="mailto:rmckenzie@adb.org">rmckenzie@adb.org</a>	<ul style="list-style-type: none"> <li>Informal discussion for the proposed classification for countries in PARD</li> </ul>
SPSO	Aaron Batten	<a href="mailto:abatten@adb.org">abatten@adb.org</a>	
PASP	Rommel Flores Rabanal	<a href="mailto:rrabanal@adb.org">rrabanal@adb.org</a>	
PASP	Ananya Basu	<a href="mailto:abasu@adb.org">abasu@adb.org</a>	
SARC	Thiam Hee Ng	<a href="mailto:thiamng@adb.org">thiamng@adb.org</a>	<ul style="list-style-type: none"> <li>Informal discussion for the proposed classification for countries in SARD</li> </ul>
PFFM	Myra Evelyn P. Ravelo	<a href="mailto:mravelo@adb.org">mravelo@adb.org</a>	<ul style="list-style-type: none"> <li>Informal discussion for the proposed classification in terms of Myanmar</li> </ul>
SEPF	Delaney P. Miram	<a href="mailto:dmiram@adb.org">dmiram@adb.org</a>	<ul style="list-style-type: none"> <li>Informal discussion for the proposed classification in terms of Lao PDR and Timor-Leste</li> </ul>
ADB Library	Loureal Camille Inocencio	<a href="mailto:linocencio@adb.org">linocencio@adb.org</a>	<ul style="list-style-type: none"> <li>Suggest the data sources for indicators of drivers of fragility</li> <li><a href="#">Collect fragility-related quantitative research methodology</a></li> <li><a href="#">Collect conflict definition and indicators</a></li> </ul>

## C. Academia

Institution	Name	Contact	Discussed Topic
University of Chicago	Rebecca Wolfe	<a href="mailto:rebeccawolfe@uchicago.edu">rebeccawolfe@uchicago.edu</a>	<ul style="list-style-type: none"> <li>ADB-Harris Policy Lab Meeting</li> </ul>
University of Notre Dame	Max Hammond	<a href="mailto:mhammon2@nd.edu">mhammon2@nd.edu</a>	<ul style="list-style-type: none"> <li>Analyze the displacement, conflict, and violence in FCAS countries.</li> </ul>