Focus: Development cooperation in fragile states and regions

Introduction

One and a half billion people worldwide live in fragile states and regions affected by conflict and violence. According to the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC), by 2015 half of the population having to manage on less than US$ 1.25 a day will be living in fragile states. Two reasons for this are the slower progress these countries have made in poverty reduction than others and the very wide income gaps among their populations. In all probability, not a single fragile low-income country (LIC) will achieve the Millennium Development Goals. In the next decade, therefore, global poverty will be largely concentrated in fragile states and regions. At the same time, in our increasingly globalised world the causes and effects of fragility and conflict can no longer be confined to regional borders. This poses a major challenge for development cooperation: 38 per cent of total bilateral official development assistance (ODA) in 2010 was paid to fragile states and countries affected by armed conflict.

Over the last ten years, the notion of 'fragility' has come to be used as a key term to designate states and regions with weak institutions, poor governance and precarious security. These are generally regarded as unstable and unpredictable and pose a risk to regional and global security.

Multiple faces of fragility

There is no standard, internationally binding definition of fragility. According to OECD, a fragile region or state has weak or no capacity to carry out basic governance functions. It also lacks the political will and/or capacity to provide the basic functions needed for poverty reduction and development, safeguard the security and human rights of its population and provide it with the necessary protection. Nor is it able to develop mutually constructive relations with society and existing institutions. To be defined as fragile, states or regions need not be directly affected by, or have recently overcome armed conflict..

> A fragile region or state has weak capacity to carry out basic governance functions, and lacks the ability to develop mutually constructive relations with society. OECD/DAC, 2012

'Fragility' connotes a broad range of scenarios that are subject to volatile and often rapid processes of change. There are also large geographical differences: Instead of the country as a whole, a subnational region may sometimes be defined as fragile, which can, however, have repercussions on the entire state. The fragility of a state can also have grave regional impacts. Also global factors, such as migration, transnational organised crime or international markets on military goods, etc. can have a decisive effect on the emergence of regional and local fragility. Its causes are not therefore confined to a region and must also be viewed from a global perspective in keeping with an increasingly globalised world.

OECD has identified eight global factors that can lead to or are closely bound up with fragility: These encompass the economic level (*growth and wealth*), ideologies and social movements (*meaning and movement*) and the direct response to violence, conflict and the actors involved, such as non-state armed groups, 'security services' or transnational crime (*violence and security*).

Development policy needs to cope with both specific challenges in fragile situations and global factors of influence: The respective local conditions call for a particularly conflict-sensitive approach and an appropriate strategy and global factors require coherent action in pursuit of developmental goals.

Which states and situations are rated as fragile?

Various international lists and rankings seek to provide guidance on which countries to classify as fragile. OECD issues a list that combines some of these rankings and is updated at regular intervals. It is explicitly conceived as a frame of reference only and has no binding policy relevance. At the beginning of 2014, it comprised 51 states, most of which located in Sub-Saharan Africa.

The World Bank also maintains an index mainly based on the *Country Policy and Institutional Assessment*. It takes criteria into account such as economic, structural and social policy as well as public sector management. In 2013, 35 countries were included on this list. The World Bank provides special financing facilities for these countries based on this rating.

As the example of Mali demonstrates, the rankings or lists of fragile states must be treated with caution. Mali was neither on the updated OECD list nor on the harmonised World Bank list of fragile states in 2013. The West African country was even ranked 79th in the 2012 *Failed States Index*, rated as more stable than China, India or Colombia, for example, but nevertheless collapsed in March 2012.

The best known international list is the *Failed States Index* (FSI), which is drawn up every year by the *Fund for Peace* in collaboration with the magazine, *Foreign Policy*. It assesses all states applying twelve factors as criteria. In 2012, Somalia was at the top of the list, ahead of the Democratic Republic of the Congo and Sudan.

Considering the broad range of fragile states and situations, it is difficult to define generally valid indicators for a standardised classification at the economic level. A growing number of fragile states have a stable economic base - at least on first impression - and are rated as middle-income countries.[1] Some, such as East Timor, record stable and high growth rates and others, Angola or Iraq, for example, even have booming economies, although largely thanks to raw materials. As fragility does not then necessarily rule out economic success, though in all likelihood placing it at grave risk in the long term, this poses challenges but also affords significant opportunities and intervention points for international efforts.

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[1] Twenty-one out of 47 fragile states are middle-income countries (2013 *Factsheet on resource flows and trends* OECD DAC INCAF)

How relevant is fragility for development cooperation?

Although fragile states and situations can be very diverse and are difficult to compare with each other, they do share common features. Development cooperation needs to find ways to make a productive contribution without causing negative, unintended side-effects - the do-no-harm approach. The comparatively large political, social and economic instability in fragile situations heightens the risk for development cooperation in two ways: Success is difficult to achieve and is frequently jeopardised by unforeseeable or uncontrollable events. At the same time the engagement in fragile situations provides, particularly good opportunities to achieve a very effective impact, even if it only bears fruit years later.

International guidelines and frame of reference

Various documents are now available at international level that provide a frame of reference or also binding guidelines for coping with fragile statehood:

In the Council Conclusions of the EU Commission as early as 2007 and in the first European Report on Development in 2009, the European Union pointed out the great importance of a concerted engagement in fragile situations. The purpose of this report was to identify ways for coherent, EU-wide action in fragile situations in Sub-Saharan Africa. The EU Agenda for Change (2011) underlined the need for special forms of support in fragile situations to facilitate stabilisation and reconstruction, with a particular focus on statebuilding. The EU Commission has included the specific features of political work in fragile situations in its instructions to the heads of EU delegations. An action plan on security, fragility and development is in preparation.

The World Bank's World Development Report 2011 plays a major role in stressing three key points that are crucial for overcoming fragility, cycles of violence and conflicts: security, justice and jobs. Because of their high visibility, it also sees short-term projects with rapid impacts as essential for the success of long-term development-policy initiatives. These enhance the legitimacy of the usually weak government institutions and lay the foundation for the successful alignment of development initiatives with partner country development plans.

OECD/DAC Principles for Good International Engagement in Fragile States and Situations (2007)

The International Network on Conflict and Fragility (INCAF) of the the OECD Development Assistance Committee, where Austria is also represented, regularly draws up and publishes documents, guidelines and manuals with key instruments and methods on the issue of fragility. These serve as the main frame of reference and guidance for the engagement of OECD member states:

In keeping with internationally endorsed development policy goals and principles, OECD/DAC framed ten principles for international engagement in fragile states and situations, which have been recognised as binding by the OECD member states.

OECD/DAC Principles for Good International Engagement in Fragile States and Situations

1. Take context as the starting point
2. Ensure all activities do no harm
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
7. Align with local priorities in different ways and 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

Particular emphasis is placed here on the importance of taking the specific context into account when planning measures and also the significance of prevention. Both are always important in all development-policy measures, but are crucial in fragile situations. The second key statement stresses the need to view the statebuilding process as the central objective of all developmental measures in fragile contexts. The aim must be to adopt an inclusive and non-discriminatory approach and take preventive action where possible. Finally, donor countries must improve their engagement and cooperation in fragile situations. Special stress is placed here on the need for practical coordination mechanisms. The interplay of flexibility and a long-term perspective is essential for successful engagement.

OECD/DAC regularly monitors the implementation of the ten principles. The latest survey in 2011 revealed that the principles of non-discrimination, coordination of actors and alignment with local priorities have been carried out particularly well. Difficulties have, however, been noted with focusing on state building as a central objective, applying the do-no-harm approach, prioritising prevention and avoiding exclusion.

The opposite of fragility: resilience

Development-policy experience has also shown that there are no simple recipes for overcoming fragility. Above all, the idea that international support can stabilise states in a short time by building up functional government institutions has proved to be mistaken. Two conclusions have been drawn from this at international level: Engagements in and with fragile states must always be planned for the long term, a point stressed by

> More **resilient states** exhibit the capacity and legitimacy of governing a population and its territory. They can manage and adapt to changing social needs and expectations, shifts in elite and other political agreements, and growing institutional complexity.
> OECD/DAC, 2012

the 2011 World Development Report, for example. At the same time, there is also a need to find an alternative to narrowly defined objectives solely concerned with stability. For some years now, this has been designated as 'resilience' – by the 2009 European Report on Development and by OECD/DAC, for instance. By this is meant the ability of states and their institutions to cope with and adapt to far-reaching processes of change and shocks caused by crises or armed conflicts.

Key requisite factors of resilient (resistant) statehood are that government institutions are accorded a high degree of legitimacy by the population and that they successfully manage the needs and expectations of their societies, which limits the role of donors. Under the international principle of partner country responsibility (ownership), they can only take supportive action and help to advance respect for human rights, such as inclusive political participation (promotion of parliaments, civil society and local governance, etc.) or rule of law (access to justice, etc.), but cannot 'build states' themselves.

On the initiative of a group of fragile states (the g7+ group), a structured discussion process has been taking place since 2010 in the *International Dialogue on Peacebuilding and statebuilding* with development partners, the members of INCAF and representatives of civil society on development policymaking in and towards fragile states.

New Deal – a new development-policy approach to dealing with fragility

A new development came about when some fragile states joined together as a group to take a policy initiative of their own. The so-called g7+ group founded in 2008, has

meanwhile 20 fragile states as members, including countries such as Afghanistan, the Democratic Republic of the Congo or Haiti (not, however, any priority countries of Austrian Development Cooperation). Its declared goal is to strengthen the ownership of fragile states and give them an effective international voice. It also attaches importance to relations between government and civil society as a major factor.

At the 4th High Level Forum in South Korean Busan in 2011, the relevant fragile states and donor countries (also including Austria) jointly adopted the *New Deal for Engagement in Fragile States*. This is an attempt to set a binding framework for international activities in pursuit of the principle of a global development partnership as established in Busan.

The New Deal defines five goals that emphasise the connection and interaction between peacebuilding and statebuilding: legitimate politics, security, justice, economic foundations and revenues and services. These goals include and complement the current guidelines – in particular the ten OECD/DAC principles (Peacebuilding and Statebuilding Goals/PSGs, see Box). Austrian Development Cooperation accounts for and adheres to them as a substantive frame of reference in its engagement in fragile states and regions. To achieve the PSGs, indicators have been developed for measuring their implementation.

> **Peacebuilding and Statebuilding Goals (PSG)**
> *(New Deal, Busan, November 2011)*
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> **Legitimate politics**: Foster inclusive political settlements and conflict resolution
> **Security**: Establish and strengthen people's security
> **Justice**: Address injustices and increase people's access to justice
> **Economic Foundations**: Generate employment and improve livelihoods
> **Revenues & Services**: Manage revenue and build capacity for accountable and fair service delivery

The New Deal enables civil-society representatives to demand greater participation in reform processes from their governments. Under the New Deal motto - One vision, one plan, one compact – the idea is that their participation will culminate in a shared vision of the future and take practical shape in joint action. The New Deal therefore assigns a very special role to civil society and lends a major impetus to the future specific direction of international engagement in fragile situations. It also poses great challenges for development cooperation, however. Much still needs to be done to operationalise the goals. Specific guidelines can only be drawn up in the coming years after initial practical experience has been gained. This affords very large scope for development cooperation, while also placing great responsibility on its shoulders.

The New Deal is currently being implemented in some pilot countries, such as Afghanistan, Somalia, South Sudan or Liberia, with very disparate success. The main aim is to specify the jointly devised provisional indicators for PSGs more precisely. They will then be included in the debate on the Post-2015 Development Agenda.

Austrian Development Cooperation in fragile states and regions

Human security, human rights and rule of law are cited as one of three priorities in the current Three-Year Programme on Austrian development policy 2013-2015. In its government programme for 2013–2018, Austria affirms its commitment to a pro-active peace policy and a whole-of-government approach. Besides Austrian Development Cooperation, this also accords a key role to other actors - such as the Federal Ministries of National Defence and Sport, of the Interior and of Justice as well as civil-society organisations.

The interministerial *Strategic Guideline on Security and Development* in Austrian development policy (2011) has laid the foundation for a coherent Austrian engagement in fragile situations. Of key importance is the whole-of-nation approach, which - ideally - involves all relevant government and non-governmental actors in keeping with the 3C approach (coordinated, complementary and coherent). This means that all the government agencies involved, ranging from diplomacy, development policy, the military, financial and economic policy, the police, the judiciary and the non-governmental organisations in development cooperation, humanitarian aid, human rights and peacebuilding proceed in a concerted way.

The Guideline stipulates six fields of activity for Austrian engagement in fragile situations:

— Conflict prevention
— Crisis management
— Peacebuilding and statebuilding
— Women in peace processes and protection of civilians
— Dealing with transversal issues, such as climate change, migration
— Creating a local socio-economic perspective

Austrian Development Cooperation has also drawn up its own guidelines: The basic principles and operational priorities are set out in the policy document, *Peacebuilding and conflict prevention* (2006), which have been specified in more detail and operationalised in the form of guidance in the Handbook on Conflict Prevention and Securing Peace (2011).

As of 2009, the Austrian Development Agency (ADA), the operational unit of Austrian Development Cooperation (ADC), heads the Working Group on Fragility, involving representatives of ADC, the Federal Ministry for Europe, Integration and Foreign Affairs, the National Defence Academy and scientific research institutes. It acts as a platform for information exchange on international debate around the issue of fragility and makes critical assessments of ADC programmes in fragile states. Its geographical focus in 2014 was on West Africa.

Besides discussions on accounting for international goals, such as the New Deal's PSGs, the World Bank's 2011 World Development Report the position papers of the EU Commission (DEVCO) and of the European Parliament on the issue of the EU and its engagement in fragile states provide major international points of reference and substantive guidance for ADC.

Austrian Development Cooperation is directly confronted with the complex challenges of fragile situations in various regions. Four ADC key countries, Ethiopia, Uganda, Burkina Faso and Kosovo, and West Bank and Gaza are on the current OECD/DAC list of fragile states (2014).

Selected project examples

Civil wars, movements of refugees and international crime make border areas into fragile regions with a high incidence of violence. Only a regional approach and coordinated, cooperative action by regional and civil-society organisations can secure sustainable conflict resolution and peacebuilding. To help prevent conflicts, Austrian Development Cooperation supports setting up early warning systems (early warning, early response), establishing and strengthening government and civil-society institutions and developing capacity for peacebuilding, conflict management and good governance. It also promotes cooperation with regional organisations, such as the African Union or the Economic Community of West African States (ECOWAS). Special attention is paid to gender equality,

empowering women in fragile states and conflict situations and their role in peace processes (UN Security Council Resolution 1325 and ensuing resolutions).

Africa: securing peace and empowering women

Cooperation between the African Union (AU) and Austrian Development Cooperation centres on protecting women in and after armed conflicts and promoting their participation in peace processes. The aim of the partnership is to develop new strategies, mechanisms and training units to contribute to protecting women in conflicts, promoting their participation in peace and security efforts and supporting post-conflict reconstruction. This way, Austria enhances its partnership with AU and contributes to implementing the UN Security Council Resolutions on the protection and promotion of women in conflict and post-conflict situations and their equal participation in peace processes (UN Security Council Resolutions 1325, 1820, 1888, 1889, 1960, 2106 and 2122). The programme facilitates better planning, harmonisation and coordination of AU activities, African regional organisations, civil society and other AU partners in gender equality and peace and security in Africa. (Support for the Gender, Peace and Security Programme of the Commission of the African Union, 2723-00/2013)

West Africa: Resolving cross-border conflicts

Cross-border conflicts and tensions among Senegal, Gambia and Guinea Bissau have a destabilising effect on the West African region. Frequent causes of this are the unregulated control and ill-defined right of access to forest resources, livestock theft, small arms trafficking and petty crime. To contain these problems, local organisations and civil-society initiatives are specifically trained and strengthened in cross-border courses on conflict resolution and peacebuilding (mediation, peace negotiations, dialogue, reconciliation, etc.). Closer involvement of civil society in drafting local and regional action and development plans makes a major contribution to peace efforts in the region. Involving local governments ensures that situational strategies are adopted in local development plans. The establishment of a dialogue platform (Plateforme sénégambienne) facilitates direct exchange of experience and approaches among stakeholders beyond national boundaries. It promotes cooperation and joint cross-border peacebuilding initiatives implemented via small projects. (ENDA: Renforcement des capacités locales dans le domaine de la prévention de conflits et construction de la paix dans les zones frontalières de Sénégambie 2681/00/2012)

West Africa: Regional stability - keeping and building peace

A project financed by Austrian Development Cooperation focuses on developing local and regional capacities to strengthen peace and security in West Africa. At the Kofi Annan International Peacekeeping Training Centre (KAIPTC) in Accra, Ghana, one of three ECOWAS training centres for military, police and civilian personnel in peacekeeping missions, two pilot courses are being developed for civilian-military cooperation in humanitarian missions and the management of natural resources in conflict prevention with support from ADC The aim is to expand the civilian component in training programmes at KAIPTC and with that in regional crisis management and to strengthen regional stability and conflict prevention mechanisms in West Africa. ADC cooperates closely here with the Austrian Study Centre for Peace and Conflict Resolution (ASPR), African partner institutions and KAIPTC.

In keeping with the whole-of-government principle and accounting for the so-called 3C approach (coordinated, complementary and coherent), the Federal Ministry of National Defence and Sport (FMDS) supports the project with the secondment of a course director to KAIPTC. (Support to Capacity Building for Enhanced Peace and Security in the ECOWAS Region, 2690-00/2013)

Republic of Moldova: Reconciliation at the Dniester River

The conflict in Transnistria has opened a deep rift between the populations on the two sides of the Dniester River. Austrian Development Cooperation is helping to reconcile them through dialogue and confidence building among various parts of the population and interest groups. For example, it forges partnerships between media representatives on both sides of the river and trains journalists in objective reporting to international standards. Together, they produce radio and television programmes on relevant topics for both sides.

Contact is also liaised between local NGOs and administrative authorities by organising joint seminars and study trips to foster a common understanding of the role of NGOs in decision-making processes. A cooperation platform is also planned to support citizens' initiatives on both sides of the Dniester and promote participation in democratic decision-making processes. To strengthen NGO capacities, an NGO Information Resource Centre is being set up in Transnistria that offers training in project management and finance and provides a specialised library for an interested readership. Fostering personal relationships in this way will enable people to get to know and trust each other more and help allay prejudices and resentments. (Confidence Building Measures (CBMs) for the Transnistrian Region of the Republic of Moldova, 8296-00/2013)

Further resources and links

Three-Year Programme on Austrian Development Policy 2013–2015.
http://www.entwicklung.at/uploads/media/3JP_2013-2015_01.pdf

Strategic Guideline on Security and Development, 2011.
http://.entwicklung.at/Fuploads/media/LF_Sicherheit.pdf

ADC policy guideline: Peacebuilding and Conflict Prevention, 2006/2009.
http://www.entwicklung.at/uploads/media/LL_Frieden_Feb09_01.pdf

ADA Handbook on Conflict Prevention and Securing Peace, 2011.
http://www.entwicklung.at/uploads/media/HB_Friedenssicherung_01.pdf

Focus: Women, Men, Armed Conflicts and Peacebuilding, 2014.
http://www.entwicklung.at/uploads/media/2014_Fokus_Gender_u_Konflikt_02.pdf

Revised Austrian Action Plan for Implementing UN Security Council Resolution 1325, 2012.

OECD/DAC 2014: Fragile States 2014: Domestic Revenue Mobilisation in Fragile States.

OECD/DAC 2013: Fragile States 2013: Resource Flows and Trends in a Shifting World.

OECD/DAC 2013: Gender and Statebuilding in Fragile and Conflict-affected States, Conflict and Fragility.

OECD/DAC 2012: Think global, act global: Confronting global factors that influence conflict and fragility.

OECD/DAC 2012: International Support to Post-conflict Transition: rethinking policy, changing practice.

OECD/DAC 2011: Supporting Statebuilding in Situations of Conflict and Fragility: Policy Guidance.

OECD/DAC 2010: Do No Harm: International Support for Statebuilding.

OECD/DAC 2010: Aid in Support of Gender Equality in Fragile and Conflict-affected States.
www.oecd.org/dac/stats/46954513.pdf

INCAF: http://www.oecd.org/dac/governance-peace/conflictandfragility/aboutincaf.htm

New Deal: http://www.newdeal4peace.org/

International Dialogue on Peacebuilding and Statebuilding: http://www.pbsbdialogue.org/

World Bank Report 2011: Conflict, Security, and Development. Washington, DC: The World Bank.

EU Development in Fragile States: Challenges and Opportunities, DEVE 2013.

http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/433724/EXPO-DEVE_ET(2013)433724_EN.pdf

EU Agenda for Change, 2011.
http://eacea.ec.europa.eu/intra_acp_mobility/funding/2012/documents/agenda_for_change_en.pdf

European Report on Development 2009: Overcoming Fragility in Africa – Forging a European Approach. San Domenico di Fiesole: Robert Schuman Centre for Advanced Studies, EUI.