

SITUATIONS OF FRAGILITY AND CONFLICT: AID POLICIES AND BEYOND

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I. Introduction

Peace, security and political stability provide the enabling conditions for effective development cooperation. Yet, one sixth of humanity or one-third of the world's poorest – the 'bottom billion' – live in countries that lack such conditions and are *off* the development path. Thirty-five such countries considered fragile in 1979 were still fragile in 2009.ⁱⁱ In such settings 'traditional' development co-operation strategies have not worked well. Violent conflict is closely associated with a lack of state capacity, legitimacy and accountability. Such gaps undermine sustainable development and the achievement of the Millennium Development Goals (MDGs). They also induce global insecurity. Hence, the international community has begun to address the fault-lines of state fragility and violent conflict.

This article aims to provide an overview of aid policy challenges posed by state fragility, as well as development cooperation issues that reach 'beyond-aid'.ⁱⁱⁱ It begins with a discussion of the Paris Declaration framework^{iv} and its relevance for countries affected by fragility and conflict. It then introduces the OECD Development Assistance Committee (DAC) *Principles for Good International Engagement in Fragile States and Situations* (Box 1), which have become an international reference point for donors.

The subsequent sections highlight key aid policy issues and, in particular, 'beyond aid' challenges as well as the need for closer synergies with donors that are not members of the DAC. The paper concludes with an emphasis on international objectives around peace building and state building as the twin focus of a renewed international agenda towards countries in situations of fragility and conflict, coupled with a call for whole-of-government approaches and closer 'DAC member-non-DAC member' collaboration. Finally, the article suggests possible ways forward.

II. Fragile Situations and the Paris Declaration Paradigm

State fragility poses significant challenges for donors in implementing aid policies based on the good practice principles of the Paris Declaration. These challenges signal the need for a complementary framework.

Ownership and mutual accountability

Realising the Paris principles of partner country ownership and mutual accountability in contexts where governments are struggling to re-establish a legitimate relationship with their population after conflict or state failure is challenging. Ensuring collective ownership is especially difficult in divided societies and/or governments with weak legitimacy. Where human rights violations, gender violence and systematic discrimination are rampant, a close association between governments and donors may be impossible.

Genuine ownership is hard to secure if recipient governments are unwilling to develop good governance. In countries highly dependent on donor resources, governments tend to prioritise accountability to donors instead of accountability to their own populations. At a 2008 high-level meeting in Cape Town on Security System Reform (SSR), many African delegations acknowledged that, without finance from donors, reforms are unlikely to be pursued yet it tends

to undermine local ownership (he who pays the piper, calls the tune). The challenge then is for donors to nurture the appetite for reform, elicit local initiatives and avoid pre-empting the authority and legitimacy of the partner state.

Alignment

Government leadership and vision to coordinate donor inputs are generally weak in fragile situations – for capacity reasons, lack of political commitment or both. Often nationally-owned development strategies to which donors could align do not exist, and government policies or programmes, if they exist, are incoherent or inadequately prioritised. Weak administrative structures and governance systems, combined with insufficient accountability mechanisms and prevalent corruption, make it difficult for donors to align to or use government systems.

Scaling up resources through government systems and using aid instruments such as direct budget support in these circumstances are particularly challenging, as is agreeing on the character and sequence of reforms. There are no simple answers, but efforts made through programmatic tools, such as Poverty Reduction Strategy Papers (PRSPs) and National Development Plans and Compacts, are helping to prioritise and sequence reforms. International efforts should never lose sight of the centrality of national programmes as vehicles for effective and transparent implementation of key state functions. Such programmes, including those that are sector wide operations, can serve as tools for a coherent division of labour at the national, regional, and local/community levels.

Nonetheless, in certain situations, like Myanmar or Somalia, where government priorities are totally distorted or the state has failed, aligning aid with state priorities poses dilemmas that cannot be readily overcome with the shadow alignment approaches suggested above and aid must be channelled through non-state vehicles.

Harmonisation, Coordination and Policy Coherence

Many situations of fragility, in particular post-conflict environments, are characterised by a significant international presence and a variety of actors ranging from non-governmental organisations (NGOs), humanitarian and development agencies, to the diplomatic community, to security and military actors and/or a peace-keeping mission. This multiplicity of players on the ground makes close cooperation all the more challenging. Lack of coordination is spurred by:

- Donor competition – ‘flag-waving syndrome’, *i.e.* insistence on visible credit to individual donors for the specific projects and programmes that they fund;
- ‘Sexy’ reforms – donors want to be involved in areas of reform that are considered high profile; for example, many donors will involve themselves in police reform, but very few will support prison reform;
- Different objectives and time horizons of different policy communities;
- The complexity of DAC and non-DAC donors working side by side in places like Sudan and Ethiopia.

In Afghanistan, for example, despite the establishment of numerous co-ordinating bodies, the institutional mechanisms needed to provide strategic vision and leadership for substantive co-ordination of aid are still lacking. Those best equipped to provide the necessary leadership either

lack the mandate or have been unwilling or politically unable to take on this role. Better division of labour based on the comparative advantage of multilateral and bilateral development actors is critical (e.g. economic co-ordination by the World Bank; stronger participation and leadership in donor co-ordination by the United States).^v

On the side of national authorities, fragmentation, unclear and competing responsibilities between government agencies, and/or ‘spoilers’, may result in a complex and fragmented relationship between the international actors and the national government. The lack of coordinated interventions by external actors puts the partner state under further strain and weakens aid – and ultimately development – effectiveness.

Is the Paris Declaration relevant in the context of fragility?

These challenges do not make the Paris Declaration agenda irrelevant. To the contrary, high levels of complexity and fragmentation make harmonisation, coordination and coherence all the more important. Similarly, alignment to government priorities is crucial if already weak government structures are not to be weakened further by being bypassed. With some notable exceptions, the question is more often *how* donors and partners can apply and adapt these good practice principles to the conditions of fragility. It is against this background that donors have been discussing specific approaches to fragile states aimed at complementing the Paris Declaration framework and building on the conflict prevention and peace building work undertaken in recent years.

III. The Principles for Good International Engagement

The OECD DAC is the main forum for donors to debate conflict and fragility policies so as to foster constructive engagement in fragile situations and minimise harm. Towards this end, agreement was reached on the *Principles for Good International Engagement in Fragile States and Situations* (Box 1) and a Policy Commitment endorsed by OECD DAC Development Ministers and Heads of Agencies in April 2007^{vi}. The *Principles* provide an important *complement* to the Paris Declaration by reinforcing its messages on alignment and harmonisation, providing guidance on applying its principles in fragile situations, and extending the framework for aid effectiveness to encompass whole-of-government approaches and policy coherence in the political, security and development nexus.

Important challenges remain, including translating the policy guidelines into national policies and strategies and implementing associated institutional and organisational changes within donor governments, as well as reforming business practices so that they are consistent with the *Principles*. Donors are also faced with the challenge of adapting their approaches to different country situations – no one size fits all.

The *Principles* suggest that effective support to help countries move out of fragility will require donors to make a shift in current aid policies in particular in the following three areas, while taking care to ‘do no harm’: i) focusing on state building as the central objective, ii) committing the necessary political, financial and human resources, and iii) adopting ‘whole-of-government’ approaches.

The Principles for Good International Engagement in Fragile States and Situations

The Basics

1. Take context as the starting point.
2. Do no harm.

The role of state building and peace building

3. Focus on state building as the central objective.
4. Prioritise prevention.
5. Recognise the links between political, security and development objectives.
6. Promote non-discrimination as a basis for inclusive and stable societies.

The practicalities

7. Align with local priorities in different ways in different contexts.
8. Agree on practical co-ordination mechanisms between international actors.
9. Act fast... but stay engaged long enough to give success a chance.
10. Avoid pockets of exclusion.

Source: OECD 2007.

State building as the central objective

States can be at the origin of oppression and insecurity. The history of state formation has been a history of war making^{vii}. At the same time the absence or collapse of state structures can be a source of global and national insecurity, violence and conflict. The *Principles* call for a long term vision for international engagement in fragile situations “to help national reformers to build effective, legitimate, and resilient state institutions, capable of engaging productively with their people to promote sustained development”.

This vision reflects a growing consensus that legitimate, representative and service-delivery focused on state building has to become a central objective for donor engagement. Support for state building is thus seen as a means to assist in *preventing* fragility and conflict rather than only as an objective in post-conflict situations.

State building is a long-term and continuous process of establishing or strengthening effective and legitimate state functions and institutions. The initiative must originate from within the state. Five years ago, Francis Fukuyama observed that no international consensus on a definitive list of state functions is likely to emerge given the varying expectations of citizens regarding the scope and depth of these functions.^{viii} Nevertheless, the ‘building blocks’ of a well functioning state include ensuring justice and security^{ix}, basic social service delivery and core economic governance.

Accordingly, taking up Fukuyama’s challenge, the Institute for State Effectiveness has called for an international consensus around ten core functions: the rule of law; a monopoly on the legitimate use of force; administrative control; sound management of public finances; investments in human capital; creation of citizenship rights through social policy; provision of infrastructure services; formation of a market; management of public assets; effective public borrowing. An index around these core functions could be developed (‘sovereignty index’) and monitored.^x

Functional capacity and political will, on their own, may be insufficient to achieve stability. Legitimacy is also needed to ensure effective state-society relations. In turn, depending on the context, this may call for a mix of basic public goods and services delivery; inclusive participatory (democratic) processes; embedded historical, cultural or personal legitimacy; international acceptance and recognition, *etc.*

The process of forging and developing a viable relationship between state and society (the state/society contract) is determined by citizens' expectations, state capacity to deliver and perceived state legitimacy. These considerations are at the heart of successful state building.^{xi} State building thus depends on continual bargaining and interaction between the state and groups of citizens and the existence of political processes that allow for orderly settlements of disputes, including such tools and mechanisms as peace accords, constitution making processes, elections, truth commissions, power-sharing arrangements, *etc.*

An important challenge for donor support and partner governments lies in an appropriate prioritisation and sequencing of interventions depending on the operating environment and the existing institutional capacities. While the need to focus on a limited number of priorities is well understood, there is a knowledge gap about which institutions (formal and informal) matter most, and what the path of institutional reform should be. Varying conceptions of state building and differing policy priorities among donors make agreement about priorities difficult in practice. Hence, the donor community needs improved knowledge in key functional domains of state building and sharing of experience among countries and agencies.

Doing no harm

With state building acknowledged as the central objective, donors and partners need to ensure that implementation of the other nine *Principles* supports this aim. When discussing the role of external actors in state building it is important to draw attention to a relatively neglected dimension – ensuring that donors *do no harm* (*Principle 2*). While the international community can provide substantive support to developing various aspects of state capacity (*i.e.* facilitating peace processes, support to tax reform, judiciary and public administration reform, capacity development), existing donor practices and inadequate aid instruments or policies can at the same time (unintentionally) undermine state building processes and objectives.

International organisations and bilateral donors have worsened already fragile situations by imposing overly complex policies and programmes; by creating inflationary conditions through their presence; by depriving the local economy of qualified professionals who may opt for working as well paid drivers of donor agencies than miserably remunerated government officials; by insisting on tying aid to donor goods and services rather than stimulating the local economy through local procurement; by substituting for instead of relying upon and building local capacities; by withdrawing support too early; by creating parallel implementation structures outside the government and by-passing the budget.^{xii}

It is tempting for donors to adopt 'state-avoiding' approaches, when faced with weak government capacity and inadequate systems. Delivering aid through project implementation units or other parallel administrative structures may be a pragmatic solution in the short-term but runs against long-term objectives of capacity development and state building. Working around government often encourages line ministries to turn directly to donors for funding rather than to the Ministry of Finance with a risk of undermining central government planning processes such as the national budget, which is an essential tool for aid coordination – and indeed for any sustainable approach to state building.

Similarly the delivery of services outside the state can have a negative impact on state legitimacy and erode the confidence of citizens in their government. However, working through indigenous non-state actors at the local or community level can in certain contexts provide an effective and legitimate form of service delivery. Other issues that stand out are the management and delivery of technical assistance and the challenge to find the *right balance between*

developing and substituting for government capacity. Assessing and mapping critical assets and weaknesses of the state could help in this respect. In post-conflict countries in particular, there is a serious risk that the incentive structures of donor bureaucracies distort the national labour market. As fragile settings are usually characterised by a short supply of qualified human resources, this can result in a ‘brain drain’ of qualified civil servants from government to donor administrations and thus undermine state capacity, a phenomenon illustrated by an estimated 2,500 NGOs and international organisations attracting such talent in Kabul alone.^{xiii}

Other examples of how donors may actually worsen fragility include their neglect of long-term capacity development needs; dilution of the state’s accountability for service provision; failure to build ‘hand-back’ arrangements and exit strategies into their programmes; exclusion of state actors, local non-state actors or the voices of women and minority groups from decision-making processes; alignment with the wrong societal forces; altering local power dynamics by insisting on re-shaping the state in line with a consistent and uniform donor vision, rather than the local context; failure to time their interventions properly; generating inflation, *etc.*^{xiv}

Managing the socio-economic impacts of complex international missions on local conditions in post-conflict situations alone represents a significant challenge. Analysis of UN Peacekeeping operations^{xv} has shown that even if, on average, less than 10 percent of mission spending has directly entered the local economy, this can boost gross domestic product by 4 to 8 percent in such economies as that of Sierra-Leone and Timor Leste.^{xvi} Furthermore, donors need to avoid direct or indirect budgetary support for corrupt or illegitimate governments and need to ask ~~themselves question of~~ ‘how best to engage?’

The concept of state building has drawn growing interest from academia and policy communities so that perspectives on the topic are diverse. The lack of harmonisation in state building activities can also be attributed to different donors’ conceptions of how best to support effective and legitimate state institutions. This is why the OECD DAC International Network on Conflict and Fragility (INCAF) is promoting a more consistent and common understanding on state building efforts in fragile contexts in the spirit of the Paris Declaration principles. The focus of state building efforts based on applying ‘Western’ models in conditions that resist these templates merits further reflection. The risk of applying standard approaches looms large, despite repeated warnings.

Committing the necessary political, human and financial resources

Supporting countries to move out of fragility will not be possible without committing the necessary political, human and financial resources. The *key political priority* is to “stay engaged long enough to give success a chance” (*Principle 9*). In many cases, strengthening state institutions and developing national capacities requires adopting a long-term time horizon. Investing in prevention could save the international community considerable cost, not only financial but most importantly human.

Stepped up efforts and strong political commitment to address root causes of conflict and fragility are essential. The engagement of the international community is often limited to a few years of intensive support following a conflict or crisis. Yet, premature disengagement poses a serious risk that countries slide back into conflict and that initial achievements are wiped out. Hence, first and foremost, donors need to view *interventions in these contexts over a period of ten to twenty years* and adopt planning horizons and mechanisms to make this feasible.

Secondly, donor and partner countries need to ensure an automatic *early recovery trigger mechanism* that leads to timely political, diplomatic and programmatic action in response to a crisis. For example, many early warning systems today have noted that the drug trafficking scourge in West Africa, *e.g.* in places like Guinea Bissau, is in danger of creating structural instability. The challenge is to ensure that donors and other actors absorb and *act upon this information*.

Thirdly, donors need to back political commitments and strategies towards fragile situations with *adequate human resources*. This includes increased donor capacity in the field and at headquarters, not only in post-conflict transitions, but also in situations of deteriorating performance. Appropriate staffing mechanisms are required to increase the speed of response. Donors also need to have the right incentives to attract people with appropriate skills and experience to work in the context of state fragility and conflict, and to work for sufficiently long periods of time. Not only is it difficult to find qualified international staff to work in fragile contexts, but also turnover is normally so high that knowledge is not consolidated nor are the necessary feedback loops created to ensure sustainable approaches. Partners in fragile situations, like Sierra Leone, have publicly drawn donors' attention to this often overlooked but persistent donor capacity lacuna.

Fourthly, sound *resource allocation decisions* are essential. Although countries emerging from conflict need sustained international support, evidence suggests that in post-crisis situations aid often tapers off just at the point when countries could make more effective use of it. In countries dependant on a limited number of donors, changes in those donors' priorities and policies could impact disproportionately on predictability of flows. *Predictability* of international aid is critical in fragile situations as the negative consequences of volatility are particularly acute and destabilising in these countries.

Research has shown that aid volatility is twice as high in fragile states as in other low income countries and is not solely explained by resumed conflict or other crises but appears to come from abrupt changes in donor priorities that can be motivated by a wide range of considerations be they political, reputational, commercial or other. Thus, while some link between allocation and performance is necessary, it is not clear that performance criteria are driving aid decreases or volatility as can be deduced from the aid flow monitoring results summarised below.

Finally, beyond quantitative issues, good international engagement in fragile states requires flexible *rapid response funding mechanisms* to take advantage of windows of opportunity and respond to changing conditions on the ground.

Monitoring aid flows to fragile situations

To draw attention to these risks and inform collective efforts to prevent conflict and fragility, the OECD DAC regularly monitors and analyses the allocation of resources to fragile states. The 2009 yearly report confirms that, overall, donors have increased aid targeted to fragile and conflict-affected countries: in 2007, USD 37.2 billion or 38.4 percent of total ODA went to these states. However, half of it continued to benefit only five of 48 countries, Iraq, Afghanistan, Ethiopia, Pakistan and Sudan, and about one fifth was in the form of debt relief.^{xvii}

Furthermore, the 2009 report highlights three groups of countries that call for particular attention.

- A first group of 15 countries with projected decreasing aid levels over the period 2005-2010, notably Chad, Eritrea, Guinea, Iraq, Solomon Islands, Tajikistan and Timor Leste.
- A second group where aid is particularly volatile: seven of these countries experienced fluctuations of aid in excess of 5 percent of GDP over 1990-2005, Burundi, the DRC, Eritrea, Guinea Bissau, Liberia, Sierra Leone, and the Palestine Administered Areas.
- A third group of 20 countries dependant on a limited number of donors, *e.g.* Papua New Guinea and the Solomon Islands depend on Australia for more than 70 percent of their aid. Five others (Comoros, Djibouti, Equatorial Guinea, and Yemen, as well as Afghanistan despite the huge number of donors engaged there) depend on a single donor for at least 50 percent of their aid.

This analysis cannot prescribe policy guidance and does not argue for increased aid for the countries concerned. It is meant as a contribution to inform discussion in donor agencies about effective resource allocation to fragile states, bearing in mind the dangers of aid dependency and the need to consider ways to encourage domestic resource mobilisation.

Clearly donors are ‘risk averse’ when it comes to allocating money in conflict or post-conflict zones. This is partly due to understandable concerns over transparency and accountability. However, if donors are really to achieve sustainable results for their development co-operation investments, they may need to *accept some higher level of risk* if they are indeed going to help tackle some of the critical challenges of severe fragile states.

Aid effectiveness in these situations is not only about ‘easy reforms’ – the ‘hard reforms’ also need to be undertaken, even if this puts the donors in a more vulnerable position. While the DAC’s monitoring tools are important, of themselves they are probably insufficient to convince donors to increase their risk and aid levels. Greater *collective, shared risk-taking* may come into play as an option. Mechanisms like multi-donor trust funds and pooling of funds are providing useful models.

Monitoring the implementation of the Fragile States Principles

Among the actions agreed in September 2008 at the Third High Level Forum on Aid Effectiveness,^{xviii} partner countries agreed to monitor donor adherence to the *Principles* to which DAC members committed at Ministerial level more than a year earlier. Although the *Principles* had been piloted in nine fragile situations and were thus validated prior to adoption, much remains to be learned through and about their implementation, relevance and practicality.

Six countries – Afghanistan, Central African Republic, Democratic Republic of Congo (DRC), Haiti, Sierra Leone and Timor Leste – volunteered to conduct national consultations on the implementation of the *Principles* during 2009. Monitoring of donor performance by this group of countries is a significant development in itself. These baseline consultations, which have brought together government officials from capitals and remote areas with NGOs, academics, clerics and other members of civil society, have shed light on a number of lessons to improve implementation in the future.

Firstly, while everything may seem to be a priority in these countries, the national consultations have emphatically confirmed that governments in co-operation with civil society and the international community must make and respect strict, results-oriented choices and do so

for the short, medium and long-term. The Afghanistan Compact is regarded as a useful example of this approach, which other countries may wish to emulate.

Secondly the ‘Do no harm’, *Principle 2*, has proven particularly relevant, as off-budget donor support and funding of project implementation units continue to create serious problems. Thirdly, capacity development is a significant challenge, both in terms of the absence of partner capacity in many domains and also in terms of donor behaviour as manifested through short-term approaches to capacity building, donor-driven technical assistance, and foreign technicians in executive positions without sustainable capacity development as part of their terms of reference.

Fourthly, looking through the lens of *Principles 6 and 10* related to non-discrimination and exclusion, the rural majorities in many countries, along with jobless youth, are seen to be excluded from government actions and the benefits of international assistance. Central governments are being strengthened at the expense of local state building. While populations in capitals see some effects of international assistance efforts, those in rural areas do not.

Fifthly, there are tensions between donor concerns about security, terrorism and drug trafficking and partner concerns centred on employment and economic growth. Even if security and development are mutually interdependent and reinforcing, what this means in operational terms often remains unresolved.^{xix}

Such early findings from the initial round of consultations are proving the *Principles* to be useful in substance, as well as in stimulating dialogue at the national level. They appear adaptable to different country contexts in these respects. But no single tool or framework can respond to all issues and concerns. Furthermore, from an ownership and impact perspective, the *Principles* are relatively well known by DAC donors, but others outside this group do not seem aware of them and therefore do not ‘own’ them.

With respect to their substantive coverage, two major gaps stand out. The first concerns the importance of a regional perspective. The DRC crisis of 1998 induced conflict in at least seven neighbouring countries. The conflicts in Sierra Leone and Liberia during the 1990s have rubbed off on Cote d’Ivoire, and cross-border tensions between Sudan, Chad and the Central African Republic are endemic^{xx}. The spill over effects of problems in fragile states into neighbouring countries are well-known and growing but are not addressed by the *Principles*.

Another serious gap concerns the role of the private sector and economic growth and employment more broadly. Without urgent attention to the central aspect of economic reconstruction, donor efforts in fragile situations could fail.

IV. Beyond Aid -- Whole-of-Government and Whole-of-System Approaches

Depending on the type of fragile situation and its spill over effects, the impacts on various areas of policy responsibility might differ. Recent research demonstrates that government departments in some OECD countries clearly recognise their mutual interests in addressing fragility and conflict, but they are still far away from being able to reconcile their differing mandates, objectives and time horizons.^{xxi} Why should agencies across OECD governments beyond development co-operation care about fragile situations? For illustrative purposes, Table 1 schematises some of the possible effects on policy areas and shows which donor government agencies might most likely be concerned.

Table 1: Effects of fragile and conflict affected situations: Who should care?

Of concern to which agency Effects of fragility & conflict	Development Co-operation	Diplomacy/ Foreign Affairs	Defence	Economic Affairs/ Trade	Finance/ Treasury/ Export Credit/Central banks	Justice/ Interior
No poverty reduction/ MDGs not reached	X	X		X		
Spread of disease	X					X
Insecurity/ violence/ human rights violations /deaths	X	X	X			X
Refugees & migrants	X	X		X		X
Destruction of property, crops, infrastructure, etc.	X			X		
Regional spill over/ instability	X	X	X			
Increased corruption/ extortion/ rent seeking	X			X	X	
Lack of investment	X			X	X	
Terrorist breeding ground		X	X			X
Human trafficking	X	X				X
Drug trafficking ^{xxii}				X	X	X
Money laundering				X	X	X
Small weapons trade	X		X	X	X	
Environmental damage	X		X	X		
Uncertain energy supply	X			X	X	

While development co-operation seems to be most affected, there are significant instances where the effects of fragility and conflict should be of concern to other areas of government. It also follows that these other agencies would often be well placed to co-operate with development co-operation departments to address the issues of concern and work toward policy coherence and unity of purpose. They may also be the preferred entry points into certain forms of engagement with fragile states, making co-ordinated coherent approaches all the more important^{xxiii}.

Equally important is to ask whether OECD policies are contributing to, helping sustain or even aggravating situations of fragility and conflict. This is inherent in *Principle 2, Do no harm*. Lack of co-ordination or incoherence between policies across rich country government departments/ministries in areas that impact fragile and conflict-affected situations can have potent effects in a number of ways, ranging from stymieing poverty reduction efforts to giving rise to illegal activities. For example, current levels of income inequality in certain countries, together with borderless transactions between countries facilitated by globalisation, open up opportunities for political elites in developing countries to access large, non-tax sources of income from a range of legal and illegal activities.

This has been highlighted in research on issues of accountability between developing country governments and their citizens.^{xxiv} These opportunities may easily come into play in fragile situations, be it through revenues from natural resource extraction, arms trade, extortion or other activities. OECD country players may contribute to this financial gain, as well as facilitate its accumulation and safe-keeping. Box 2 below illustrates some of the facilitating ‘loopholes’ and how they might be addressed by regulatory action and enforcement at national and international levels.

Box 2: Rich country “loopholes” affecting fragility and possible actions to close them	
<u>Rich country “loopholes”</u>	<u>How to close, e.g.</u>
Undisclosed bank deposits	<ul style="list-style-type: none"> • Full disclosure of source of funds over certain amounts • Asset recovery efforts
Off-shore company revenues	Consolidated international reporting by multinational and international auditing
Real estate investments	Full disclosure of source of finance
Un-transparent/unregulated trade in “conflict diamonds” and extractive resources	Strengthening of/ signing up to Kimberley Process and Extractive Industries Transparency Initiative
Arms trade	Regulation of small arms exports/ standards/ Arms Trade Treaty
Bribery	<ul style="list-style-type: none"> • Signing up to and implementing international agreements (OECD Anti-Bribery Convention, UNCAC) • Transparent international bidding for contracts

While internationally agreed instruments exist in the area of bribery, not all OECD countries have signed up to them. Some significant initiatives seek to address revenues obtained through

extractive industries, such as the Kimberley Process and the Extractive Industries Transparency Initiative (EITI). The OECD has developed a “Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones” aiming to help companies investing in countries where governments are unwilling or unable to assume their responsibilities.

Significant progress remains to be made in governments’ commitment and private companies’ adherence to these initiatives. At best, international investors may be indifferent to the transformation of certain institutional conditions in resource rich fragile states, and often their privileged positions could be weakened by success in this area. Progress also remains disappointing in achieving full disclosure on the origins of bank deposits or real estate transactions and in applying international auditing standards in reporting consolidated OECD country company earnings across multinational activities.

Recent initiatives signal, however, that governments, spurred by civil society and public opinion more generally, are paying greater attention to some previously ‘taboo’ loopholes. Under G-20 leadership with OECD support, significant progress is being made in relation to tax havens. In the area of real estate investments, a coalition of NGOs sought to bring three African Heads of State to justice for holding real estate assets valued at over € 150 million seemingly acquired through illicit means. While, in October 2009, a French court quashed this effort, the subject is squarely in the public domain. The lucrative arms trade remains a further area where initiatives are scarce and economic stakes and special interests make it challenging for governments to act.

For certain fragile states, inflows of arms and financial assistance packages aimed at strengthening military capabilities have been substantial in relation to ODA. The OECD’s monitoring of resource flows to fragile states indicates that, in states where conflict is persistent, there is a gross imbalance in military expenditure. Many of these countries tend to be both high volume net importers of arms and military equipment and high volume net exporters of natural resources and minerals.^{xxv}

Oxfam has drawn attention to the fact that the most commonly used weapons in Africa’s armed conflicts are Kalashnikov rifles and that 95 percent of weapons come from outside Africa. Ammunition also appears to be for the most part imported. It is estimated that USD 59.2 million-worth of small arms were nearly all imported from outside Africa in 2005, and this represents the state-sanctioned share alone.^{xxvi}

The OECD policy on armed violence reduction approved by the DAC in January 2009 addresses a number of issues relating to armed violence, including how best to curtail supply and demand for small arms and light weapons.^{xxvii} Reforms relating to border control and parliamentary oversight are needed to curtail supply. Of course, demand can only be curtailed by adherence to rule of law and governance standards, as well as by economic redistribution. Building on OECD work, many of these issues have been taken up in the United Nations Secretary General’s 2009 Report on Armed Violence and Development.

To instigate lasting change beyond the security and development nexus, the culture of free-riding by domestic and international actors and stakeholders needs to be eradicated by reliable internationally agreed, legal enforcement mechanisms.^{xxviii} Otherwise, the risks of more money going into Western bank accounts or into the arms trade remain high, with the resulting entrenchment of conflict and fragility.

Although trade (beyond arms trade) is less often associated with situations of conflict and fragility, Paul Collier, Amartya Sen and others have continued to keep up the pressure on policy

makers in developed countries to keep trade at the core of strategies to help countries emerge from these situations.^{xxix} Despite the failure to date to conclude the WTO Doha Development Round, and protect its development agenda, in recent years, OECD countries have put significant efforts into Aid for Trade in low income developing countries. This is a necessary – but not sufficient – complement to the domestic and trade policy changes sought through donor government commitments to the Doha Development Agenda.

Despite the volumes written and the persistent advocacy of NGOs, the political will is still lacking to enable reforms that could help fragile states, *e.g.* tackling agricultural support policies for commodities like cotton; reducing tariff barriers for processed products to encourage local processing industries; restraining the use of non-tariff measures that effectively constitute trade barriers; enabling temporary protective measures to promote competitive exports – to name a few.

A whole-of-government approach is also essential to *Security System Reform* (SSR), a topic that requires support from all branches of government.^{xxx} Donors and partners alike need to avoid compartmentalised thinking or actions. Instead, the ‘three D approach’ (defence, development, diplomacy) helps to engender holistic SSR policy and programming, which aim to link up all relevant ministries, civil society, parliament and other oversight bodies to ensure effective SSR.

A whole-of-government approach to SSR presents a number of challenges to donors. They need, firstly, to ensure open and effective *channels of communication* and coordination between relevant ministries; secondly, to assess and streamline inefficient or constraining *funding procedures*; thirdly, to foster coherence among the cultures and priorities of different ministries – comprising their different *methodological approaches and analysis*; fourthly, to pinpoint *effective entry-points* for parliament, oversight bodies, intelligence agencies and civil society.

These are some key examples of where governments need to improve coherence for development between several policy domains. In conflict-affected, conflict-prone, post-conflict and other fragile and weak governance situations, efforts across a donor government to make security, diplomacy and development policies coherent with development objectives should be a high priority. To achieve peace and security in these situations, donor countries need to involve departments responsible for security, political affairs, economic affairs, defence, development co-operation and humanitarian assistance.

Efforts to bring these communities together at the national and international levels and to replicate this process at the field level need sustained, long-term commitment and support. A few countries, like the Netherlands, Norway, and the United Kingdom are showing the way. Based on DAC assessment of existing approaches and good practice, the following key challenges and needs emerge:

- Political interests and priorities are important for successful whole-of-government approaches to fragile states (*Principle 5*). If a partner country ranks high in priority in terms of a donor’s national interest, its agencies will be more willing to join-up their policies. The constitutional and political context of a given donor government often poses a challenge in terms of leadership and ability to work jointly.
- Rationales and perspectives for engagement may differ, ranging from counter-terrorism to governance, conflict prevention and peace building, trade promotion or development co-operation.
- Whilst development can be more sensitive to peace- and state building objectives, there may be limits to whether development should be guided by foreign policy objectives. The principles of neutrality, impartiality and independence, which are at the heart of humanitarian

action, also put limits to how much humanitarian aid can be ‘coordinated’; there may also be trade-offs between short term security objectives, and longer-term transformational efforts. Each donor government needs to strike a balance between these different rationales and perspectives where there is political interest and commitment.

- Clear political guidance and leadership are critical for an effective whole-of-government approach. A joint policy statement can be a starting point. Changing roles and involvement of actors over time need to be recognised but it is key for governments to identify and empower a lead co-ordinating role at headquarters and in the field.
- Managing whole-of-government engagement in fragile states, requires an overall framework consisting of three elements: 1) a clear, shared understanding of the definition of fragile states, 2) a joint policy statement explaining the rationale for collaboration, its aims and how they will be achieved, 3) a commitment to establish an effective dialogue and bridge differences.
- A wide range of actors must engage together. Currently foreign affairs, defence and development co-operation are the key actors, but evidence calls for wider involvement by ministries of economic affairs and trade, as well as, in certain circumstances, police, finance and treasury, justice and migration.
- When engaging in fragile states, joint analysis and assessments early in the process can lead to a set of broader, joint objectives and ultimately allow for joint country strategies, planning, monitoring and evaluation.
- Joined-up work has considerable resource implications, both in financial and human terms. Governments need to recognise disincentives for working together and create positive incentives.
- Case studies have shown how institutional and budgetary walls between departments can hinder cooperation. Pooled funding arrangements can be an interesting instrument to foster integrated planning, as can be joint staffing arrangements or inter-ministerial working groups.
- Effective intra- and interdepartmental communication requires setting up integrated information management systems where possible.^{xxxii}

In addition to a whole host of challenges, it should not be presumed that whole-of-government approaches do not carry *risks*. One of these is that poverty reduction and institution building will be subordinated to shorter-term political and security preoccupations. Another is that because much remains unknown about proper sequencing of actions, donor governments may ‘get it wrong’. The lack of an integrated planning culture across departments and agencies magnifies this risk.

More importantly, the emphasis on coherence within donor governments may ironically reduce the critical strategic role of partner countries, as well as the dialogue with them and other local actors, including key reformers. A similar risk exists of neglecting the dialogue with other donor governments,^{xxxiii} underscoring that whole-of-systems approaches are equally critical. Efforts to achieve coherence at the headquarters level may also diminish the role of field operators and drive out development of strategic (as distinct from co-ordinated) approaches. These are complex challenges, but donor coordination bodies both at headquarters and in the field must play a more pronounced role in addressing them.

In the course of 2008 a series of international meetings, hosted by individual donors, were held on Diplomacy, Development and Integrated Planning; Public Financial Management; and Security System Reform, bringing together development co-operation, finance, diplomacy and security policy communities. Their findings led to a senior level conference on whole-of-government approaches to fragile states: the Coherent, Co-ordinated, Complementary 3C’s Conference in March 2009^{xxxiii} marked an important political step forward with a follow-up

‘roadmap’ and specific commitments to improve intra-governmental and system-wide approaches in the future.

At the same time, in order to ensure real time feedback, the DAC is in the process of testing draft Guidance on Evaluating Conflict Prevention and Peacebuilding Activities through pilot applications in four fragile states, Sri Lanka, Haiti, DRC and South Sudan. The Guidance was jointly developed by development co-operation evaluation specialists and experts on the conflict prevention side.^{xxxiv} This ongoing process should be placed in the broader context of OECD’s current efforts to develop a framework and assessment methodology for evaluating progress in multiple domains of policy coherence for development.

Many of the problems donors face stem from the fact that different goals are being pursued in different ways, using different means and measurements. Often headquarters goals are out of line with imperatives in the field. Some form of mapping of actors, critical tasks and required resources, together with benchmarks and monitoring arrangements tied to specific dates and timelines over long-term (10-20 year) time horizons are required.

V. Beyond the DAC – the Changing Aid Landscape

Increasing attention to policy coherence for development in recent years has focused mainly on members of the OECD Development Assistance Committee. Yet, with the rapidly changing and increasingly complex aid architecture, and especially in the context of fragile situations, essential actors extend far beyond the group of DAC donors. The multiplicity of donors and other actors with differing objectives enables partner countries to ‘shop around’ among donor policies to find those that appeal most.^{xxxv} If conditions set by one donor are unappealing, they will turn to another source of funding. Thus, to be effective, the policy coherence lens needs to be applied to and by emerging and other non-DAC donors as well to ensure whole-of-system coherence.

The OECD has a key role to play in pursuing the aid effectiveness agenda and finding imaginative ways to reach out to these donors, several of which are particularly active in fragile and conflict-affected situations. In all cases, regardless of the number of donors, several particular areas of intervention and interaction with the state call for harmonised and collective donor actions. There is much to be gained from shared objectives and strategic partnership between donors who are members of the DAC and those who are not.

In the changing landscape of aid, all countries whose policies may impact on poor developing countries need to give due attention to the coherence of the full range of their policies. Regardless of whether they are ‘DAC or non-DAC’, all donors need to consider whether the effects of their protectionist or mercantilist policies, or their approaches to satisfying their demand for oil and other natural resources and raw materials, are consistent with economic and governance objectives in poor countries – “Aid does not make up for bad policy in donor countries at any level of development.”^{xxxvi}

Much of the attention on non-DAC donors in fragile states is focused on China’s ‘march on Africa’, which is taking place through aid, trade and investment channels. China’s trade and investment flows have outpaced aid flows, with commercial relations trumping development co-operation.^{xxxvii} In the trade field, five oil exporting African countries, Angola, Equatorial Guinea, Nigeria, the Republic of Congo and Sudan, account for 85 percent of the continent’s exports to China. Similarly, China’s investments are concentrated in a few key countries (Nigeria, Sudan, Zambia) and extractive (oil, minerals) industries.^{xxxviii}

Given increasing Chinese participation in the energy and resource sectors, particularly in fragile states, it is important that this relationship not diminish incentives for fragile states to promote more transparent and better governance. Experience has shown that in a number of African countries, the discovery of large mineral resources has been associated with the deterioration in the standard of living of much of the population. The experience of Sudan, where Chinese companies are most deeply involved in resource extraction, points to a similar pattern.

While some examples are cause for concern, there are encouraging aspects of China's and other emerging donors' approaches that should be recognised and built upon. In terms of overall trade policy, China appears to allow concessions in tariff reductions to encourage African exports to China. With respect to the concerns about Africa's debt tolerance to new financial flows, research by the World Bank and the OECD's Development Centre suggests that China seems to be monitoring its loans closely and that there appears to be no evidence of free-riding by emerging donors on bilateral and multilateral debt relief. Indeed China has extended debt relief, mostly to HIPC^{xxxix} Initiative beneficiaries.^{xi}

The increased presence of China and India in parts of Africa from which other donors have been retreating, especially fragile states, has positive economic spill over effects in terms of distribution of goods to populations that otherwise may not have had access to them, as well as improvements in infrastructure.^{xli} Many signals point to increasingly shared objectives and concerns among emerging and more traditional donors, but their perspectives and approaches may differ considerably. The seemingly greater attention paid by Brazil, China, South Africa and other 'non-DAC donors' to areas of economic reconstruction in fragile states should provide a useful 'wake-up call' to DAC donors about the importance of economic security in the face of the 'youth tsunami'^{xlii} that is building quickly in many of these countries.

There are thus many compelling reasons to encourage dialogue on specific issues and sharing of experience between China and other emerging and traditional non-DAC donors, on the one-hand, and DAC donors, on the other. It will take time for these to result in full harmonisation and unity of purpose, but the gains from more consistent and coherent approaches are well worth the investment. Not only donors outside the DAC, but some DAC members themselves need to be convinced of this.

VI. Conclusions

This paper argues that there is a significant part of the world's population living in circumstances currently off the development path and in need of refocused and context-sensitive development approaches, because 'traditional' strategies are not working for them. It is the underlying assumption of the Paris Declaration that improved aid effectiveness will in turn improve development outcomes as measured by progress towards the MDGs.

Although this is a central concern in fragile states – where a third of the world's poor live – there are other important objectives which are the pre-requisites to poverty reduction and may be necessary to lay the foundations for progress against the MDGs in the longer term. While there is an emerging consensus among the international community that clear objectives and measures of progress for fragile and conflict affected states need to be set, it is still debated what those objectives should be.

Democratic states based on good governance are now seen as key to global security and prosperity. The *Principles for Good International Engagement in Fragile States and Situations* reflect this understanding and underline the central role that state building and peace building will have to play in addressing conflict and state fragility (*Principles 3-6*). It is time to broaden this consensus and to agree on a renewed international agenda to deal with the particular challenges of these countries and enable their growth and development.

To complete the existing global development framework, in particular the Paris Declaration and the MDGs, a set of international objectives centred on the restoration of security, peace and stability and the establishment of strong, legitimate state institutions is required. A set of common goals will be instrumental to ensure that partner governments and donors share common objectives on the way forward and devote greater attention to the priorities of preventing conflict and developing lasting peace.

Donors seem not to be allocating sufficient aid or adequate human and operational resources to many countries in situations of fragility and conflict. Furthermore, aid tends to taper off, just when these states need it most. Donors are risk-averse in these situations, often for valid reasons. These behaviours require systematic monitoring.

In the area of aid and non-aid policies, awareness of the need for whole-of-government approaches is gaining currency. Numerous government departments need to be and are increasingly concerned with fragile, conflict-affected situations, for reasons ranging from insecurity and human rights violations to environmental, health and corruption impacts. Part of the argument for whole-of-government approaches lies in the fact that some policy loopholes in donor governance systems may actually be sustaining or even aggravating conflict and situations of fragility, especially because of the special interests at stake.

These include bank deposits in donor countries, off-shore revenues, real estate, extractive industry resources, arms trade and bribery. Some tools exist to address these loopholes, like the EITI, asset recovery efforts or the OECD and UN anti-bribery and anti-corruption conventions, but they are far from being adequately implemented. Challenges, disincentives and risks to better joined-up government to address conflict prevention and fragility are numerous and require clear political guidance and leadership for concerted, deliberate policy action.

Among donors, unity of purpose is also critical, as fragmented, multiple, diffuse and sometimes contradictory donor objectives and demands are more challenging in states with weak governance capacities than elsewhere. In such situations, there is a particular need for consultations and shared or joint assessment and monitoring. This will promote a better understanding of the country context and may facilitate collective risk taking. To prevent conflict and address fragile situations, greater and more collective risk-taking, longer-term perspective, and coherence in collective action are high priorities. Donors' taking a consistent stand on partner abuse and violations of human rights, as well as on corruption, is essential.

Unity of purpose between the donor and partner countries is also critical if partner ownership and accountability are to be realised. Donors need to support and respond to local initiatives as far as possible rather than demand and dictate partner policies and actions. Various programmatic tools exist to facilitate sequencing and prioritisation, while processes currently in place, notably the implementation and monitoring of the Paris Declaration on Aid Effectiveness and the *Principles for Good International Engagement in Fragile States and Situations*, provide the overall policy guidance framework to be adapted to specific country contexts.

Applying the policy coherence lens to donors outside the DAC group has become paramount. All efforts to achieve greater unity of purpose between DAC and emerging and other 'non-DAC donors' are urgent in situations of fragility and conflict. In many of these situations, the 'non-DAC donors' have established a strong presence and may be seen as more flexible than ~~traditional-DAC~~ donors in terms of governance and other policy conditions. Fragile states that delay reforms are at risk, with consequences ultimately too costly for all concerned, particularly over the medium to long-term. Engagement, dialogue, shared analysis and joint, collective approaches and activities are the recommended ways forward with emerging donors.

In all these areas, both the political leaders and the communities of practice that come together in the DAC are seeking to make progress. Attention to situations of fragility and to conflict prevention is increasing in terms of better analysis, improved policy and operational guidance and tools, and unity of purpose at all levels of policy coherence. The need to focus on state building in fragile situations is increasingly accepted as the priority. Better monitoring of the needs of countries at risk of conflict and of donor responses is available to decision makers.

Whole-of-government meetings of defence, development co-operation and diplomatic parts of government, as well as those on the finance and treasury side, have taken place to improve their joined-up approaches to situations of fragility and conflict. Recognition of the severe capacity gaps in fragile states and the need for much improved, concerted, coherent approaches to fill them, including through South-South co-operation, is growing. These encouraging steps need to be applied to the partner country level where the real impacts will be tested and approaches can be refined.

Priority to state building as the central objective and coherent policies at all levels discussed in this paper need committed application in dealings with countries in situations of fragility and conflict, as they remain the most serious development challenge for the future. In addition, the international community needs to seriously tackle economic reconstruction -- 'development plus'. Without peace dividends to the people in fragile situations, without successful demobilisation, disarmament and rehabilitation, without jobs for huge numbers of unemployed, especially among the youth, the chances of sustainable peace are compromised.

VII. Recommendations

The above analysis calls for some specific behavioural and operational recommendations for donors:

- Focus explicitly -- individually and collectively -- on legitimate, representative and service-delivery centred state building as their central objective in fragile states based on a harmonised understanding of state building and common, context-specific approaches.
- Improve their knowledge in key functional domains of state building and share this experience more broadly and systematically.
- Change ‘business as usual’ perspectives to make it possible to view interventions in fragile situations over a period of ten to twenty years and adopt planning horizons and mechanisms to make this feasible.
- To make the longer-term view possible, agree realistic benchmarks that can be monitored to build both momentum and trust.
- Focus attention on ‘doing no harm’ by being more aware of and avoiding actions that can have negative impacts, such as substituting for partner capacity instead of building on existing capacity; imposing overly complex procedures and reporting requirements that burden partner country administrations; creating parallel administrative structures and project implementation units; excluding state actors, local non-state actors, women or minority groups from decision making processes; *etc.*
- Seek a balance between developing and substituting for government capacity by mapping and assessing available capacity and identify elements of national systems that can be used as the basis for strategy development.
- Review and share appropriate trigger mechanisms that enable timely action on the basis of early warning information.
- Back commitments and strategies with adequate human resources based on incentives that can attract personnel with appropriate skills and experience who are willing to work in fragile contexts for periods of time sufficiently long to allow them to consolidate knowledge and ensure sustainable approaches.
- Adjust resource allocation processes and decision making to make aid predictable and facilitate flexible, rapid response funding mechanisms to adapt to changing conditions on the ground.
- Accept higher levels of risk and increase aid levels through more collective risk-sharing approaches and practical mechanisms like multi-donor trust funds and pooled funds, seeking innovative approaches and sharing learning regularly in real time.
- Set and respect strict, results oriented priorities that respond specifically to partners’ clear short, medium and long-term priorities respectively.
- Help make donors outside the DAC aware of the *Principles for Good International Donor Engagement in Fragile States* and inform the *Principles* with their views and experience.
- Address spill over effects of problems in fragile states by taking a regional perspective.

- Find mechanisms to actively engage the private sector and give greater priority to programmes that enable and promote economic reconstruction.
- Provide clear political guidance, leadership and incentives for effective whole-of-government and whole-of-systems [approaches](#), recognising disincentives of working together and introducing positive ones.
- Identify OECD policies that help sustain or aggravate situations of fragility and conflict, adhere to and implement international instruments that address such policies, and ensure effective sanctions for non-compliance.

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- i Richard Manning is the former Chair of the OECD's Development Assistance Committee (DAC) and Alexandra Trzeciak-Duval is Head of Policy Co-ordination in the DAC Secretariat. The authors wish to acknowledge the contributions from Stephan Massing and Rory Keane. The opinions expressed in this paper are those of the authors and do not necessarily reflect those of the OECD.
- ii See OECD, "Ensuring Fragile States are not Left Behind" (2009 report).
- iii The notion of 'beyond aid' in this article refers to donor government policies in areas outside of development co-operation, such as foreign policy and defence, but also finance, trade, agriculture, justice, *etc.* This notion is essential to the whole-of-government approach embodied in Principle 5 of the *Principles for Good International Engagement in Fragile States and Situations* (Box 1).
- iv **The Paris Declaration**, endorsed on 2 March 2005, is an international agreement to which over one hundred Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators. Available at http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html
- v See, for example, Michailof, "The Seven Capital Sins of the Donor Community in Afghanistan".
- vi Originally drafted at the January 2005 Senior Level Forum on Development Effectiveness in Fragile States in Lancaster House in London, prior to their approval, the *Principles* were piloted in nine countries: the DRC, Guinea-Bissau, Haiti, Nepal, the Solomon Islands, Somalia, Sudan, Yemen and Zimbabwe. Feedback and lessons from this exercise helped refine the Principles and shape a consensus on how to design and implement policies and programmes in these difficult contexts.
- vii Tilly, "War Making and State Making as Organized Crime"
- viii Fukuyama, *State Building: Governance and the World Order in the Twenty First Century*.
- ix OECD, *Enhancing Security and Justice Service Delivery*.
- x Ghani, A and C. Lockhart, *Fixing Failed States*, Chapter 7.
- xi ODI, "Understanding State-Building from a Political Economy Perspective".
- xii Del Castillo, *Rebuilding War-Torn States*.
- xiii According to Polish Minister of Foreign Affairs, Radoslaw Sikorski, during the 3rd Forum on Poland's Development Co-operation in Warsaw, September 2009.
- xiv See Meagher, "Service Delivery in Fragile States: Key Concepts, Findings and Lessons", as well as OECD, "Policy Paper: Taxation and Governance".
- xv According to a NATO unclassified report, the UN spends USD 5 billion on peacekeeping operations.
- xvi See Austrian Development Co-operation, 2009, "Security and Development – the impact of international missions on local society: The socio-economic footprint".
- xvii *Ibid*, OECD, 2009 report.

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- xviii Articulated in the 2008 Accra Agenda for Action (AAA), para 21e.
- xix These five lessons are drawn from a draft by Juana de Catheu for a forthcoming chapter in the DAC's 2009 *Development Co-operation Report*.
- xx As argued by Englebert and Tull in in "Postconflict Reconstruction in Africa : Flawed Ideas about Failed States"
- xxi Stewart *et al*, *Greater than the Sum of its Parts*.
- xxii 90 percent of drug trafficking is from conflict countries (Collier 2007).
- xxiii See also the country case study by Peter Uvin, "Structural Causes, Development Co-operation and Conflict Prevention in Burundi and Rwanda" (Uvin 2007), which calls for "concerted and long-term international diplomatic efforts" to understand and address the political factors underlying the conflicts and "deep and coordinated integration between diplomacy and development aid".
- xxiv OECD, "Policy Paper: Taxation and Governance".
- xxv OECD, "Ensuring Fragile States are not Left Behind" (2007 report).
- xxvi Oxfam, "Africa's missing billions: International arms flows and the cost of conflict".
- xxvii OECD, *Armed Violence Reduction: Enabling Development*.
- xxviii As argued in Duval, 2004, "The Political Economy of X: The Security and Development Nexus".
- xxix See Collier, *The Bottom Billion*, and Sen, *Identity and violence*
- xxx OECD, *The OECD Handbook on Security System Reform*.
- xxxi OECD, *The OECD Handbook on Security System Reform and Whole of Government Approaches*
- xxxii *Ibid*, Stewart *et al*.
- xxxiii Hosted by Switzerland and co-convened by the OECD, NATO, the World Bank and the UN.
- xxxiv OECD, *Guidance on Evaluating Conflict Prevention and Peacebuilding Activities*.
- xxxv *Ibid*, Fukuyama.
- xxxvi Manning, ODI Lecture.
- xxxvii Wang, "What Drives China's Growing Role in Africa?".
- xxxviii Broadman, "China and India Go to Africa".
- xxxix HIPC: Heavily Indebted Poor Countries
- xl Reisen and Ndoye, "Prudent versus Imprudent Lending to Africa"
- xli OECD Development Centre, "China & India: What's in it for Africa?"
- xlii Collier, "Haiti: From Natural Catastrophe to Economic Security".

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