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DEVELOPMENT

# Outreach

PUTTING KNOWLEDGE TO WORK FOR DEVELOPMENT  OCTOBER 2009



## fragility and conflict

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## ABOUT THIS ISSUE

**F**ragile and conflict-affected states are not new, but the challenges they pose have moved to the top of the development agenda in recent years. Experience has shown that the task of moving a poor, conflict-affected state out of fragility is a complex, difficult and long-term project. In many cases, like in Afghanistan, gains have been hard-won, slow and uncertain.

Nonetheless, recent history offers grounds for optimism. Mozambique and El Salvador, once stuck in a downward slide of violent conflict and economic ruin, are now democracies enjoying growth and relative stability. Rwanda, Liberia and Angola have made rapid progress, especially given the conditions they faced when their conflicts ended. But Timor Leste and the Horn of Africa, while very different, remind us that progress can also be marred by setbacks.

Paul Collier, who contributed an article to this issue of Development Outreach, has helped us understand the forces that keep states fragile, and how that fragility undermines development prospects.

External assistance is essential to help solve the problems of what Collier calls the "Bottom Billion" states, many of which are fragile, conflict-affected or both. But this aid must be complemented by local leaders who fill the institutional voids that created the vulnerability in the first place. One of their first tasks is to build capacity in the public service and in key institutions of civil society. Sanjay Pradhan and Alastair McKechnie, respectively World Bank Vice President for the World Bank Institute, and Director of the Bank Group's Fragile and Conflict-Affected States Unit, outline the challenges on these fronts.

Elsewhere in this issue—which was developed with guidance from Henriette von Kaltenborn-Stachau and Erik Caldwell Johnson—analysts and world leaders offer lessons. Timor Leste's Finance Minister Emilia Pires underlines the importance of long-term commitments by donors. At the same time, she cautions governments in fragile settings not to take on everything at once.

Perhaps the most decisive element in success or failure is the kind of leadership that emerges in fragile situations. Harvard Professor Matt Andrews, defines this as, "individuals connected in networks [who] intentionally mobilize people, ideas, meaning and resources toward achieving a purpose."



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**THE WORLD BANK**

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## SPECIAL REPORT



A woman watches in dismay the wreckage of her village caused by ethnic violence.



# DRAWING ON EXPERIENCE

transforming fragile states into

# EFFECTIVE ONES

*Guest Editorial*

**BY ALASTAIR McKECHNIE**

**W**HEN THE WORLD BANK was founded almost 65 years ago, financing the reconstruction of Europe and Japan after the Second World War was its defining purpose. Now, with World Bank-supported programs in countries such as Afghanistan, Democratic Republic of Congo, Iraq, Lebanon, Liberia, Sierra Leone, the Solomon Islands, Sudan, Timor Leste, and West Bank/Gaza, rebuilding from the ruins of conflict is once again high on the Bank's agenda. Indeed, fragility and conflict are among the institution's six strategic directions.

This concern with fragility and conflict emerges, in part, from the Bank's mission to fight poverty. Poverty, fragility and conflict are, in many countries, elements of a vicious circle; to break it, all three must be addressed. After conflicts have ended—and, in many cases, even as they rage on—the international community has called on the World Bank and other development institutions to support reconstruction. While this is necessary, of course, a better option would be for these institutions to become engaged to prevent fragility from degenerating into conflict in the first place.

The cost of conflict is high. Aside from the lives lost and damaged due to conflict, and the scale of human suffering it creates, with women most often carrying the brunt of it, conflict also destroys assets and institutions. Recovering and rebuilding them can take many years. As economist Paul Collier, author of *The Bottom Billion* and *Wars, Guns and Votes*—among others—has shown, civil conflict often spills across borders. Conflict thus not only undermines and slows down development and poverty reduction in the country where it finds a host, but also in that country's neighbors. It provokes and sustains movements of refugees

and displaced persons, crime, disease, narcotics and extremist violence, in the region and sometimes beyond.

Given the complexities of fragility and conflict, the World Bank's approach to addressing them is constantly evolving in the light of experience. In postwar Europe and Japan, the focus was on rebuilding damaged assets. While the devastation was huge, the countries in question were, for the most part, already industrialized, with many established, recoverable institutions, as well as skilled populations. In low-income countries coming out of prolonged insurgency, however, the challenge goes beyond fixing broken infrastructure. It often entails nothing less than building a sustainable state.

## Securing development

INCREASINGLY, rebuilding and development is taking place amid ongoing conflict. With chronic wars, widespread use of terrorist tactics, and on-again off-again violence, the humanitarian space that once allowed international actors to provide support, has shrunk. On the positive side, our understanding of the role of the state in building peace and laying the foundations for development has deepened. The example of countries that have achieved reductions in poverty, however modest, suggests that development depends on an effective state that delivers core services such as security, rule of law, and public goods such as control of contagious disease.

Countries at the end of conflict often do not have an effective state. They need help to build one, but this is a huge and enormously complex task. Experience has taught us that it requires integration of security, diplomatic and development support. This is challenging enough when a single donor seeks to achieve it through a "whole of government approach." It is all the more complicated when numerous international actors with different mandates and capacities are involved. As World Bank President Robert B. Zoellick said recently,

"This is not security as usual or development as usual. Nor is this about what we have come to think of as peace building or peacekeeping. This is about 'Securing Development'—bringing security and development together first to smooth the transition from conflict to peace and then to embed stability so that development can take hold over a decade and beyond. Only by securing development can we put down roots deep enough to break the cycle of fragility and violence."<sup>1</sup>

Securing development depends on building an effective state. What constitutes an effective state? One useful way of defining it is offered by several OECD countries: an effective state has both the capacity and willingness to mobilize resources, exercise political power, control its territory, manage the economy, implement policy, and promote human welfare in an inclusive manner, including delivery of vital services such as justice and security, health care, education, water and sanitation.

## State-building

STATE-BUILDING is about creating institutions that are effective in the eyes of their beneficiaries, and which can be self-sustaining within a reasonable timeframe. Indeed, state-building includes "capacity building" but goes further. It is about governments deciding on the scope of services they will provide—and a government short of educated people, money and a tradition of good governance cannot be too ambitious—as well as how those services should be delivered, drawing on capacity that already exists, including that found in humanitarian agencies and NGOs. It is about how to structure government, how to align organizations to achieve desired results, and how to establish rules for efficiency and accountability without bureaucracy. It is about people, and includes nurturing the skills that exist, providing training, selecting on the basis of merit, and rewarding performance. It also involves providing space for learning by doing, while expanding the supply of skills for the long term, by revitalizing the education system, particularly at higher levels.

Building a state also involves creating the "plumbing" of administration, that is, establishing systems to manage public finances and human resources. Most importantly, it is about providing incentives and delivering accountability, giving voice to citizens, providing checks and balances for performance and against abuse of power, developing centers of countervailing power like legislatures, judiciary and commissions with independence for audits, stamping out corruption, and transparent elections.

An organization like the World Bank can assist countries by laying out solid technocratic advice on best practices in state-building. But the reality on the ground is more complicated and often messier. Max Weber's definition of a state as having a legitimate monopoly of violence, the concept of merit-based bureaucracy, and the state's role in establishing conditions for competitive markets are all useful principles and guidelines. But their application is not always easy in situations dominated by warlords, ethnic divisions, traditional hierarchies, patrimonial systems, and business people who are often profiting amidst the violence and lawlessness of a wartime economy. To improve the state's effectiveness under such conditions, practitioners must draw on local traditions, take into account political conditions and find the support that local political leaders can muster. The international community can help, but the basic design, speed and direction of reform, and the amount of change that a society can accept must be determined by the country itself.

## What can outsiders do?

WHILE WE HAVE LEARNED MUCH about helping countries rebuild after conflict, we know less on how to address fragility or to help societies prevent war. Recent academic work has presented fragility in terms of deteriorating legitimacy, a widening gap between the rules that government sets and what society will accept. A government may be regarded as legitimate by its people if it sets rules and laws that are socially acceptable, delivers services effectively, and is consonant with the combination of traditions, myth, religion, history and identity that

defines the nation. How can development institutions understand this process of legitimacy more deeply, especially when legitimacy may be grounded in traditional hierarchies or charismatic leaders, and develop differentiated modes of engagement? How do we avoid political interference and violating the “do no harm” principle? Understanding how development assistance contributes to statebuilding and reinforces legitimate authority, even whether assistance designed to support statebuilding is seen as legitimate itself, are important areas that require future exploration to help us address the difficult challenges of providing effective assistance in situations of fragility.

Academic research, combined with the work of the OECD DAC International Network on Conflict and Fragility, among others, has produced draft guidelines for those helping countries secure peace and build an effective state. The OECD principle in which those who seek to assist, must seek first to “do no harm,” may appear self-evident. But applying this principle is often challenging: it presupposes a deep understanding of the political context, and precludes creating parallel delivery structures that undermine the nascent state. It requires that outside helpers focus on building core state functions such as personal security of the population, and on establishing the centrality of the government budget for priority-setting. It also means promoting a vibrant and law-abiding private sector that creates jobs. All of these efforts must be supported by staff members on the ground who understand the country, and have the latitude to take decisions quickly enough to respond effectively to changing conditions.

The record of technical assistance in these situations has been mixed. Indeed, Serge Michailof, formerly of the World Bank, has coined the “paradox of technical assistance”: being that those organizations in most need of technical assistance are least able to absorb it. In seeking to build capacity in a fragile state, a comprehensive approach, predicated on realistic goals and expectations, is essential. It must include multiple strategies to address skills gaps, including recruitment of skilled national staff from diasporas, training of existing staff, and development of tertiary education facilities in the country. But it must also take stock of the government’s initial condition, and provide guidance as to the scope of services the government is able to provide and deliver itself, as well as those it needs to contract out for delivery by third parties.

## Comprehensive, but sequenced

**BUILDING CAPACITY** usually depends on a reform of public administration, at least in the departments responsible for core services; such reform must strengthen incentives, organization, staffing and accountability. Implementing this kind of reform across the entire public administration is typically complex and slow. In Afghanistan, for example, an incremental approach was adopted to reform key ministries, or departments within ministries, where there was committed leadership and ownership. Staff were appointed to redefined positions on



This school building was constructed by the community through the “Community Grant for School Development” financed by the World Bank Group’s International Development Agency. The school is located at about a 2-hour drive from the city of Bamyan, Afghanistan.

merit and paid higher compensation. Complementing these reforms was a program of technical assistance in which individual experts, often from the diaspora, were contracted to help establish financial management and human resources systems, and to provide training for existing employees.

While such incremental approaches offer advantages, they also present challenges. Returning diaspora members are sometimes resented for having been abroad during the conflict, only to return to a senior position after it. Some existing staff members may not have the needed skills to do their jobs; in some cases, former combatants have been appointed for patronage reasons, and have neither the knowledge nor the vocation to contribute to a transparent and effective administration.

Capacity building requires patience and persistence, and pragmatic interventions that deliver some short-term state effectiveness while laying a solid foundation for the future. Institutions are created through “learning by doing,” that is, accepting accountability for delivery and finding ways to overcome the problems that arise along the way.

It is sometimes tempting for the international community to jump in and deliver services itself, bypassing legitimate national authorities. This not only prevents state organizations from learning from their mistakes, it can hollow them out as accountability for delivery shifts to donors and as the best staff are attracted to work for parallel donor programs.

Capacity building is at the heart of state-building which in turn is linked to building peace and creating the conditions that lead to sustained reductions in poverty. Outside organizations like the World Bank can help, but ultimately, countries—even those whose states are fragile—have to build their own institutions, and tailor them to their own needs. 

**Alastair McKechnie is Director of the Fragile and Conflict-Affected Countries Group at the World Bank Group.**

### Endnotes

- 1 Robert B. Zoellick speech at US Institute of Peace, “Securing Development” (January 8, 2009) <http://siteresources.worldbank.org/NEWS/Resources/RBZUSIPSpeech010809.pdf>

# Building Capacity to Move Past Conflict and Fragility

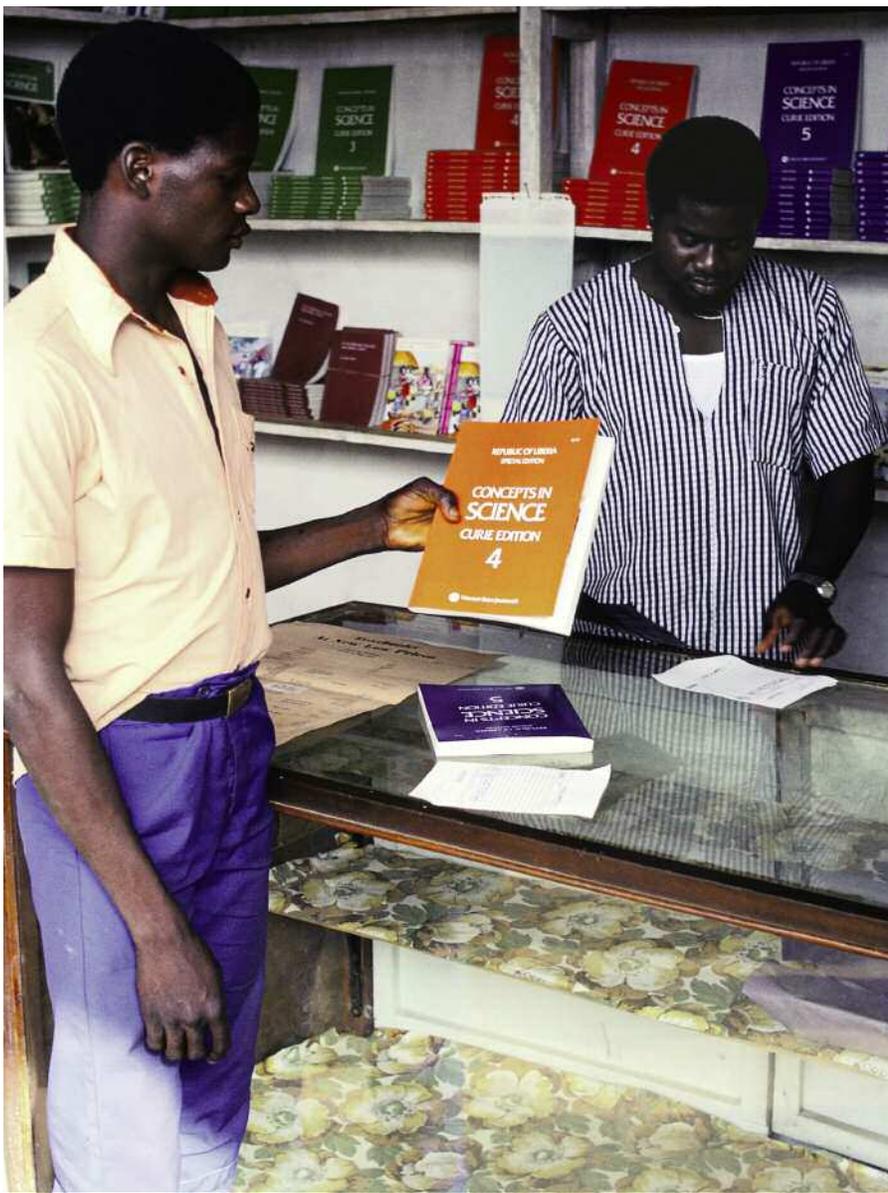
*An agenda for action*

BY SANJAY PRADHAN

COUNTRIES THAT ARE EMERGING from conflict face many challenges, but lack of capacity is at the forefront. Unless it is addressed, fragility is likely to persist. Paradoxically, intense pressure for “quick wins” and results-on-the-ground, especially in post-conflict situations, often pushes the capacity development agenda to the margin.

Capacity gaps can undermine early progress in reconstruction, as local administrators lack the knowledge, skills and experience to sustain or replicate successful outcomes. And although some fragile and post-conflict countries receive huge and unforeseen aid inflows, these can dry up quickly if the government is unable to absorb them and demonstrate progress. In some cases, a vicious cycle can take hold: governments cannot secure aid because they haven’t the capacity to use it, and they haven’t the capacity because they don’t have the resources to develop it.

Local authorities in most fragile states face urgent demands for food, water, housing, health care and schools. Their legitimacy, and even survival, depends on meeting at least some of them. In practice, this means that reconstruction, service delivery and capacity building must be undertaken all at once, albeit with strategic focus to deliver targeted results in key areas.



A bookstore in Liberia.

## A Liberian experience

LAST APRIL, Liberia's Finance Minister Augustine Ngafaun outlined the stark realities facing decision-makers in a post-conflict situation. Speaking at a World Bank seminar devoted to capacity-building in fragile settings, he said that when Liberia's years of civil conflict finally ended in late 2003, the government faced a situation in which three-quarters of the country's educational facilities were completely destroyed, and most of the country's roads in disrepair. Meanwhile, a massive and sustained brain drain meant the country was left with "very few doctors, teachers, and hardly any engineers." He added that Liberia, a country rich in minerals, has only five geologists.

This compelling sketch summarizes the challenge facing states like these: how to manage reconstruction, while simultaneously delivering basic public services, and building capacity, inside and outside government, almost from scratch. In addressing it, Minister Ngafaun emphasized the need for donor partners "to understand the whole operating environment, including its social and political dimensions," and to make capacity building of central importance in the national development strategy.

This testimony, while describing a single country, has elements in common with others that are similarly fragile, whether the fragility is due to recent conflict or to chronic conditions, or both. One of these is that, in almost all such states, there is an urgent need to build the basic capacity of key state as well as non-state institutions to themselves design, implement and monitor high priority policies and programs, rather than relying on imported technical assistance. The key, Minister Ngafaun said, "is transferring capacity from externals—expatriates—to staff in our public service." He added, however, that this capacity transfer must reach senior leaders, not only the lower and middle ranks of the public service; leaders need capacity building too, he said, to motivate those who rely on them for guidance and direction.

These observations echo a recommendation in a recent study by the World Bank's Independent Evaluation Group, *Engaging with Fragile States*: "If foreign experts are brought in to provide technical assistance, it must be ensured that this will not compromise the long-term development of local capacity." This point was reiterated at the same seminar by James Musoni, Finance Minister of Rwanda, a country often cited for its impressive progress in overcoming fragility and conflict. Capacity development, Musoni said, should be an integral part of a country's poverty reduction strategy.

## Key implications for capacity building in fragile settings

WE NEED TO APPROACH CAPACITY BUILDING in fragile and post-conflict settings, at least in the short run, very differently from other settings. An overarching objective is to foster and focus leadership capacity and multi-stakeholder coalitions to achieve tangible results in the short run, while rebuilding longer-term institutional capacity. Specifically,

five key priorities can be identified: (i) focusing leadership capacity-building to achieve rapid results; (ii) choosing strategic entry points and forging multi-stakeholder coalition building around these; (iii) rebuilding professional associations; (iv) building local institutions for sustainable capacity building; and (v) integrating crucial aspects of cohesion and inclusion in leadership capacity and coalition building at different levels.

## Achieve rapid results

CAPACITY BUILDING in post-conflict and fragile states presents three unique challenges, at least in the short run: everything is a priority, existing capacity is weak, and visible results must be achieved quickly. Building capacity in these states is like living through history in a hurry: long-term capacities and institutions are needed, but there is only a short time in which to deliver results. So in such settings, this capacity building is not about traditional training or education alone which will take years to deliver results, but it is about on-the-job engagement, in which we draw out and inspire and energize latent capacity to achieve rapid results in targeted areas.

To meet these challenges, capacity building efforts must define goals and results that matter and that people will strive to reach. Since capacity is limited all around, emphasis should be placed on forging coalitions to leverage scarce capacity in state and non-state sectors, as people working together can expand capacity. The leaders must also inspire pride and confidence, spreading a "can do" attitude, while also setting goals that are achievable in view of the constraints.

Accordingly, WBI has facilitated workshops for homogeneous and diverse groups in several African countries to help them define agendas for change, identify priorities, and draft implementation plans that are securely grounded in local realities. Workshops for cabinet ministers have employed a "rapid results" methodology to build capacity. In Burundi, for example, this approach resulted in improvements in government performance: 250,000 textbooks were distributed to the country's primary schools in 60 days, an exercise which, hitherto, had taken the entire year. Another workshop led to the adoption of a plan that resulted in a 600-percent increase in visits by pregnant women to health centers for HIV/AIDS tests. This approach can be applied in the public sector, in community settings, or where public-private partnerships are being developed.

## Strategically select a few entry points

IN VIEW OF LIMITED CAPACITIES, it is important to strategically select a few feasible and visible entry points. Two such areas are: (i) governance of resources use, including extractive industries, budget management and procurement; and (ii) delivery of basic services.

Extractive industries are a case in point. For countries endowed with oil and other high-value natural resources, these resources are often at the root of the conflict. This implies a need to foster multi-stakeholder capacity-building



South-South experience sharing between China and Africa.

of both state and non-state actors (including civil society, private sector, parliamentarians and media), to build credibility, trust and transparency throughout the value chain. The goal is to build capacity to transform the resource into a source of income and livelihood for society as a whole, rather than simply a rent appropriated by a small group. Similarly, in view of limited financial and implementation capacities of public, private and civil society institutions, multi-stakeholder partnerships for improving service delivery, including creative public-private partnerships, are needed.

## Rebuild professionalism and coalitions

REBUILDING PROFESSIONAL CAPACITIES after conflict should begin with public administration and the civil service. Over the long term, however, professional standards and practices can be restored, or strengthened by professional associations such as those of accountants, auditors, lawyers, and engineers.

It is the profession that helps to set standards, establish and regulate the ethics from within. But professions are hard to develop and take lots of time, especially if countries take international best practice professions as a basis. In this context it is better to develop professionalization “tracks” for post conflict countries that give enough legitimacy to the idea of a “profession” but that have realistic entry standards, perhaps with a set path to converge with international standards in the future. The idea of creating a Liberian Association of Accountants with loose affiliation with the international association is an example, where a Liberia-specific training and access exam were developed.

for pragmatic sharing of “how-to” experiences that have worked in other challenging settings. Many countries struggling with fragility look to one another for information and best practice. South-south knowledge exchange and peer-to-peer learning often yield relevant and effective capacity-building outcomes. The Global Development Learning Network (GDLN) can provide a powerful network of knowledge and learning platforms connecting fragile states through video technology, and can thereby facilitate just-in-time exchanges, wholesale learning and help overcome challenges posed by distance and access in fragile settings. To this end, a



Field visit to projects in China's provinces.

## Build local training institutes and capacity for South-South exchanges

INSTITUTIONS DEVOTED TO CAPACITY-BUILDING should also be established and supported. Ultimately, this is the only sustainable approach, as the demand for public administrators is ongoing. Training institutes have been developed with donor support in numerous countries, but many of these have fallen into disuse.

WBI’s emerging program for fragile states has developed curricula in areas such as rapid results, monitoring and evaluation, budget management, and procurement. Following its recently-developed renewal strategy, WBI will focus on building the capacity of local institutes by sharing experience and developing plans with them to train trainers and broker relationships with other learning institutions.

In addition to building the capacity of training institutes, it is important to facilitate just-in-time practitioner-to-practitioner exchanges

## WBI'S NEW STRATEGY ON FRAGILE STATES

The World Bank Institute (WBI) has developed an array of tools for strategic and operational planning that can be applied in fragile contexts. These include the Rapid Results Approach (RRA), leadership programs, and participatory governance diagnostic processes that can be used to build consensus and coalitions for change. Such tools and approaches help countries set priorities, build workable results chains, and break down complex, multiyear challenges into shorter initiatives focused on achieving measurable results.

Building on its experience, WBI is developing a strategy to increase its engagement in fragile states. The strategy will include a menu of support programs to be offered at both the global and country levels, and designed in close collaboration with other units in the World Bank Group. Programs will be developed with world-class partners that have leading expertise in specific areas, and with multilateral and bilateral donor partners. A key element of the strategy will be to partner with regional and country institutions for customization, delivery, and sustained capacity-development impact.

1 POSSIBLE AREAS OF SUPPORT include the following:  
LEADERSHIP PROGRAMS tailored to the realities of fragile states, supporting leaders at national and local levels of government, parliamentarians, and future agents of change, such as youth and women;

2 CAPACITY BUILDING for ministries of finance and planning, focused on budget management, procurement, and the associated monitoring and evaluation;

3 SERVICE DELIVERY, for instance by scaling up the capacity-development impact of ongoing projects in health and education;

4 PRIVATE SECTOR DEVELOPMENT, including transparency in the extractive industries value chain, and public-private partnerships, in collaboration with partners; and

5 STRUCTURED LEARNING AND SOUTH-SOUTH KNOWLEDGE EXCHANGE, using information technology, such as distance-learning through the Global Development Learning Network to connect fragile states and share knowledge.

Leading experts from the World Bank Group and the broader development community exchanged experiences and highlighted critical considerations in a day-long workshop, Capacity Building in Fragile States, on July 16, 2009 (see story at: [www.worldbank.org/wbi](http://www.worldbank.org/wbi)).

- ▶ Participating organizations working on issues relating to fragile states were:
  - Overseas Development Institute (ODI)—[www.odi.org.uk](http://www.odi.org.uk)
  - Organization for Economic Co-operation and Development (OECD)—[www.oecd.org/fsprinciples](http://www.oecd.org/fsprinciples)

network of GDLN facilities in fragile settings will prove very useful for capacity building.

## Foster leadership, national identity and cohesion

THE FINAL CHALLENGE—at once crucial and difficult—is to support leaders in their efforts to rebuild a new social compact and trust between the state and citizens, and between different factions and ethnicities that risk reigniting conflict. The underlying breakdown of trust, ethnic fragmentation and narrow identification, and resulting patronage systems are the main challenges of post-conflict reconstruction. In this context, it will be important to support leaders by integrating cohesion and inclusion in capacity and coalition-building initiatives, for instance, through “win-win” common cause projects in rapid results workshops, inspirational cases of rebuilding cohesion and inclusion in other fragile settings, and helping institute positive mechanisms such as awards and recognition. These features can be integrated in leadership capacity building initiatives at different levels of government—cabinet workshops in central government, line ministries, local governments—and also in empowering agents of change that can be important forces for cohesion and inclusion, such as women and youth leaders. In fragile states, these “softer” aspects of changing attitudes and behaviors, and fostering consensus and cohesion are at least as important as more technical aspects of skill building.

While the task of capacity building in fragile states is formidably challenging, a strategic and targeted program can start to build leadership capacity, multi-stakeholder coalitions, and trust in focused areas, and thereby generate rapid results that lead to feasible and sustainable pathways out of conflict. 🐘

**Sanjay Pradhan is the World Bank Group Vice President who heads the World Bank Institute.**

# A Worldwide Pact for Security and Accountability in Fragile “Bottom Billion” States

BY PAUL COLLIER

IN *THE BOTTOM BILLION*, I argued that a group of around sixty, small, low-income countries with a combined population of around a billion people had missed out on global economic development and so had diverged from the rest of mankind. Helping these countries to catch up has become the central challenge of development. Aid is one way in which we can help, but aid alone will be insufficient: a good model for how the rich world can effectively help the countries of the bottom billion is how the United States helped to rebuild Europe after the Second World War. It combined a large aid program, the Marshall Plan, with trade policy, security policy and gover-

nance. To help Europe, the U.S. government completely reversed its pre-war protectionist trade policy, opening its markets to European goods and committing itself to openness through the General Agreement on Tariffs and Trade (which has now evolved into the WTO). Similarly, it completely reversed its pre-war security policy of isolationism, stationing over 100,000 U.S. troops in Europe for over 40 years. Finally, it completely reversed its approach to the governance of other countries: before the Second World War, it had refused even to join the League of Nations, whereas post-war it co-founded the United Nations, the Organization for Economic Cooperation and Development and the International Monetary Fund, all institutions for mutual support of good governance.



Brazilian soldiers of the UN Peacekeeping Force re-establish order in Port-au-Prince, Haiti, after people were killed by gunfire.

Post-war Europe was a fragile mess of impoverished and politically weak countries that needed this integrated approach to assistance. The countries of the bottom billion need a similar approach now: their problems are even more acute than those of Europe 60 years ago. In particular, there are two fundamental public goods which they are structurally ill-equipped to supply internally: security and accountability. Without these public goods development is far more difficult: insecurity discourages investment, and a lack of accountability breeds corruption and policies that serve narrow elite interests instead of the society as a whole.

## Security and accountability: Internally in short supply

THE PROVISION OF SECURITY is the classic example of a public good. Yet security is often hard to provide in the countries of the bottom billion. The structural characteristics of these societies, poverty, stagnation, the presence of valuable natural resources, and ethnic diversity, all make rebellion easier. Further, security is characterized by strong economies of scale: with small populations and tiny economies governments cannot reap these scale economies and so cannot afford effective security. Indeed, governments face a dilemma: a large and well-equipped military might help to discourage rebellion, but it might also increase the risk of a coup d'état. Many more governments are toppled by coups than by rebellions. Hence, governments often prefer to keep the army weak, an example being the late President Mobutu of Zaire, who maintained a policy of undermining and dividing his country's military. He made himself safe against coups but was instead toppled by a rebellion.

The provision of accountability is more difficult than security because, unlike other public goods, it cannot be provided simply by the government. Accountability depends not just upon the institutions built by government, but upon active and effective scrutiny by citizens. The standard "technology" by which citizens can hold government accountable is elections, and they have indeed become much more common in the bottom billion countries. However, elections only achieve accountability if they are properly conducted. It has proved disturbingly easy for incumbents to win elections by resort to illicit tactics: bribery, intimidation and ballot fraud. New research finds that where governments face well-conducted elections they indeed deliver improved economic policies as measured by the World Bank's "Country Policy and Institutional Assessment." Ordinary voters appear to want the sort of policies that the World Bank has tried to encourage. But this benign effect of elections only holds when the elections are well-conducted: illicit tactics let government off the hook.

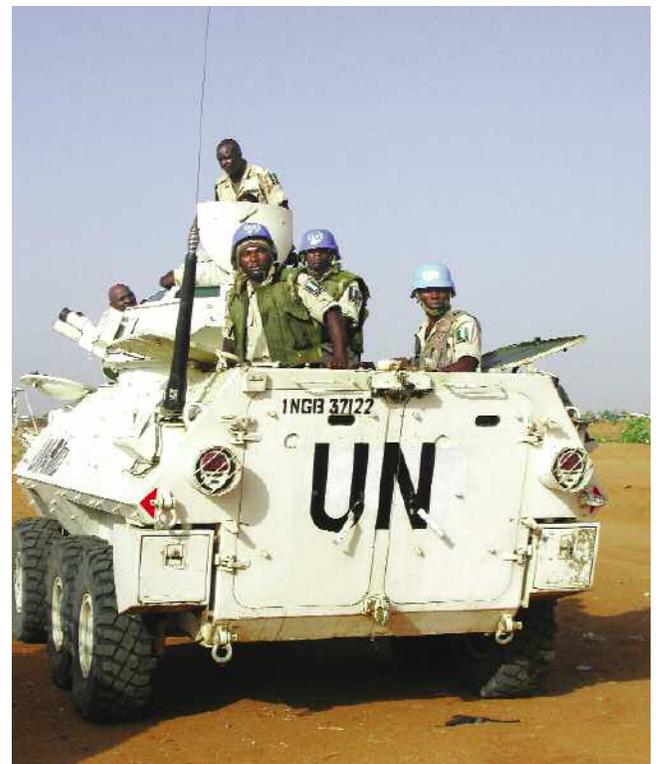
While illicit tactics are bad for economic policy, they are very good for incumbent rulers. Where they are used, the chances of electoral victory increase so much that the expected duration of a ruler in office is tripled. So, where illicit tactics are feasible, incumbent politicians are likely to

resort to them. Statistically, the characteristics that tend to make illicit tactics feasible are a low-income, a small population, and large resource rents. Unfortunately, these are the structural features of the bottom billion.

This analysis suggests explanations for why governments of India, not one of the bottom billion countries, have been better able to provide security and accountability to citizens than have governments of Africa. India's population is many times larger than the typical African country, enabling it to reap scale economies, and India does not have large resource rents.

## Security and accountability: Internationally supplied

IF SECURITY AND ACCOUNTABILITY are critical public goods for development, and if the countries of the bottom billion are structurally unable to supply them internally, then some form of international supply is necessary. One approach is for the countries in a neighborhood to pool sovereignty so as to form larger entities that are better able to reap scale economies. The pioneers in the neighbourhood pooling of sovereignty have been the United States, Australia, and Europe. California, New South Wales, and Germany, each have far larger economies than the typical society of the bottom billion, but their governments have chosen to retain far less sovereignty. Unfortunately, although the societies of the bottom billion need the benefits of pooled sovereignty far more than



Peacekeeping soldiers of the hybrid United Nations African Union Mission in Darfur (UNAMID) go on a patrol in the Nyala area.

these rich societies, their governments have clung to power. Indeed, since governments are often not very accountable to citizens, what is being treasured is better described not as national sovereignty but as presidential sovereignty.

Given the very limited neighborhood pooling of sovereignty, the only alternative is to have a phase of international assistance in providing security and accountability. Recall that in respect of security this is what the U.S. did for Europe for over 40 years. International provision may raise the spectre of a return to colonialism, but such fears would be misplaced. Manifestly, there is no appetite among the former colonial powers for a return to empire: they are democracies and their citizens would not countenance it. Indeed, international provision need not rely upon the former colonial powers. For example, in Haiti, a classic country of the bottom billion, for the past five years security has been ably maintained by 9,000 Brazilian peacekeeping troops serving under the authority of the United Nations, and with the support of the government. Decades of global economic growth have switched many countries such as Brazil from being recipients of international assistance to being participants in providing it.

Peacekeeping and over-the-horizon guarantees are effective ways of providing security. In post-conflict situations which, historically, have faced high risks of reversion to conflict, peacekeeping succeeds in bringing risks down. Indeed, despite its high financial cost, peacekeeping is good value for money, given the enormously higher cost of conflict. Currently, inter-

national resources spent on peacekeeping are not counted as development assistance, and there is no coherent budgetary framework in which its value is compared and evaluated against aid. Developing ways of making such decisions is an example of how better to coordinate the range of policies—aid, trade, security and governance—that will need to be deployed.

## Elusive accountability

INTERNATIONAL STRENGTHENING of accountability to citizens is probably more difficult than security. At a minimum, the international community can develop voluntary standards and codes which governments can then choose to follow. An example is the *Extractive Industries Transparency Initiative* which many governments are now accepting as a reasonable benchmark. There is also a good case for conditionality, not in respect of economic policies but of governance. *Policy* conditionality detracts from the accountability of government to citizens because it tries to deprive government of responsibility for some economic decisions. In contrast, *governance* conditionality seeks to insist only that government is accountable to its own citizens.

The most radical suggestion in *Wars, Guns and Votes* is to use the provision of security as an incentive for accountability. Governments that came to power through elections recognized as free and fair would be protected from the threat of a coup by international military force where this was feasible. It is hard to see how the suppression of a coup and the restoration of a rightful government could be misconstrued as colonialism. When President Bill Clinton used the threat of American troops to put down a coup in Haiti, and Prime Minister Tony Blair used British troops to restore the legitimate president of Sierra Leone, their interventions were welcomed. But, of course, if a government stole an election this protective cover would be withdrawn. With four African governments having been overthrown by coups within the past year such protection would surely be an attractive incentive for keeping elections clean.

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A woman casts her vote at a polling station in Freetown, Sierra Leone, in August 2007.

# Placing Security and Rule of Law on the Development Agenda

BY MARK L. SCHNEIDER

IF DONE CORRECTLY, development and security can reinforce each other. Conversely, if either is ignored, particularly in post-conflict countries, reconstruction can be crippled. This was the message that World Bank President Robert Zoellick delivered in his January 2009 speech to the United States Institute of Peace. He underscored the need for simultaneity rather than sequencing in security and development. Over the past 14 years, the International Crisis Group has arrived at similar conclusions in seeking to contribute to conflict prevention, end conflict where it exists, and help ensure the success of post conflict reconstruction and stabilization.

## Crisis Group analysis

THE RANGE OF CRISIS GROUP ANALYSES of post-conflict efforts to establish or reconstruct competent, legitimate military, police, and courts encompasses the good, the bad and the ugly. For example:

- In Afghanistan, seven years after the Taliban government was removed and \$6 billion spent to train, equip and fund a police force, the U.S. Department of Defense and the Government Accountability Office classifies just 18 of the country's 433 police units as operation ready, a third of the 82,000 registered police are unaccounted for, and 40% of the guns they've been given are missing.



Hundreds of police officers, backed up by the army, took to the main streets of Guatemala City to provide security.

- In the Democratic Republic of Congo, security sector reform has yet to produce an effective military force capable of defending the country's borders or a competent police force trusted to enforce the law. The daily assaults, rapes and chaos inflicted by marauding militias in the Eastern Congo—and by government troops as well—are a reflection of those failures.
- In Liberia, a competent, elected president is working with donors to rebuild the war-torn country. Significant progress has been made in reconstituting an army after scrapping the previous force, but a non-corrupt police force remains a work in progress.
- In Haiti, after years of trying to recruit, train and equip a non-corrupt National Police force, 9,000 police are at work and earning relatively high public confidence. However, one thousand others have failed vetting and are in limbo.
- In Guatemala, a decade after the end of a civil conflict that claimed 200,000 lives, most people assume that entire national police units are corrupt.
- In Kosovo, the Kosovo police force has the potential to become a promising multi-ethnic institution, but Belgrade's insistence that Kosovar Serbs leave the force poses one of the single greatest concerns in advancing reconciliation for an independent multi-ethnic Kosovo.

## Importance of the rule of law was underestimated

IN EXAMINING POST-CONFLICT EXPERIENCES in the Balkans, sub-Saharan Africa, South Asia and Latin America, the Crisis Group initially found a profound lack of awareness by the international community about the importance of the rule of law in post-conflict situations. For too many donors, working with police, criminal justice and jails—let alone the military—meant getting your hands dirty. The security sector task was left for others to clean up. Fortunately that position has changed profoundly—in part thanks to findings by Paul Collier, showing that a lack of security is responsible for the failure of nearly half of post-conflict reconstruction efforts, and that fighting has resumed within a decade. Among the prominent causal factors was the inability to manage disarmament, demobilization and reintegration (DDR) and then to build new security and rule of law institutions within a legitimate government. Even where DDR was conducted successfully, the more persistent flaw was the inability to address

citizen safety and to organize competent, respected police and an independent judiciary. The continued existence of impunity, corruption and insecurity led former warring parties back down the road to renewed conflict.

Recognition of the importance of the rule of law in fragile states and post-conflict reconstruction has grown substantially, including in statements by the United Nations General Assembly and Security Council, as well as in the speech cited above by the World Bank president. Crisis Group board member Lord Paddy Ashdown, as UN High Representative in Bosnia-Herzegovina, stated, "In hindsight, we should have put the establishment of the rule of law first, for everything else depends on it: a functioning economy, a free and fair political system, the development of civil society, public confidence in police and the courts."

## Building rule of law and security capacity

NEVERTHELESS, THERE IS STILL a woeful absence of capacity on the part of the international community in the areas of rule of law and security sector reform. Interestingly there has been greater success in structuring military forces, such as in Liberia, than in building civilian police forces, promoting respect for the rule of law, requiring accountability of security forces and constructing impartial judiciaries able to act without regard to the traditional impunity of powerful elites.

Neither the United Nations, the African Union, the OAS or the EU—nor individual nations—has built an independent capacity to manage the full range of post-conflict security requirements, from enforcing the law during the immediate aftermath of conflict to assisting countries in constructing



Several hundreds former Serbian army reservists attacked Kosovo police in a series of violent incidents on the Kosovo-Serbia border at Merdare to protest Kosovo's independence.

legitimate security institutions. The demands encompass institutional management of military forces; separation of military from police and law enforcement functions; recruiting, vetting, training, equipping, deploying and mentoring police forces; assisting in developing criminal codes; agreement on mechanisms for the transparent selection of judges; training and support of prosecutors; and creating corrections staff and facilities.

It is unlikely that any single entity will develop the stand-alone capacity to meet all of these needs. The World Bank's Country Policy and Institutional Assessments (CPIA) is used by the Bank's concessional-lending arm, the International Development Association (IDA), the United Kingdom's Department for International Development (DFID), and others, to identify approximately 35 to 45 fragile and failing states. They include post-conflict countries and countries where NGOs such as Crisis Group use qualitative and quantitative indicators to identify risk of conflict in the near term. In many of these countries, the rule of law is absent, security forces act independently of civilian control, they abuse rather than protect citizens and fail in the most fundamental task of defending the national territory against armed occupiers.

The good news is that there are reformers gathering force, experience and resources in nooks and crannies of the international community attempting to build international capacity to help those countries build security and justice institutions. Pooled in a coherent and coordinated network with flexible resources, there is light at the end of the tunnel—dim but visible.

First, the UN was forced to recognize huge gaps with respect to its ability to fulfill its peacekeeping mandates during the 1990s. Current Crisis Group board member Lakhdar Brahimi, in his 2000 report, after his own experiences as head of one of the five UN peacekeeping missions in Haiti, called for "a doctrinal shift" to increase a focus on rule of law in the use of civilian police and "parallel arrangements" with respect to judicial, penal, human rights and other specialists. Today there are 18 post-conflict countries in which more than 113,000 UN Department of Peacekeeping Operations (DPKO) forces are deployed, including more than 10,300 UN Police. The 2005 UN General Assembly endorsed a standing police capacity and a rule-of-law coordinating capacity and a new Assistant Secretary General now runs the Office of Rule of Law and Security Institutions within DPKO. However, the doctrinal, planning, operational and evaluation capacity of that office is thin.

The mandates assigned to the DPKO by the UN Security Council for post-conflict peacekeeping usually span DDR to security sector and police reform and the rule of law. Now, there is an office with coordinating responsibility but without the financial and human resources to do the job. It requires an expanded standing police capacity, a comparable standing rule-of-law capacity, a designated and trained UN police reserve and a senior reserve roster of retired judges, prosecutors and jailers to be available for UN missions, ideally not only for post conflict but to help fragile states from falling into conflict as well.

Secondly, the regional inter-governmental organizations, particularly the European Union, are rethinking the extent of

their engagement in post-conflict security and rule-of-law operations. The current European Rule-of-Law Mission in Kosovo (EULEX) is calling, in effect, for replacing the UN's governance and rule-of-law support activities with the European Union (although they will still operate under the general framework of a UN Security Council Resolution 1244). Even before this 3,000-strong staff investment, European police have dominated international police missions in the Balkans.

Thirdly, the OECD and individual donor nations, including Canada, the UK, and the U.S., are reviewing their own capabilities in this area. The Obama international affairs budget for fiscal year 2010 proposed more than \$500 million across the State Department and USAID for civilian stabilization. This includes a rapid response capacity and civilian standing reserve in such areas as rule of law, with experts from inside and outside the government ready to assist failing states and post-conflict reconstruction. There is a growing consensus that accountability and the rule of law are necessary to strengthen citizen safety, trust and legitimacy, both in the short term peace-building scenarios and in the longer term state-building context. There is a growing understanding that if all groups in society are treated equally under the law, by the police and in the courts, the likelihood of conflict drops and the environment for development is vastly improved.

## Challenges facing the World Bank

FINALLY, INTERNATIONAL FINANCIAL INSTITUTIONS, in particular the World Bank, are increasingly aware that they possess core competencies that permit—indeed require—their involvement in security sector reform and establishing the rule of law in fragile and post-conflict countries. The World Bank, as president Zoellick stated, has come to realize that it can contribute importantly to securing development by "bringing security and development together first to smooth the transition from conflict to peace and then to embed stability so that development can take hold over a decade and beyond." In fact, there is little chance Bank efforts to promote development, economic growth and poverty reduction can succeed without greater attention to governance, justice and security.

The challenge facing the Bank is how to build on what it has already accomplished. It must find a way to interact even more with partners in post-conflict situations, go further in helping them support civil society, provide legislative oversight and create domestic mechanisms for accountability. It should consider its own special fund for security and rule of law institutions that would marry with the UN and others to encourage holistic investments in "securing development" in fragile states and in post-conflict countries in transition to peace, justice and poverty reduction. The option for the World Bank and others is not whether to do more but how to harness the Bank's full range of human and financial resources to make "securing development" a Bank priority. 

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# Disarm, Demobilize and Reintegrate

*Transforming combatants into citizens to consolidate peace*

BY MARIA CORREIA

SUPPORT BY THE WORLD BANK GROUP for the demobilization and reintegration (D&R) of ex-combatants in fragile countries is still in its infancy, with its regulatory framework to address this challenge having been revised in March 2007. A few visionaries pushed this agenda in Africa in the late 1990s, however, which resulted in the creation of the Multi Country Demobilization and Reintegration Program (MDRP) in early 2002. This program was designed to provide a framework for disarmament, demobilization and reintegration (DDR) activities in Africa's Great Lakes region, with \$260 million to demobilize and reintegrate ex-combatants channeled through a multi donor trust fund, and parallel International Development Association (IDA) grants totaling \$193 million, as well as disarmament activities managed by MDRP partners. The program initially targeted over 400,000 combatants from regular and irregular armed forces.

After seven years of implementation, the MDRP closed down in June. It leaves behind an unquestionable legacy of success—over 280,000 ex-combatants demobilized and 260,000 having received reintegration support—as well as many remaining challenges and unanswered questions.

The MDRP was the first attempt to implement a regional DDR program on such a large scale. Instead of support directed at one country, the architects of the program purposely established a regional approach as an incentive for countries to disengage concurrently from interconnected conflicts and to allow the program to tackle the cross border issues in the region.

One of the program's unique characteristics was the agreement by all partners—13 donors, seven country governments and over 40 UN agencies, NGOs and other international actors—to adopt a true partnership model, pooling their resources into a common pot and coordinating their efforts through regular exchanges and joint supervision missions. The program also focused heavily on national ownership and implementation of DDR activities. In all but two recipient countries, the local governments were at the helm of the DDR programs. For the first time also, partners agreed to ask the World Bank to lead the partnership.

The Bank has learned a great deal from this experience. Experience has shown that disarm-demobilize-reintegrate programs have high risks, but also high returns. Because they hinge on processes beyond the control of the partners, including political processes, international consultations,

peace negotiations and agreements, results on stated targets are difficult to predict. But there is evidence to support the contention that DDR programs supported by the Bank in MDRP countries and others such as Sierra Leone have been central to consolidating fragile transitions to peace following the conclusion of civil wars.

It should be clear that DDR programs are not THE answer to post-conflict situations. They are only one small but critical part of peace consolidation. Basically, by breaking up armed groups and command and control structures, DDR buys time so that the root causes of the conflict can be addressed and peace strengthened. And DDR programs must be complemented by other recovery activities, which together can reinforce security and stability and pave the way for development.

Successful DDR projects can also facilitate the reallocation of public expenditures from defense to social sectors, either in the context of public expenditure restructuring, security sector reform, or post conflict transitions. Examples of this shift are evident in countries such as Ethiopia and Sierra Leone where DDR programs have been successfully completed.

Disarm-Demobilize-Reintegrate programs have not always enjoyed the support needed to sustain budget and human-resources allocations from international development organizations, including the World Bank. Some have questioned whether or not this work is within the Bank's remit. The answer to that question may have been ambiguous a few years ago, but it is no longer. Recent studies show that the involvement of the international community in post-conflict situations has had a clearly positive impact in these countries, and this despite the inherent difficulties associated with the implementation of these programs.

The question is not whether or not the Bank should support DDR, but rather what can the Bank do to adjust its policies to provide leadership in post-conflict reconstruction, alongside the United Nations. Support to fragile countries right after their most troubled times is vital if the Bank is to "secure development" as the institution's President Robert Zoellick has stated. Disarm-Demobilize-Reintegrate programs must be part of this support. 

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[www.mdrp.org](http://www.mdrp.org)

# Timor Leste Ten Years After

## *What have we learned?*

BY EMILIA PIRES

A CRITICAL DIMENSION of the development challenge in post-conflict East Timor is making the transition from a military environment focused on conflict with a common public enemy to a civilian administration facing complexity and uncertainty.

The international community may insist on the immediate adoption of best practice. Indeed, why should we not learn from the mistakes of others? However, in most countries these practices were adopted by iterations and trials in a communal learning process, and each time the people learned

directly what did or did not work. This kind of direct experience is often denied to post-conflict societies like the East Timorese and, as a result, most people simply do not understand why the solutions they are offered are any better than the alternatives.

People who spend a long time in a resistance movement develop finely-honed skills based on solidarity and the survival instinct of their leaders. Disparate groups can be united by a common enemy. In peacetime, areas of shared interest must be found to prevent a splintered, fractious, and potentially confrontational political environment. In East Timor, we tried to build common ground by creating Vision 2020,



An election official shows a ballot paper to residents in Dili, Timor Leste.

which allowed over 40,000 citizens to articulate their aspirations for the country on the eve of independence.

This process is complex and painful, even for a country as blessed with resources as East Timor. Although the former vertical political power structures are no longer viable, transition to new systems takes time. Conversion must be gradual; the old structures cannot be ignored while the new ones are being built.

Similarly, building new leadership takes time. Often following a conflict, a power vacuum emerges as military leaders step aside to allow civilians to rule. Such a vacuum can be easily exploited by peace-spoilers. This highlights why political transition, rather than money, is the main challenge in post-conflict environments.

## Externally educated elites have an advantage

IT IS NOT UNUSUAL to see members of a diaspora return after years in exile to take up senior government posts in post-conflict countries. They have the advantages of high-quality education, along with an understanding of modern government systems.

But this can alienate the local population who may resent that those who have learned to play the “western game,” are now able to position themselves to take advantage of the power vacuum.

The Western democratic model is based on opposition, a luxury which is not affordable in times of conflict. Therefore, after conflict, there is a need to dedicate resources to civic education programs that inform the general population on the principles and values of democracy. Such “governance education” interventions are often not made available, because donors seem to generally assume that people will automatically choose western-style democracy. But people emerging from conflict situations may never have experienced democracy.

## Leadership continuity can help transition

LEADERSHIP CONTINUITY from the conflict to the post-conflict period may be helpful. East Timor has greatly benefited from having had a unifying leader, Prime Minister Xanana Gusmão, whom enjoys respect and admiration from all sectors of society—from the military and police to ordinary citizens. His ability to play the role of respected arbitrator has considerably eased the management of political and social conflicts in lieu of functioning legal institutions,

## Money should be spent quickly

HAVING FUNDS is always helpful; however, the key issue is the speed at which they are disbursed. In the post-conflict period, sensitivities and suspicions can run high. To ensure stability government needs to be able to act fast and quickly disburse funds to agencies, civil society groups and even directly to the citizens whenever possible. This is not an easy task, given fledgling administrative structures. Some external observers may claim that this type of disbursement does not follow the rules of “best-practice financial management,” yet in post-conflict situations a government needs to strike a balance between best-practice financial management and the need to ensure social stability.

In East Timor, where we rely on oil revenues, the introduction of cash transfers proved to be a valuable tool. In sectors such as health and education, where building systems takes a long time, cash transfers help improve both social cohesion and direct poverty alleviation. In the immediate post-conflict period the poorest people are the most exposed to misinformation, corruption and disillu-



Voters walk to a polling station in Dili to elect Timor Leste's new president.

sionment wilfully brought on by players interested in capturing the aforementioned power vacuum. Direct cash transfers to the most vulnerable groups can play a key role in counteracting those negative forces and securing stability.

Many people do not realize how quickly the most vulnerable in society can lose hope, and how potentially destabilizing this is. Public expectations in the immediate post-conflict period are high, and often unrealistic. If in the post-conflict period those expectations are not managed and hope is somehow kept alive, people become disillusioned and disruptive. It is this critical importance of a quick peace dividend that renders some of the long-term solutions offered by donors, no matter how sound, impractical to a government.

It is ironic that the donor community spent nearly US \$3.7 billion in East Timor immediately between 1999 and 2007, to little effect, while the new East Timor government that recently increased its spending to US\$500 million, giving significant sums to the most vulnerable in society, received scathing criticism from the international community.

Sadly, in East Timor there is now a perception among the general population that the donor community is riddled with complex rules that only allow them to “talk” and not “do.” This perceived failure consequently places more pressure on the government to “do”—i.e., to initiate activities that have an immediate, direct and tangible impact on the lives of the people.

## The importance of dignity

POVERTY IS ABOUT PRIDE AS WELL AS MONEY. Even though people may be poor and uneducated, they still need to be treated with respect and dignity. Even with little or no education, rural communities often can come up with solutions to their problems that are faster and more viable than those proposed by international development experts. This is partly because the communities understand best the “underlying” drivers of their economy and society. Donors often end up supporting ideas expressed by counterparts who may have a good command of English but a low support base within the community. Tapping into local knowledge and getting to understand the social, cultural and political drivers of a society is essential to be effective in sustainable development.

Often very little time is dedicated to skills development, capacity building and, more importantly, building up government systems in the proper way. In East Timor, we faced a situation in which donors were willing to sponsor a program that would last a maximum of three years though they had been advised that it would take at least a generation to build a public service. A concrete example in Timor Leste is the schooling system; many donors were keen to improve it, but few were willing to provide teachers with scholarships that would train them to teach.

## Nation building takes time

LOCAL PEOPLE ARE OFTEN not given the opportunity to develop the skills needed to run a modern government. In East Timor, the UN pulled out after only two-and-a-half years, when

many institutions were still fledgling, or did not exist at all. This lack of national governance capacity resulted in an extreme reliance on foreign advisers, with a vested interest not to develop local capacity in order to maintain their healthy salaries.

In Timor Leste, we faced the unrealistic notion that everything should be fixed at once. For example, the belief that one cannot move ahead with economic development until the “land” issue is fixed. This type of ‘holistic’ solution-making may work in theory but is simply unrealistic in the political sphere. One cannot fix all the problems simultaneously. It makes no sense to elaborate all encompassing “master plans” if nobody reads and uses them. Larger problems must be broken down into smaller ones, and those must be fixed as best they can with the participation of all interested stakeholders. One has to be pragmatic and take it step-by-step.

In the private sector it is common to see two businesses fail for every one that succeeds. In the development world, on the other hand, officially, there are no failures! This inability to accept potential failure leads to an inability to take risks and, in turn, to poor and non-innovative solutions. Donors, and especially their officers on the ground, should have the flexibility to make decisions and take risks in line with government needs. Although this may result in a few failed projects, it will also produce more successes.

The decision of the East Timorese government to resolve the issue of 120,000 internally displaced people through the use of cash transfers is an excellent example in this regard. We arrived at this solution through consultation and negotiation with the groups concerned. Our approach was derided by some in the donor community who advocated for a solution involving an eight-year program and foreign NGOs. However, we went ahead and within one year we had returned nearly 100,000 people to their homes, all but one of the camps had been closed, and the risk of developing permanent “slums” which could become a breeding ground of future conflict had been averted. This is not to say that we solved every problem. We know that there will be reintegration challenges, but waiting for an all-encompassing solution that addresses every problem before taking action would have been a far more dangerous strategy.

## Working together

IN POST-CONFLICT SITUATIONS, we all make mistakes. Nobody has a magic solution to every problem. This is why communication, friendship and understanding among those interested in genuine development are important. We have been lucky in East Timor. As in any good marriage, we often disagree with our partners, but at the end of the day we overcome our differences in the interest of building an institution which is greater than each individual partner—the East Timor nation. 🌸

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**Emilia Pires is the Minister of Finance of Timor Leste.**

# No Development without Peace



A memorial service for the victims of the massacre of Srebrenica, Bosnia, twelve years after the war ended with the Dayton peace agreement.

**BY GARY MILANTE  
AND PHIL OXHORN**

COUNTRIES RECOVERING from conflict face unique challenges to development. They frequently have pressing humanitarian concerns. Infrastructure has often been destroyed or at least neglected during the conflict. Countries can face changes in demographics due to migration and displacement. Also, citizens of post-conflict countries may face a legacy of conflict in the form of landmines or unexploded ordnance, high crime rates, interrupted education or continuing negative health effects. In many ways, the years lost to conflict amount to a period in which human or economic development is suspended or, in some cases, even reversed.

For governments of post-conflict countries, these multiple challenges mean there may be trade-offs between addressing specific urgent problems that can result in quick wins and focusing on the longer-term policies needed to put the country on a path to sustainable development. When peace finally is secured, the post-conflict country must address all of the challenges outlined above with limited resources, in corrupt environments, with weak capacity and institutions, and possibly amid a climate of distrust or fear. At the same time, donors and the international community often rush in to these environments when the peace is secured, overwhelming the recovering country with pledges of aid, a plethora of development projects and a lot of advice. In this chaotic situation, it is no wonder that the international community and the people of these countries are often disappointed or frustrated when little changes or conflict resumes.

Ultimately, all this suggests that there still is much we don't understand about

post-conflict development, described loosely as the nexus of development, defense and diplomacy (the “3Ds” of working in fragile and conflict-affected countries). Much of this uncertainty is driven by the inherent trade-offs that governments, donors and citizens face in these countries. Should humanitarian relief be provided quickly at the expense of government capacity? Should the international community emphasize security or service delivery? Should governments democratize or build up their bureaucracy and institutions? Does state security always coincide with human security? Should donors help to build the capacity of the state to provide public goods or should they provide them outside the state apparatus? These critical questions must often be answered quickly. To help fill this lacuna, the World Bank launched a Peace and Development research project with partners at the Institute for the Study of International Development at McGill University, focusing on what were identified as three pivotal components of post-conflict development: Democracy and the provision of public goods, power-sharing and sustainable peace, and macroeconomic policy.

## Democracy and public goods

PARTICIPATORY SYSTEMS like democracy can often lend legitimacy to post-conflict countries and may be a prerequisite for a long and lasting peace. Yet, it is not altogether clear that democratic or participatory systems have any natural advantage in the delivery of public goods. There may be an efficiency trade-off in moving from autocratic to more democratic governance due to switching costs associated with institutional reform – there is evidence that established autocracies with developed bureaucratic institutions are just as capable if not more capable than fledgling democracies in the provision of public goods. Also, some literature suggests that while more participatory systems in socially fractionalized societies with strong identity politics may confer legitimacy necessary for peace, such systems might sacrifice accountability as

they increase patronage and clientelism (as in Papua New Guinea or Nigeria, or perhaps even the new peace in Somalia).

Meanwhile, there is good reason to believe that established democracies are better able to provide voice to the aggrieved, thus reducing the likelihood of civil conflict and securing the civil peace. Still democratization is not a panacea against civil conflict if post-conflict elections simply move the risk of conflict to a future date. Indeed, research in this project suggests that any sustainable development that follows may have as much to do with the quality of the government as the type. New democracies are unlikely to have collectively organized politicians with the incentive and ability to provide public goods. Leader-centric autocracies may exhibit similar tendencies, suggesting that it is not the type of government, but the quality.

These effects suggest a trade-off for the post-conflict or fragile state, most of which are autocratic. Democracy and participatory governance might help to secure the peace (if elections are properly timed and executed), but even fledgling democracies are likely to be clientelist. Our research seeks to identify when countries should make the effort to democratize, as an investment in a peaceful future, and when they should maintain and even reinforce existing systems of government, autocratic as they might be to provide stability and efficiently provide public goods.

## Powersharing for sustainable peace

CONVENTIONAL WISDOM holds that a modern state enjoys the monopoly on violence within its borders; however, post-conflict countries, by definition, have had this monopoly challenged by active rebel and criminal groups. Even if the post-conflict state manages to secure a monopoly or near monopoly on the use of force, they may not be able to credibly commit to using that monopoly responsibly, making peace tenuous at best.

It is vital that the state’s monopoly on violence be ensured and not

abused if peace is to be sustainable. In the immediate post-conflict period, the state must build up the capacity to enforce the rule of law, however, it often must build up legitimacy with its citizens to demonstrate that it can be trusted with this capacity. This suggests that there are again two possibly countervailing effects, a trade-off between strength and credibility, which must be balanced for sustainable development and a lasting peace in fragile and post-conflict states. In our research we focus this discussion on how peace agreements, intervention strategies, demobilization strategies and post-conflict justice can contribute to both securing the peace and economic development.

## Post-conflict economic policy

PREVIOUS RESEARCH produced theoretical and empirical evidence that countries emerging out of conflicts experience certain structural shifts that affect aid effectiveness and fiscal policy, as well as exchange rate and monetary policy. Papers from the Post-Conflict Transitions research project suggested

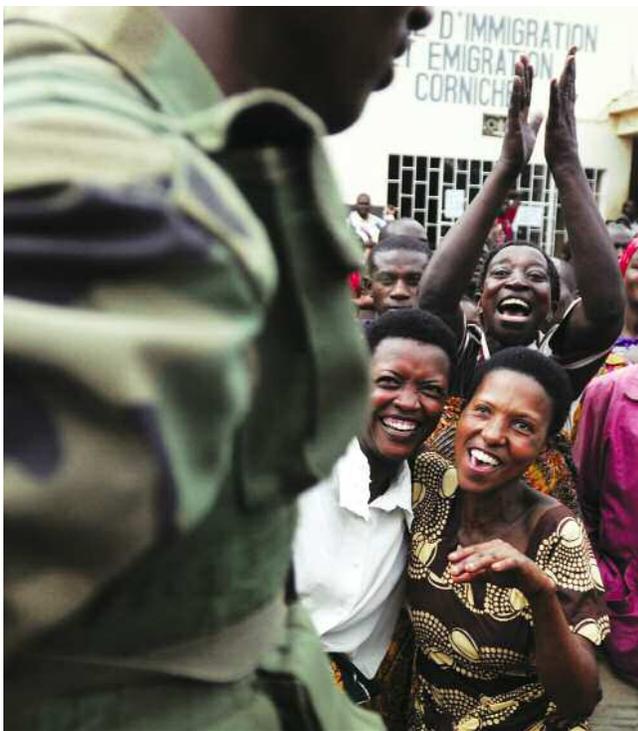


Children watch as peacekeeping soldiers of the hybrid United Nations African Union Mission in Darfur (UNAMID) stand guard at a camp for internally displaced persons in the Nyala area of South Darfur.

that the post-conflict cycles tend to affect aid absorptive capacity and aid tends to be most effective two to four years after the end of conflicts (though, currently, most aid is rushed in immediately after conflict and drops precipitously in the third and fourth years).

Other research on macroeconomic policy suggests that exchange rates must be competitive for aid effectiveness. In turn, exchange rate competitiveness is likely to be influenced by the extent to which monetary policy and the exchange rate regimes accommodate the structural shifts in the transaction demand for money associated with the end of conflicts, suggesting that our usual prescriptions for monetary policy do not apply for post-conflict states. Indeed research suggests that demand for money in post-conflict can justify post-conflict aid as an agent for “monetary reconstruction,” by pushing the economy toward a “good” equilibrium of stable inflation as countries rebuild.

These results imply that post-conflict countries face another important trade-off between austerity (often prescribed by international financial institutions due to the weak monetary policy that prevailed during conflict) and expansionary monetary policy that might stoke economic recovery during rapid post-conflict growth. Additionally, donors face a trade-off in their decision between channeling aid through the government of the recovering country which may often lack the capacity to properly manage the resources or sidestepping the country, reducing the resources and incentives for government to reform and develop the institutions for proper governance.



Rwandan women celebrate the return of soldiers, in February 2009, in Gisenyi, on the border between Rwanda and the Democratic Republic of Congo.

## THE ECONOMICS OF CIVIL WAR PROJECT

The influential **ECONOMICS OF CIVIL WAR** project at the World Bank brought much-needed attention to the unique development challenges faced by conflict-affected countries. Although “one size does not fit all” and the challenges in each conflict country are unique, *Breaking the Conflict Trap* by Collier and Sambanis was a first “textbook” that has influenced much thinking on development in conflict-affected countries. In the World Bank’s Development Economics Research Group we continued this research agenda by convening a large team of scholars to contribute to our **POST-CONFLICT TRANSITIONS** research project, resulting in 30 working papers on issues relevant to post-conflict development, including the risk of conflict relapse, the quality of peace agreements and peacekeepers, and the importance of sound and informed economic policy in these environments. Many of these papers were published in two special editions of the *World Bank Economic Review* and the *Journal of Peace Research* in 2008. Today, we continue to push the frontier of economic thinking on conflict and development through our **PEACE AND DEVELOPMENT** research project.

<http://econ.worldbank.org/programs/conflict>

## Research approach

OUR RESEARCH APPROACH is multi-disciplinary and draws upon expertise in the North and South. The research team consists of economists, political scientists and other social scientists to provide strong theoretical underpinnings for the research. In addition, we have commissioned research teams from seven countries—Bosnia, Colombia, Lebanon, Mozambique, Rwanda, Sri Lanka and Sudan—to challenge the theory papers and test them through case studies based on each of these post-conflict countries. These country case studies provide a variety by region and peace outcome for testing the models developed in our research papers. As a result we hope to produce a final product that is sustained by both qualitative and quantitative methodologies, informed by viewpoints from the South and the North and integrated across disciplines.

**Gary Milante is a Lead Economist in the Development Economics Research Group at the World Bank.**

**Phil Oxhorn is Director of the Institute for the Study of International Development, McGill University.**

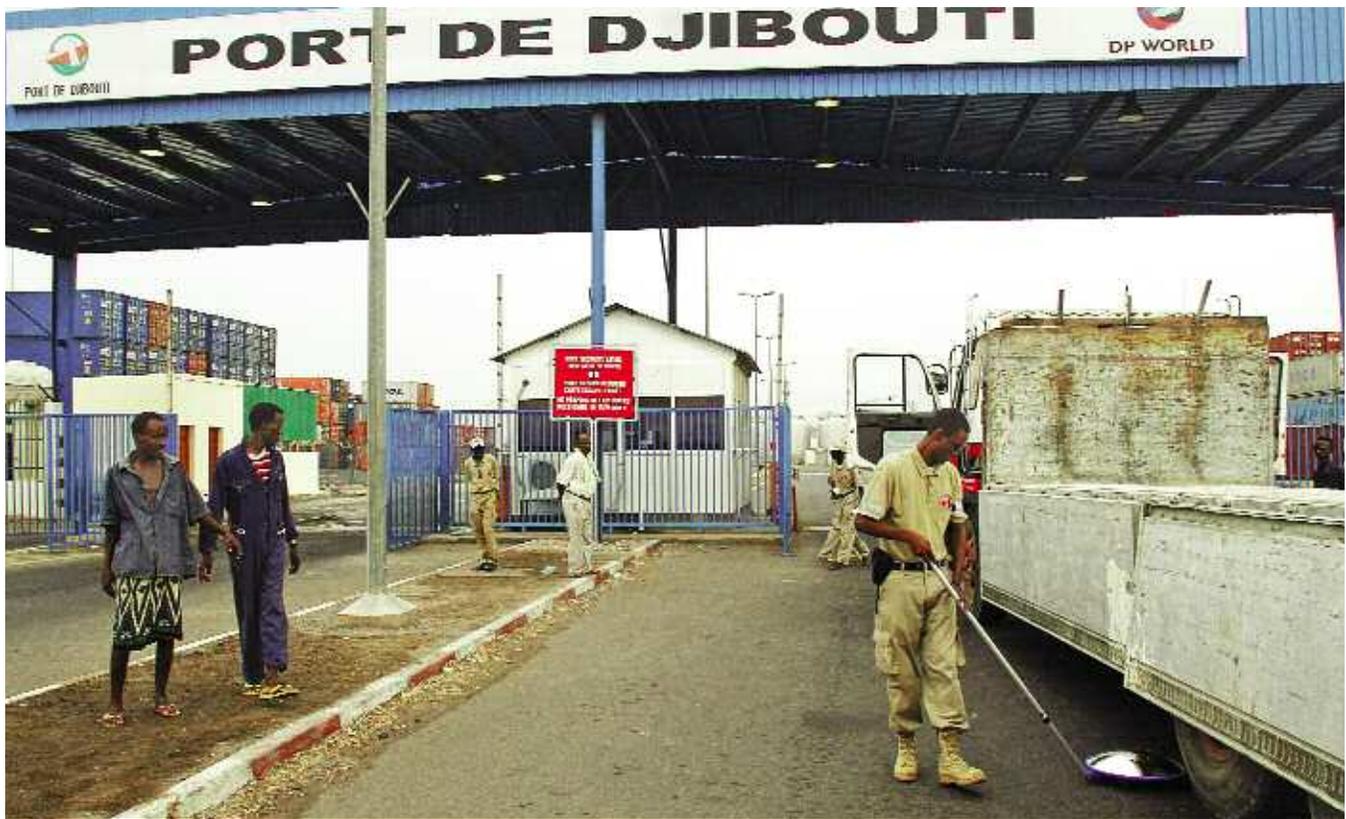
# From Civil War to Special Economic Zones

*Djibouti Jebel Ali Free Zone Authority*

## AN INTERVIEW WITH ANAND CYPARSADE BY ROBERT KRECH

ANAND CYPARSADE works for JAFZA International, a subsidiary of Dubai World. JAFZA International plans, builds and manages economic free zones, starting in Dubai in 1985 with the Jebel Ali Free Zone. The Jebel Ali Free Zone in Dubai is considered one of the world's largest and most successful free zones. The JAFZA International "brand" of economic free zones, applied to four completed operations, with another 10

in development, is characterized by quality infrastructure close to sea or airports, significantly reduced red tape for business registration and licensing, and incentives such as zero percent charges on capital and profits. Robert Krech, of the Special Economic Zones team in the Investment Climate Advisory Service of the World Bank Group interviewed Mr. Cyparsade about a new 40-hectare Free Zone he is managing in Djibouti, in the Horn of Africa, between Ethiopia, Eritrea, and Somalia. Djibouti is at peace today, but it was torn by a civil war in the early 1990s; although a peace agreement was



A security guard checks for explosives under a truck at the gate to the Port of Djibouti.

concluded between the government and the main faction of the rebel Afar group, Front for the Restoration of Unity and Democracy, a more radical FRUD faction maintained small-scale resistance until 2001.

**RK:** JAFZA in Djibouti is proving to be a successful free zone project in a difficult environment. What is the source of its success?

**AC:** We see Africa as the next region that is about to take off. Costs in Asia are increasing and Africa is resource rich. The commercial potential of the continent is only going to increase. Djibouti's location is what made it our choice for the project. The country is positioned on the Horn of Africa where 50 percent of the world's sea trade passes by, linking Europe to Asia and the Gulf. As well, we saw an opportunity to make Djibouti a trans-shipment base for regional trade, both sea-based and inland to Africa.

**RK:** How did the free zone project start in Djibouti?

**AC:** In 2000 DP World took over the management of the Port of Djibouti. As we studied the potential in Djibouti, the Government of Dubai began to have a high-level discussion with the Government of Djibouti on what vision each side had for the country and that part of Africa. The agenda of the Government of Djibouti to develop the country and the agenda of Dubai World to create global business opportunities were compatible. At that time, Dubai World was beginning to act on its strategy to go global and seek investment opportunities outside of the Gulf.

**RK:** Djibouti's history is interesting. It was French territory until 1977, when the Afars and Issas joined to form the independent state of Djibouti under one-party rule. It experienced a civil war from 1992-2000, from which it recovered and held presidential elections. It currently has a border dispute with Eritrea, which was violent last year. Culturally, it is similar to Somalia, with ethnic Somalis on both sides of the border. Also, the economies of northwestern Somalia and Djibouti are deeply connected. How did the Djibouti government support the project?

**AC:** The higher-level discussions between the Governments of Dubai and Djibouti helped form the relationship on which we could base our project, and the Government of Djibouti has remained consistently committed to it. In 2003, we did a feasibility study jointly with our in-house SEZ team and consultants we hired for the project. The feasibility study detailed the commercial case for the project and gave us tangible requirements for success that we brought to the Government of Djibouti. The Government endorsed our requirements, which were essentially that we have the freedom to implement our business model.

**RK:** This brings us to an important question. The project in Djibouti involves more than just an economic free zone.

**AC:** You are right, the Djibouti project was not just a JAFZA project. It involved a number of Dubai World subsidiaries coming together in an integrated development package. DP World rehabilitated the Port of Djibouti and now manages the port. It has constructed a new deepwater port that has been operational since January 2009, and is also managing the airport which will be rehabilitated. Djibouti Customs and Dubai Customs World operate the customs service. Nakheel built a new Five Star hotel and assigned its management to Kempinsky as well as some real estate development. Jafza International constructed and manages the special economic zone and is at planning stage for the development of a second special economic zone.

**RK:** Is this part of the business model you mentioned?

**AC:** Yes. By bringing in these different businesses under Dubai World, we took control of risk and could catalyze a critical mass of business activity that we were confident would only grow given the location features of Djibouti and the proximity of markets in the region.

**RK:** In an economy like Djibouti's, where the Dubai World brand is not well known locally, how is this critical mass of business activity to grow?

**AC:** Well, I won't agree that the brand is not known. But, the concept of an economic zone was a new concept and we had to communicate and spread this business model locally. Our global strategy is to create a network of projects. Starting with our flagship project in Dubai, the Jebel Ali Free Zone, we would like to cross market our brand across our network of free zone projects. The Jebel Ali Free Zone has about 6500 companies from 120 countries, 125 of which are Fortune 500 companies. Our network of projects asks how our infrastructure and business services can fit into the supply chains of our investors. By replicating our success outside of Dubai, we want companies to move with us to new sites, both taking advantage of opportunities offered by our projects and contributing to these opportunities to make them even better. By this means, we create investment inflows to our international project locations.

**RK:** The clients that move with you to new project sites can be large companies. How do local companies fit into your projects?

**AC:** SEZs offer liberal business environments with high service standards. In fact, I would say that local companies in particular draw benefits from locating in a SEZ. There is increased efficiency, guaranteed incentives, and a predictable operational and legal environment that can enable these companies to grow. Also, it creates opportunities for them to partner with international companies that are tenants in the free zone. One way we enable this in our zones is through Gazeley, a UK company that Economic Zones World acquired that specializes in ware-

housing logistics. They bring to our free zones a build-to-suit approach for customized logistics solutions, and also parcels business spacing and logistics for smaller companies whose needs as growing businesses are smaller and based more on trade than manufacturing.

**RK:** I wanted to go back to the aspect of the business model that takes control of risk. In projects the size of the one in Djibouti, it seems that obtaining land would have been an important challenge, as well as how to interface with the local regulatory environment. How did the project meet these challenges?

**AC:** Obtaining sufficient land on a free-hold basis was one of our requirements that we put to the Government early on in our high level discussions. We worked directly with the President rather than with ministerial and administrative parts of the Government of Djibouti.

**RK:** But you would have had to deal directly with ministerial and administrative parts of the Government when working out how the free zone would interface with the business registrar, licensing bodies, and customs, for example. In our experience (that of the Investment Climate Advisory Service of the World Bank Group) the ministry level and administrative units of Governments can be a bit resistant when they perceive their authority to be challenged.

**AC:** That is correct, and we did work directly with a wide range of administrative departments. We see the issues of land and the physical build-up of the free zone – such as installing the power and water supply, the office and warehouse space, and IT connectivity – as important but secondary to creating the right business environment. When we started the Djibouti Free Zone, we created a new Special Economic Zone law for Djibouti, established a free zone regulator that did not exist, and set-up a one-stop-shop for all business procedures inside the free zone. The one-stop-shop is a key part of our business model. We brought the model we use in Dubai to Djibouti: the same documents, the same procedural steps, nearly everything was lifted from Dubai and planted in Djibouti.

**RK:** A new one-stop-shop is a difficult reality to harmonize with an existing system, especially when the one-stop-shop comes as a package. How did the existing bureaucracies respond to the creation of a new Government institution and parallel regulations?

**AC:** This goes back to our relationship with the Government. Anytime we arrived at a bureaucratic block that we could not work out with a governmental administrative unit, we had recourse to appeal to the highest levels of Government. We found a way to harmonize the information flow between the Djibouti Free Zone and outside Government offices. To avoid any ongoing administrative conflicts, the one-stop-shop is separate from existing related ministries and is directly accountable to the President's Office.

**RK:** The creation of a new regulator is very interesting, even a bit unusual. Can you tell me more about this?

**AC:** Djibouti did not have an existing free zone regulator at the start of the project, so we had to create one. Initially we acted as both regulator and operator of the free zone, but in a planned separation the regulator became independent. We obviously still work closely together, but the independence followed a period of capacity building around what is a regulator and what skills its staff should have to be effective and business-friendly.

**RK:** In a way, this too is part of internalizing risk that is part of your business model.

**AC:** That is right. To attract investment, it is crucial to have investor confidence, and this can be helped by a well-structured, empowered and business-friendly regulatory body. We had no intention of keeping control of the regulator, but we needed to build it up once we created it. As we are building a second special economic zone, the regulator will work with more than one free zone. The regulator therefore has to be a governmental body and not an in-house specialized regulator, and we also have to ensure that it is efficient since this is key to our project.

**RK:** In addition to what you learned about how to make your business model work in Djibouti, what else would you say has been a good outcome for this project?

**AC:** As you know, the SEZ in Djibouti is not just a project, but a new economic pillar in a country that has traditionally been rent-driven and until recently conflict-affected. The SEZ creates an environment conducive to foreign direct investment with the outcome of tangible job creation, a return of the Diaspora, and in general a dynamism that fuels the economy. Our objective is to transfer knowledge and skills so that there can be a potential cross movement of talents in our network of projects. As you know, we are developing a new project in Senegal, which is nearing its operational start date and DP World is already managing the port of Dakar. Key positions in Senegal are being staffed with Djiboutians who learned our business model in Djibouti, and know how to operate free zones and a port to our standards that upholds our global brand. The opportunity to leverage capable people from Djibouti to work in Senegal is a great way to leverage African talent—I myself am from Mauritius—which is for us another aspect of the success story that Djibouti has become. 🌟

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**Robert Krech is Operations Officer with the Investment Climate Division of the World Bank.**

# Bottom-Up State Building

## *Preventing violence at the community level*

BY ERIK ALDA AND ALYS M. WILLMAN

*"We are our own officials in this neighborhood. We are our own authority. [The local and national authorities] only show up when they want something from us! For us, they don't exist."*

—Focus group participant, Cité Soleil, Port-au-Prince, Haiti<sup>1</sup>

THE QUOTE ABOVE EXPRESSES a sentiment that is increasingly familiar: in many places across the developing world, the state simply does not exist. In these contexts, we speak of a "failed state," in the sense that the state fails its citizens by not providing them with the most basic services. Among these—and perhaps the most fundamental—is the provision of security. Where there is no security, violence can have free rein.

Violence, then, is not a cause of fragility, but it is an important indicator of a fragile situation. Indeed, as shown in Figure 1, there is a positive, significant relationship between fragility and homicide rates. This observation holds not only for countries involved in formal conflict or recent post-conflict, but also in countries that have made the transition to peace.

Violence and fragility reinforce each other in several ways. On the most basic level, violence erodes governance by creating fear that limits mobility and participation. In more intense situations, high levels of violence can create undergoverned areas where state institutions are unable to enter and provide services, further undermining state legitimacy. In the most extreme cases, fragile contexts offer safe havens for organized criminal networks to operate freely. These net-



Cartoonish gang violence depicted on a wall in Cité Soleil, Haiti.

works may grow strong enough to compete with the state in the provision of core public goods, especially security, thereby undermining state legitimacy.

The identification of a strong relationship between fragility and violence clearly implies that reducing violence is essential to reducing fragility. Only when a minimum level of security has been established can the state perform its function as service provider. In addition, a basic situation of security is necessary to provide the space for citizens to safely and constructively engage with the state. In sum, a minimum level of security is essential for rebuilding a strong relationship between citizens and the state. Yet establishing security is only one element in reducing violence. As we will argue here, it is necessary to go beyond basic security to address the real economic and social exclusion faced by many residents of fragile states, in order to secure development in the long term.

The question for development practitioners, then, is how to contribute to violence prevention that will allow for institutional strengthening in fragile situations? There is a growing consensus that violence-affected communities themselves are an important part of the answer. Below we present two distinct examples—Haiti and Kenya—that illustrate the relationship between state fragility and violence, and the importance of community level interventions in reducing both.

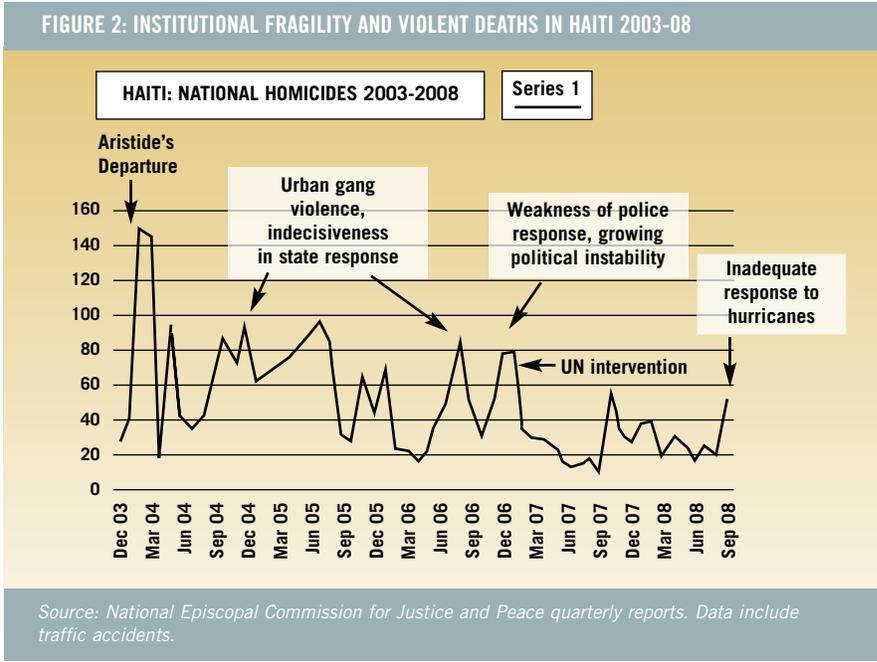
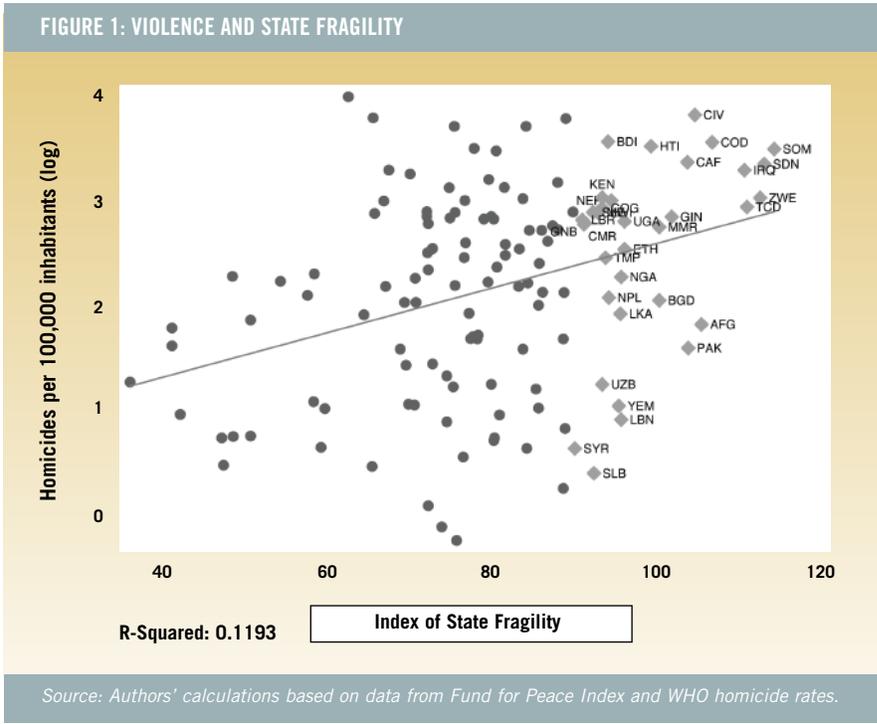
## Building institutions from the community up: Perspectives from Port-au-Prince

THE EXPERIENCE OF HAITI illustrates the ways state fragility and violence can mutually reinforce each other. Figure 2 charts homicide rates, the most reliable indicator for levels of violence, and notes the periods of social and political unrest that have accompanied different surges in violence. With the institutional vacuum following the departure of President Jean Bertrand Aristide in early 2004, the country witnessed alarming rates of violent crime. The following years were marked by periodic outbreaks of vio-

lence, many of which coincide with state failure to adequately respond to political and social unrest. For example, the spikes in violence from mid-2004 to late 2006 stem from the state's indecisiveness in dealing with urban gang activity in certain "lawless zones" of the capital, culminating in the UN military intervention in Cité Soleil at the end of 2006. The peaks in 2008 coincide with a weak institutional response to rising food prices,

exemplified by the resignation of Prime Minister Edouard Alexis in April, followed by further unrest as the state struggled to respond to the impacts of the four hurricanes that hit the island last fall.

Communities in Haiti continuously list basic security as a top concern and a precondition for strengthening the weakened state. In Port-au-Prince, a hot spot for violence, a strong UN presence has reduced violence in recent





After disputed election results, in February 2008, supporters of the opposition Orange Democratic Movement (ODM) form a roadblock in a village near Eldoret, Kenya.

years, yet residents see this relative calm as temporary and tenuous. In Cité Soleil, one of the most violent neighborhoods in Haiti and the focus of UN peacekeeping efforts, violent crime victimization remains high, with 33 percent of residents reporting having been victimized. Although gangs are less active than before, their presence is still visible, and their power latent. As one focus group participant remarked, “[The UN mission] has decapitated some of the gangs but the roots remain. Many young people are waiting for the opportunity to get involved.”

The response from Cité Soleil residents has been to call, first, for a stronger police and UN presence, followed by stronger justice institutions to promote rule of law and, finally, more economic opportunities to secure the peace.<sup>2</sup>

But beyond a stronger police presence, Cité Soleil residents felt that ensuring security depends on promoting reconciliation and rebuilding community relationships. The release of former gang members from prison without any formal reconciliation process has raised tensions in the community. Even though it is not explicitly aimed at violence prevention, a World Bank community-driven development project in Cité Soleil has been an important step in helping to rebuild relationships by bringing community members together to identify priorities collectively, and implement development projects. Stronger support to these community-driven processes is one of the more promising avenues to securing the peace in the long term.

## Perspectives from Nairobi

KENYA, UNLIKE HAITI, is a country that ranks in the middle of many of the fragile state index classifications. Kenya has experienced strong economic growth in recent years and was considered by many to be a good example of peace and democratic stability in Eastern Africa, a region known for long-

lasting ongoing conflicts—Sudan and Northern Uganda—and total state failure as is the case of Somalia. However, despite its economic progress, Kenya has been faced with capacity problems to deliver basic services to citizens, in particular, to those living in the poorest areas.

The eruption of the post-election violence in 2007, in which more than a thousand people were killed in a matter of days and thousands more forcefully displaced shattered Kenya’s image as a stable democracy. The extreme brutality of the violence committed during the much contested election was triggered by underlying structural factors, including rising inequality, mounting poverty, limited access to basic resources by the poor, high unemployment—particularly among youth—, persistent insecurity, and widespread corruption. These factors exacerbated the magnitude and brutality of violence during these elections, the most

severe since Kenya’s return to multi-party politics.

These underlying issues created a fertile ground for violence to erupt and therefore, raise questions about Kenya’s institutional and political stability. Failure by intelligence agencies to recognize early warning signs on increasing tension in some areas of the country and poor coordination with security agencies such as the Kenya police and Administration police also contributed to the rapid spread of violence.

State institutions have generally been weak in Kenya, particularly in the poorest communities, where most of the violence took place. For example, in Nairobi, the vast majority of the population lives in slums, with poor physical infrastructure, limited access to water and poor sanitation. Other basic services such as access to justice and provision of safety and security by the police force are weak in urban settings and practically nonexistent in rural areas. The latter is important because the lack of effectiveness of these institutions has spurred the growth of non-state security actors who, in most cases, provide the security needed in these areas. Some of these groups such as the *Mungiki* and others that operate freely in these areas have strong political ties. In fact, according to the “Waki report,” they were used as politically motivated vehicles for violent acts during the post-election period.<sup>3</sup>

Most of the violence and insecurity that emerged during the 2007 national election had been brewing for years in these poor communities. Despite experiencing formidable levels of growth, the sudden surge of violence in 2007 did signal that institutional performance in Kenya is still weak. Recent work on crime and violence in poor urban areas in Nairobi reveals that citizens in these communities demand more state

BOTTOM-UP STATE BUILDING

continued on page 31

# Sexual Violence Extends Beyond Conflict

BY KARIN WACHTER

THROUGHOUT HISTORY, sexual violence has been accepted as an unfortunate but unavoidable aspect of warfare, and only recently has the seriousness and enormity of the problem gained the attention of the international humanitarian community, criminal courts, the media and academic researchers. Similarly, it is only recently that policies have been developed, and resources dedicated, to address the consequences of sexual violence during conflict and, in vague terms, attempt to prevent it. However, to address sexual violence only during humanitarian emergencies is to ignore the endemic nature of violence against women on a global scale and neglect its adverse impact on the development of a country.<sup>1</sup>

## Rape as an obstacle to development

IT IS NOW WIDELY ACCEPTED that sexual violence escalates dramatically during times of instability, insecurity, conflict and displacement. The systematic use of rape has many purposes, including control and domination of target populations based on ethnicity, political affiliation or geographical location.<sup>2</sup>

Survivors of sexual violence are exposed to debilitating short- and long-term social, physical, emotional and economic consequences. A common scenario of how these consequences are experienced is that after being gang-raped and impregnated, a woman is often abandoned by her husband and left to care for their children. She can no longer rely on the support of her community, some of whom think of her as "unclean." She often feels sick and, due to a debilitating sense



The mother of a seven year-old rape victim at her daughter's bedside in Lahore, Pakistan.

**NUMBER OF WOMEN AND GIRLS RECEIVING SERVICES THROUGH IRC SEXUAL ASSAULT AND REFERRAL CENTERS IN SIERRA LEONE FROM 2002-2009**

YEAR INCIDENT WAS REPORTED								Jan-April,	TOTAL
2002 <sup>3</sup>	2003	2004	2005	2006	2007	2008	2009		
3	417	523	714	703	805	758	214	4,134	

Source: IRC.

of fear and shame, she is limited in her ability to participate in community events. Nevertheless, she forces herself to return to the fields where she was attacked in order to feed her children. She can no longer pay her children's school fees; she had hoped they would go further in school than she did.

Take the example of this one woman and multiply her by 10,000, or 200,000, or 800,000, as one can do in the Democratic Republic of Congo, Bosnia, East Timor, Rwanda, Liberia, or Darfur. The consequences of sexual violence are devastating for the individual and far-reaching for the family, community and society as a whole. Sexual violence destroys the fabric of a community in a way that few weapons can by tearing apart families, generating fear and mistrust, and creating a public health crisis.

Sexual violence also further diminishes the status of women and girls and their perceived value within their communities, which in turn contributes to a cycle of violence and vulnerability. One example of this is illustrated by the rates of women and girls continuing to seek assistance for the assault, exploitation and discrimination they continue to experience after the fighting ends.

What was traditionally considered a private matter, or an inevitable part of a women's life, is now understood as an obstacle to development. The experience and threat of violence, especially in an environment that does not promote gender equality, limits women's potential to be active and contributing participants in society. To assume that violence against women and girls starts and ends with war ignores the fact that it inhibits a country's progress and development.<sup>4</sup>

## Smoke and mirrors: What data are really needed?

THERE IS A SHARED GOAL in the international community to improve data collection and analysis in the field of humanitarian assistance and post-conflict policy and practice. But when it comes to the subject of violence against women and girls, a meaningful debate on the learning priorities, purpose and modalities of data collection is too often obscured by an overwhelming demand for simply "more data." The call for

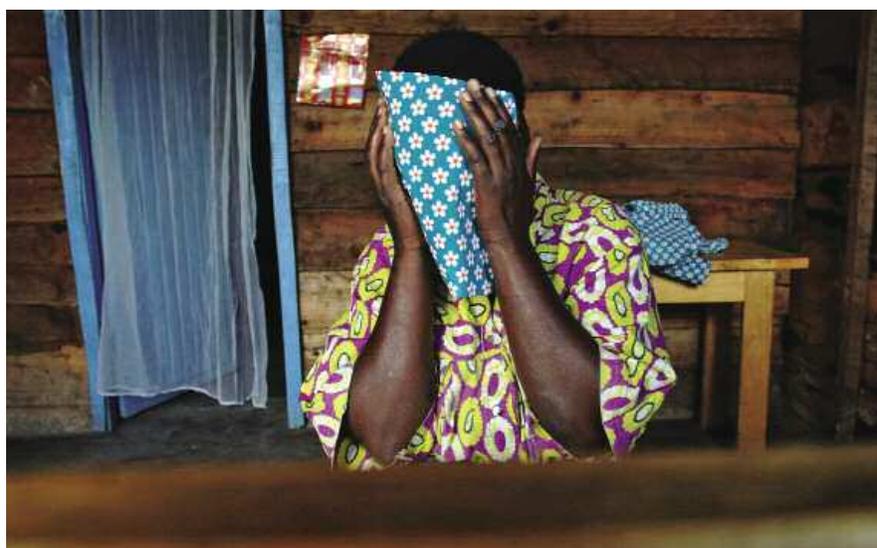
reporting mechanisms or population-based prevalence data on violence against women should not be, by itself, the new definition of action. Considerable progress has already been made to demonstrate clearly that women and girls are targeted for, and suffer the impacts of violence.<sup>5</sup> Today's challenge, rather, is to focus data collection on contributing to a nascent but growing body of evidence on what interventions effectively address women's needs, reduces their vulnerability to violence and improves their overall status.

One such research initiative has been undertaken by the International Rescue Committee (IRC), which has invested resources into developing practical systems to monitor the quantity and quality of services provided to survivors of sexual violence. The initiative was aimed at demonstrating a causal link between services provided and a change in the psychological well-being and social function of clients.

In the Democratic Republic of Congo, Dr. Paul Bolton of John Hopkins University, and the IRC collaborated to develop a tool that seeks to measure change in the psychological and social well-being of survivors based on their own priorities. The tool measures the extent to which clients are able to carry out everyday activities important to them, as well as locally-described mental health problems. The tool is administered by the counselor before services are provided, at varying times during services, and upon discharge.<sup>6</sup>

Baseline data from approximately 300 survivors of sexual violence seeking services was collected in 2008, revealing a high level of symptom severity and dysfunction. All 300 clients were then provided with a variety of basic services based on their individual needs and requests (i.e. basic counseling, referrals to medical and legal services, family counseling and group activities). Preliminary analysis of data collected upon client discharge indicates that both depression and function indicators showed improvement.<sup>7</sup>

Upon further analysis, the IRC intends to continue to use



A woman covers her face in a center for rape victims near Goma, Democratic Republic of Congo.

the tool to complement program monitoring. The next phase of research would focus on producing data that would allow the IRC to make the causal link between specifically developed services and program impact. This would include testing new approaches to service provision and measuring their impact, something which has yet to be done in eastern DRC.

This research initiative is part of a program that has been serving and advocating for thousands of conflict-affected Congolese women and girls since 2002. The intent is to offer this process and learning to the wider humanitarian and development community. It is just one contribution to a growing list of learning priorities that requires continuous analysis and careful scrutiny.

In conclusion, experience has demonstrated that practitioners, researchers and policy makers need to promote data collection *within the context of taking action* to concretely improve the lives of women and girls. These efforts must focus on producing a practical assessment of those actions, evaluation of their effect and strategy for how to take them to scale. 

**Karin Wachter is a Gender-Based Violence Technical Advisor with the International Rescue Committee.**

[www.theirc.org](http://www.theirc.org)

**Endnotes**

- 1 Secretary-General's In-Depth Study on All Forms of Violence Against Women, pg. 22, July, 2006.
- 2 See the IASC Guidelines for Gender-Based Violence Interventions in Humanitarian Settings, September, 2005. Over a thousand survivors of sexual violence (women and girls) received services through IRC's program in the Central African Republic over seven months in 2007. One incident of violence reported went back as far as 1983, but the majority reported spanned the period of instability, fighting and mass displacement between 2002 and 2007.
- 3 In January 2002, the war in Sierra Leone was declared over. By 2004, the disarmament process was complete.
- 4 Data shows that discriminatory practices against women prevail in almost all parts of the world. Progress of the World's Women 2008/2009, pg. 72. [http://www.unifem.org/progress/2008/media/POWW08\\_Report\\_Full\\_Text.pdf](http://www.unifem.org/progress/2008/media/POWW08_Report_Full_Text.pdf)  
 "A wide range of research highlights the serious social and civil consequences of violence against women. In many societies, women provide emotional and financial support for families and communities. Studies have shown that violence and the social stigma of violence negatively affect the ability of women and girls to participate fully in and contribute to their communities." (pg. 7) International Violence Against Women: U.S. Response and Policy Issues, Congressional Research Service, March 31, 2008. <http://www.fas.org/sgp/crs/misc/RL34438.pdf>
- 5 In addition to reports by Human Rights Watch, Amnesty International and DCAF, see work by the World Health Organization and collaborators on bringing together research conducted in over ten countries that highlights the prevalence of violence against women across countries. Ellsberg, Mary and Heise, Lori, *Researching Violence Against Women: A Practical Guide for Researchers and Activists*, Washington DC, United States: WHO, PATH; 2005.
- 6 Based on an abstract written by Sarah Mosely (IRC), Karin Wachter (IRC) and Paul Bolton (John Hopkins University), March, 2009.
- 7 Ibid

presence and more access to basic services such as water and sanitation, better housing infrastructure and decent access to justice and the rule of law. Building resilience in these communities to reduce the probability of the viral spread of violence experienced during the post-election period can be achieved through broader development policies at the level of the community. As long as there is abject poverty, increasing levels of inequitable growth, high unemployment, and limited institutional presence, poor communities will continue to be breeding grounds for surges of violence, such as the one experienced during the post-election period.

**Policy orientations**

SOME BASIC INSIGHTS can be gleaned from these experiences. First and foremost, there is a strong relationship between state fragility and high levels of violence. The incapacity of the state to ensure basic security of its citizens undermines governance and creates opportunities for non-state criminal groups to supplant the state. Thus, reducing violence is an essential aspect of reducing fragility overall.

Communities represent a key entry point for these efforts. Citizens' confidence in the security and justice systems as the principal means for dispute resolution creates an important opportunity for interventions in those sectors.

Beyond basic security, the root causes of violence and fragility, that is, the social and economic marginalization residents face, must be addressed. Promising approaches include World Bank Community Driven Development processes, which can serve as a forum for community reconciliation and consensus building on local development. Also, support for basic service provision in violence hot spots can be a means to bring the state presence back into under-governed areas, helping to rebuild state legitimacy in violence-affected communities. By linking violence prevention and institutional strengthening, development institutions can go a long way toward arresting the cycle of violence and poverty that holds vulnerable communities back from sustainable development. 

**Erik Alda and Alys M. Willman are members of the Conflict, Crime and Violence team, Social Development Department, The World Bank. This paper has greatly benefited from the constructive comments from Alexandre Marc, Coordinator of the Conflict, Crime and Violence team.**

**Endnotes**

- 1 This quote and those that follow are taken from a focus group conducted in Cité Soleil in August 2008 by the Interuniversity Institute for Research and Development (INURED).
- 2 Fieldwork is part of a global study of urban violence being conducted by the Conflict, Crime and Violence team (SDV) to be published later this year.
- 3 <http://www.cipev.org/home.asp>

# Building Leadership out of Conflict

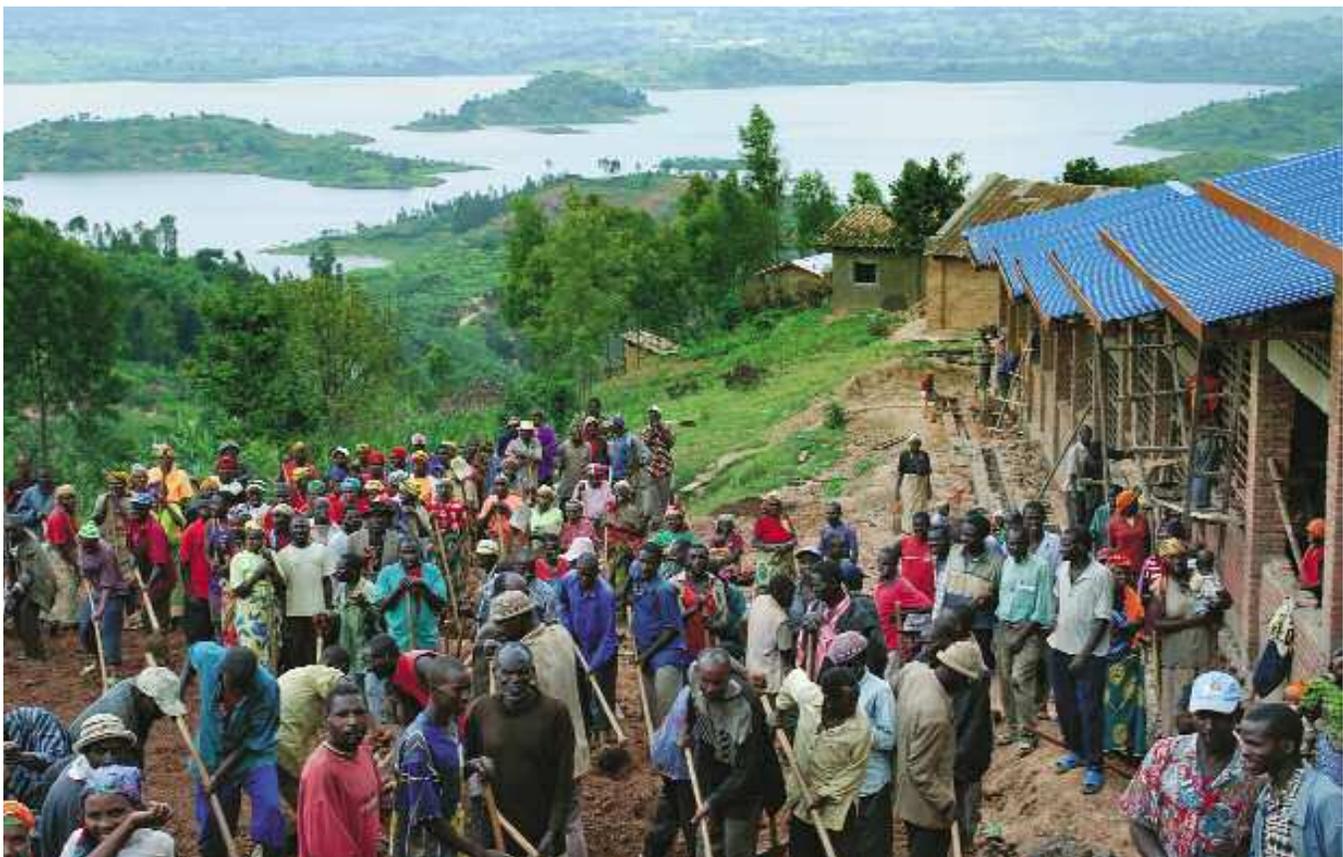
BY MATT ANDREWS

NOTHING SHOWCASES LEADERSHIP—or its absence—like a crisis. This is perhaps why leaders are so well known in countries that have emerged from conflict with some success. Many identify Nelson Mandela as the reason South Africa avoided bloodshed after apartheid and Paul Kagame as having made the difference in Rwanda after the genocidal killings of 1994. Defining moments of Middle-East peace are represented in vivid pictures of Israeli and Palestinian leaders embracing or shaking hands. But do these individual “leaders” provide the source of leadership? Do these handshake moments define it? What opportunities exist to promote leadership in fragile and post-conflict situations?

## ◆ From leaders to leadership

SOCIAL, LEGAL, POLITICAL AND ECONOMIC institutions are important buffers of crisis. Strong institutions help get things done in ways that are sanctioned by society. They enable a dynamic equilibrium vital to growth and development and ensure this equilibrium is maintained or restored in the face of crisis. But countries face major problems where institutions are absent, deficient, hotly contested, or themselves a source of inequality and oppression. Crises can brew for long periods of time under such conditions. When the crises mature, stability slips away and conflict erupts.

◆ Conflict is itself an ongoing deepening of crisis. It amplifies the effects of calamitous problems such as chronic unem-



Adults in the village of Gashaki, Rwanda, are leveling the ground for the construction of a local school building. This community has achieved impressive results under the Vision 2020 Umurenge Program launched by the Government of Rwanda.

ployment, disease, lawlessness and corruption. Leaders often emerge from such situations, resolving conflict and apparently re-establishing stability. But stability may be short-lived when leaders are really just victors in a high-stakes “winner takes all” scenario that fuels continued conflict. The experiences of many of Africa’s “Big Men” tell this story. Thankfully, this stands in contrast to other accounts, in countries such as Mozambique and Rwanda, where leaders have emerged as brokers of peace, guarantors of stability and even catalysts for post-conflict growth.

These leaders fill the institutional voids that created vulnerability in the first place. They find opportunities for leadership in the deepened crisis of conflict, much as the management and political science literature suggests they should, and emerge as champions of change for their people. But not only (or even) because they are victors, authoritarians or charismatic stand-outs. More than any of these characteristics, which usually come to mind when hearing the word “leader,” stories of successful leadership in these contexts and others center on the how individuals helped *build coalitions around common desires to overcome conflict and crisis*.

Often these coalitions were built by many parties, from within and outside the country, stretching beyond the media-acclaimed leaders we may ultimately see shaking hands in the lasting images. The importance of broad and engaged networks of players is universal, where different parties bring different elements of a final leadership solution to a larger constituency and together they achieve their purpose. Prominent players like Mandela or Kagame helped to establish the common vision and set the tone for the climate of trust and dialogue that proved so vital to building coalitions. But others built the bridges and persuaded recalcitrant parties to cross them. They helped find the resources, conduct the necessary meetings, and otherwise connect nodes in the complex social and political webs that characterize countries emerging from conflict. Together, individuals connected in networks thus provide leadership: they intentionally mobilize people, ideas, meaning and resources toward achieving a purpose—in the best instance choosing the path towards peace and stability after a conflict.

## The challenge beyond conflict resolution

IN MANY RESPECTS, the real work begins once the conflict is resolved. However, governments may then face devastating weaknesses in their social, economic and political institutions, including destabilizing problems like unemployment and an inability to deliver basic services. With scant capacity, these governments must take steps to produce peace dividends in the short term, while at the same time building sustainable institutional structures that can provide a buffer against crises in the future.

The problems post-conflict governments face are often seen as technical, in contrast to the adaptive challenge of dealing with the conflict itself. International development organizations

play a big role in defining steps at this juncture, and provide crucial support for social and financial stability, often with both money and military presence. The donor community’s agendas often place a high priority on building the long-term institutional fabric that is seen as deficient and contributing to the conflict. Most conflict-affected countries thus allocate lots of capacity to writing procurement and civil service laws needed to secure funding from external partners.

While these steps are no doubt valuable in the long-term, and earn the countries’ legitimacy in the eyes of their international supporters, this may do little to ensure continued domestic support and legitimacy in the short term. It is quite common for a President in these circumstances to receive international accolades as a great leader, only to face increasing opposition at home, and ultimately lose office. Why?

One explanation is simply that the re-building process is largely internally-focused. The goal is to make the country better for its citizens, but the resources and support for the process must come from the outside. This splits the attention, time and capacities of leaders, often leading them to devote insufficient attention to the home-front. A second explanation is that, while post conflict reconstruction is treated as a technical challenge requiring specific technical capacities and inputs, it is actually an adaptive leadership challenge, requiring the kinds of networked leadership solutions used to deal with the earlier conflict resolution challenge. When these solutions fail to emerge, and local issues and players feel under-served in the new governments, old crises may begin to accumulate and the potential for conflict resurfaces.



President Paul Kagame (L) stands with wife Jeanette as they preside over a ceremony commemorating the 15th anniversary of the Rwandan genocide at a mass-burial site in Nyanza, near Kigali.

## Promoting leadership in post conflict development

SOME COUNTRIES have dealt with these problems better than others, and offer lessons about continued leadership that ensures adequate fertile space for engagement and results, allowing short-term dividends to emerge while simultaneously building an institutional framework for better development outcomes in the future. Rwanda is an example of this, as are Sierra Leone, Burundi and the Central African Republic. Specific interventions in these countries focused on developing leadership to solve urgent problems ranging from poor service delivery to an inadequate justice system to environmental degradation and even disputes around land reforms.

The Global Leadership Initiative (GLI), a multi-donor working group led by the World Bank Institute, has been following these and other leadership support activities in Afghanistan, Kenya, Kosovo, Rwanda, Timor Leste and Uganda. Observations to date suggest that leadership can be broadly developed in fragile and post conflict states—and others—as fostering development more generally. Lessons are emerging from the GLI about exactly how leadership works, what it looks like, and why it matters.

The first lesson is that leadership is facilitated by a sense of shared purpose, especially in response to a crisis. The tendency in many post-conflict situations is to focus on moving beyond the crisis, taking a sigh of relief that the fighting is over, when in fact the underlying factors of the crises may still fester below the surface. However, leadership can be developed around these crises, making them opportunities for social reconstruction.

This is especially the case where crises have been de-constructed into smaller chunks, and tackled in ways that produce clearly demonstrable and achievable goals and solutions. For example, officials in Burundi proved their ability to gradually

deal with a legacy of crises in service delivery by ensuring the safe delivery of school text books with the help of a rapid results project. Rwandan authorities dealt with the judicial and representation crises that helped destabilize the country prior to 1994 by creating local courts and *Imhigos* (*indigenous performance contracts*), clearly demonstrating a new approach to governance, and achieving development results.

The second lesson centers on the importance of building coalitions to deal with manageable crises. Coalitions emerge when players concerned about achieving a similar purpose know that they cannot do it alone, and seek support from others. Often these relationships are brokered in broad social networks by bridging parties not even in the formal coalition, including, for example, the clergy, or even donors. The various parties to the coalition have different roles, which the coalition arrangements clarify, and these relate across formal boundaries in a horizontal manner, creating organizational structures that are quite different to the usual hierarchies found in developing-country governments.

A third lesson is that parties involved in these interventions tend to identify multiple rather than individual leaders, emphasizing the idea that it is the process of “leadership” that matters more than the “leaders” themselves. It follows that leaders are identified more often for what they do to achieve the common purpose, than who they are. Three main roles center on (i) creating acceptance for the purpose at hand, (ii) building authority to achieve this purpose, and (iii) enhancing the coalition’s ability to achieve the purpose, by mobilizing funds, people and even information. The connections among multiple players thus manifests itself in leadership. This creates the space to achieve a purpose, even in post-conflict countries where the capacity to achieve results is scant on the ground.

A final and concluding lesson coming out of the Global Leadership Initiative is: Outside interventions can help to

facilitate, motivate and stimulate leadership in conflict affected states—especially in the period following the initial euphoria over conflict resolution. In this endeavor, a manageable crisis may prove invaluable, along with a commitment to working broadly across networks and in unconventional structures, and a desire to really get things done. ☛

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# Parliaments as Peacebuilders

BY RASHEED DRAMAN

STATES THAT ARE EXPERIENCING or coming out of conflict are embroiled in fragility for two main reasons: first, because of the breakdown of civil mechanisms of dialogue; and second, because they are unable to manage the disputes with groups of citizens who voice their grievances. Democracy is central to conflict management. The democratic peace thesis, widely accepted among international relations theorists, posits that democracies rarely go to war with other democracies and, by extension, have non-violent methods of resolving internal disputes. Today, democracy is synonymous with peaceful conflict management.

Conflicts occur in all societies but when managed peacefully, they can sometimes spark positive social and economic reforms. Societies are confronted daily with conflicts of all kinds, but only those societies that subscribe to the democratic ethos are able to manage conflictual situations within their borders and resolve them peacefully.

Fragile states share this predicament: 1) either the government, by its repressive nature, does not create the space for negotiation/dialogue; or 2) it completely stifles dissent in a violent way. People with grievances are thus left with only one option to make their case: the use of force. In such states, parliaments provide an important venue where differences are resolved. In fact, in such situations, parliaments are able to substitute the resort to physical violence with dialogue, and the rule of force with the rule of law. Thus, in the nascent democracies of the developing world, which are fragile, the role of parliaments in the national security dialogue is critical, as these countries wade through the messy period of consolidating democratic governance.

But despite the critical role parliament could play in ensuring peace, in most peace negotiations and subsequent peacebuilding efforts, parliament is ignored. This is further complicated by the fact that most donors are often unwilling to support democratic development in fragile states. The main argument they advance is one of insecurity and lack of democratic structures. They forget that in those societies, everything must be done from scratch. Institutions have to be reconstituted and trust has to be rebuilt and, above all, people have to start life all over again.

In our work at the Parliamentary Centre (PC), we continue to see an important causal link between the role of parliament and peacebuilding efforts. In some of the fragile states where the PC works—Sierra Leone, Liberia, Rwanda, Ethiopia,

Cambodia and Sudan—through the platform for dialogue created by their democratic processes, parliaments are playing a vital role in conflict prevention, resolution and management. They are serving as venues where groups that have been fighting each other in the past now sit at the table and attempt to resolve their differences with words instead of bullets.

But these countries are experiencing difficult transitions to democracy, where their parliaments are weak, poor, misinformed, with low capacities, and understaffed. In fact, some of those parliaments lack the most rudimentary infrastructure of a democratic institution—they do not have proper meeting places, or offices for the MPs; or even the facilities to make tea and coffee.

This situation is exacerbated by one common trend: the Executive dominates the management of state affairs. In most fragile states, the Executive hides behind the cloak of “peacebuilding” to pursue policies that are dictatorial. These policies tend to take the country back to instability.

The heavy hand of the Executive can be neutralized if parliament is strong and effective. Therefore, supporting parliaments in fragile states is a peacebuilding imperative. One of the key priorities in fragile states is the need to get the security sector under firm civilian control, and it takes a strong and well-functioning parliament to accomplish this crucial task. Parliament also provides an avenue to healing and reconciliation. Most importantly, parliament, when properly constituted and representative of the people, gives a stake to all citizens in the democratic process, and ultimately helps to consolidate peace.

To sum up, democracy is perhaps the best vehicle for establishing stability in fragile states. A leading advocate of democracy once remarked:

democracies must vigorously mobilize their legitimate instruments of law enforcement to counter this growing threat to their security. But a more fundamental and enduring assault on international terrorism requires political change to bring down zealous, paranoiac dictatorships and to allow aggrieved groups in all countries to pursue their interests through open, peaceful, and constitutional means.

And there is no better way for citizens to pursue their interests than through their representative institution—the parliament. 

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Rasheed Draman is Director, Africa Programs, Parliamentary Centre, Ghana.

# Dilemmas of State Building in Afghanistan

## THREE VIEWS

### BUILDING A VIABLE STATE IN AFGHANISTAN: A DELICATE BALANCE

by Mohammad Masoom Stanekzai



### AN ACCOUNTABLE STATE WITH STRONG CIVIL SOCIETY

by Seema Ghani



### HOW THE INTERNATIONAL COMMUNITY CAN SUPPORT STATE BUILDING

by William Byrd



Afghanistan presents complex and, in some respects, unique development challenges. Despite considerable progress since 2001, enormous challenges remain, and in some crucial aspects, like insecurity and corruption, the situation has deteriorated in recent years.

State-building is at the heart of the agenda but presents many difficulties and dilemmas. These are sketched out in the following articles from three different perspectives by influential voices inside and outside of Afghanistan.

# Building a Viable State

*A delicate balance*



A band of Taliban at the onset of the war in 2001 in Jalalabad.

BY MOHAMMAD MASOOM STANEKZAI

## The role of history and tradition

AFTER 25 YEARS of conflict, a political process launched in 2001 gave Afghanistan an opportunity to restore its lost political stability, build a functioning state and launch an economic recovery. Much has been achieved since then, but challenges lie ahead. To meet them, the international community needs to help build Afghan government capacity in a way that strengthens Afghan leadership, respects Afghan traditions and values, and is ultimately accountable to the Afghan people.

With many social and economic indicators still placing Afghanistan among the world's poorest countries, and conflict still a fact of daily life, this will not be an easy task. Still, the progress Afghanistan has made since the 2001 Bonn Agreement offers grounds for hope.

Millions of refugees have returned. State executive, legislative and judiciary pillars have been built, although the progress is uneven. A constitution has been drafted. Presidential, parliamentary and provincial council elections have been held. Seven million children have gone back to school. The Afghan National Army has been transformed into a credible and trusted national institution. Basic health care coverage has expanded from just eight percent of the population to an estimated 80 percent. A well-organized public-private partnership has delivered communications services to 75 percent of the country, connecting people from the most isolated areas to each other, and to the rest of the country and to the world. The National Solidarity Program is bringing small-scale development to over 32,000 villages, while also building or

upgrading road networks access to services, trade and transit. This rapid progress is one side of the story.

There are also daunting constraints. Intensifying cross-border insurgency and terrorist activities create insecurity, obstruct development and provide space for illicit activities that weaken the rule of law. The opium industry deepens existing corruption and fuels the insurgency. The country's institutions remain weak, giving donors an excuse to move outside government channels, thereby further weakening the government's authority and increasing public frustration. High expectations prompted by the commitments of the international community have not been met, or have been undermined by ineffective management.

The legacies of leftist and religious radicalism that deepened tension in the Afghan society are also impediments to

progress. When the Soviets were driven out of Afghanistan in 1989, divided Mujahideen factions and militia groups fought a civil war. The ensuing vacuum was filled by the Taliban and Al Qaeda. Despite the Taliban's removal from power, violence remains endemic. The Taliban have regrouped in Pakistan, where they have found some support as well as foreign recruits. They continue to terrorize the population, destroy schools and other infrastructure, deepening insecurity as they challenge the state's monopoly on the use of force.

The political instability has stymied the state-building process, leading to the disintegration of state institutions, and coinciding with a brain drain, and a whole generation of Afghans born and raised during the war who lost the opportunity for education. It will take decades and substantial investment to fully recover and restore these missed opportunities.

Despite this bleak panorama, other factors offer hope that Afghan efforts, backed by the international community, will eventually achieve stability and build a state that is responsive to the people's needs and able to deliver on its core functions. These include the resilience of the Afghan people, and a culture that has helped them to survive the turbulence of the past 30 years.

Also, Afghanistan's strategic location endures and can help restore its historical role as a land-bridge and a hub for trade and transit in the region. Despite the negative impact of migration, it has also produced a diaspora of educated and skilled Afghans, some of whom are returning to the country.

## Geography shapes development

ABOUT THREE-QUARTERS of Afghanistan is covered by mountains. The Hindu Kush range stretches from the northeast to the southwest, where it borders with the Kohi Baba, Feroz Koh, Terbandi Turkistan and some smaller ranges, surrounded by a belt of deserts. It divides the country into northern and southern regions, further subdivided by topography, national and ethno-linguistic settlement patterns, or historical tradition.

Settlement patterns have traditionally depended on access to land, water, grazing areas, forest cover, protection against rivals and aggressors. To these, have been added rapid population growth, combined with under-development of agriculture, years of drought and the devastation left by war. These have determined



Under the majestic mountains that surround Kabul, reflected on Qargha Lake, peace, harmony and life continue.

economic opportunities, jobs, public services such as health and education, access to markets including roads, communication, electricity, transportation, and housing.

Most urban settlements have grown along the main roads. The most populous cling to the main river basins in the north, the western region, the Southwest and the eastern Kabul basin.

With sources of most rivers in the mountains, sedentary farmers live mostly in villages near irrigated land in the major river valleys, while semi-sedentary farmers who raise livestock and a few crops, live in high alpine valleys. A third group, the nomadic Kochais—mainly Pushtun herdsmen, some Baluch in Nemroze Farhah and Helmand, and Kyrgyz scattered in Pamir—move in clans by tradition, but war and drought have led some to settle. Many lost most of their herds or have clashed with farmers over access to grazing land during the Kochais' seasonal movement to the central highlands. Many on both sides have been killed.

## Road links key to development

AFGHANISTAN CANNOT BECOME a viable hub for regional trade, transit and economic cooperation until the highways crossing it are secured and kept open year-round, with necessary services and safety measures. Also, needed investment in the country's mineral deposits depends on completion of regional rail networks. With the rugged terrain, this will cost a great deal of money. However, such investment will eventually generate good returns in the long term. To date, donors have hesitated to support this work but there is increasing realization that they understand the importance of such investment

Military strategists observe that the insurgency begins where the roads ends. Farmers need easier access to water, and to learn new techniques to increase and improve crop productivity and quality; their livelihood depends on marketable products they can get to market. This is the only viable option to stem heroin poppy cultivation. At present, most business and reconstruction activity, as well as humanitarian aid, is concentrated around the main roads and highways, or where economic infrastructure exists. The country's remote areas—despite rich untapped resources found there—remain in absolute poverty.

Improved infrastructure would offer the isolated rural poor access to health, education, transportation and communications. While such development offers promise, it must also be undertaken in tandem with careful management of natural resource extraction and the environment. Already,



Filling up the donkey? Actually this man is filling up barrels with gas to be sold later.

deforestation and excessive use of underground water for irrigation has spread alarm in many parts of the country.

Functional and responsive state institutions are essential to meet these challenges. The state must have the capacity to articulate its own development agenda under rule of law and in partnership with the international community; it must also live in peace with its neighbors. Achieving depends on a better understanding of Afghanistan's geography, history and society. Imported models for the state must be adapted and integrated into Afghanistan's traditional systems of governance, in a way that promotes inclusion. These models must build on unifying factors that strengthen the national identity of Afghans, while protecting the rights of minorities.

## How can the international community help push forward state building?

FRAGILE AND FAILED STATES threaten regional and global security. They also spur migration, spread illicit trade, terror and impunity. They impede social and economic development, and fail to meet their international obligations, provide basic services to their people, and remain prone to continuing cycles of violent conflict.

Despite the urgency of these challenges, the need for innovative approaches, the extensive experience acquired and its lessons, international community efforts in state-building generally show similar weaknesses. They have usually started with rapid assessments, coupled with enthusiasm that often goes with underestimating the problems, and resources needed to address them.

Parallel administration systems are often set up to deliver services, with double standards in terms of salary and other

privileges. Usually, these systems are too costly to sustain. Investment is often made in individuals rather than in the systems and procedures of the recipient state. International organizations often press local officials to apply complex international models to their internal procedures as a precondition for donor funding.

Several lessons have emerged for the international community's efforts to support the state-building process in Afghanistan:

- State-building is not a quick-impact project, especially given the complex social, political and economic environment of Afghanistan and its region. Afghan government and international partners need to manage expectations and realistically consider the time horizon needed to build effective state institutions.
- Afghanistan is unique in terms of its geography, social structures and history. A cut-and-paste state-building approach will not work if it is not understood and owned by the people. The international community should push state-building in such a manner that provides a sense of security and justice to all Afghans. The process of modernization should not widen the gap between the rural and urban population; this places rural communities at risk of being further disenfranchised, and thereby vulnerable to spoilers who oppose modernization. Earlier modernization efforts have failed as rural communities turned against so-called reform perceived as promoted by foreigners.
- Improving the systems and procedures of the recipient country can be achieved only after thorough analysis of existing systems and capacity both at central and subnational levels. Too often, attention is paid to build capacity at the central level while doing too little at the subnational level.
- The budget must be used as the main tool for coordination to build effective state institutions capable of providing leadership in the reconstruction process. Coordinating international efforts will not materialize in the absence of such a mechanism that can provide adequate information on how the resources are committed and spent.
- The international community's approach to building state capacity must be consistent; donors cannot complain about the lack of state capacity and then draw the best staff from the existing system to serve a purchased parallel system of administration. This only reduces further the state's capacity to use the technical assistance it receives.

Over the past seven years, progress has been unequal across sectors. Aid programs implemented through the Afghan government's National Priority Program (NPP) have generally achieved better results, both in delivery of services and building up state capacity, than programs implemented outside the government structure. The National Solidarity Program (NSP), a government-led rural community development program, has built capacity and delivered services to people while providing a platform for coordinated support by donors, public, and private-sector implementing partners. Other examples are the Afghan National Army, education, telecommunications and ICT, and health.

Successful approaches in these sectors should be adopted in agriculture, water management, skills development, reconciliation, local governance, public administration, the judiciary, and anti-corruption efforts. Indeed, the commitment expressed by donors for the National Agriculture Development Framework at the Joint Monitoring and Coordination Board is an encouraging endorsement of the NSP approach, even if late in coming.

## Leadership and ownership are critical

REFORM AND STATE-BUILDING also depend on committed and effective leaders, whose management of funds for state-building must follow an Afghan agenda, not that of donors. For example, many donors in Afghanistan earmark their funding to locations where they are sponsoring Provincial Reconstruction Teams; once again, this skews distribution away from the poorest and most isolated areas.

Some so-called experts on Afghanistan demand full decentralization, based on a shallow analysis that the country's social and political systems are fragmented. Afghanistan's governance needs to be consolidated within its borders to avoid foreign interference. This should be accompanied by a phased approach to build subnational administration. First, build capacity, and only then, delegate more authority to local administration, while still retaining central oversight. Third, it is essential to consolidate top-down and bottom-up initiatives to build local elected bodies (provincial, district and village council) to ensure wider community participation in the state-building process.

## How to build the state without undermining it?

NATIONAL SOVEREIGNTY DEPENDS on the state's capacity to provide leadership and reduce its dependence on external sources. This depends, in turn, on a shared vision, long-term commitment and consideration of local traditions and national values. To be effective, state-building must work "with, through, and on" state institutions, without undermining them. What does this mean for state-building work already underway? The following three points emerge:

- The Afghan government and the international community are bound by the Afghan Compact. This should be complemented by a third commitment, to be jointly accountable to the Afghan people. Without mutual accountability, state-building initiatives will be incomplete and conclude with a "blame game" that will undermine the investment in state-building.
- Conditionality must encourage such mutual accountability, not impose conditions that undermine state sovereignty.
- Long-term commitment to and consistency in carrying out the state-building effort is crucial. Achievements in media freedom, democratic and women's rights, and widespread participation in the state-building process must be defended; at the same time, state-building that is misperceived as occupation will fail.

## How to address the risk of building a corrupt state?

CORRUPTION IMPEDES STATE-BUILDING and stability in Afghanistan. To address the risk of building a corrupt state, accountable leaders at central subnational levels is critical. These leaders must serve as role models. To achieve this, their leadership must be defined with clear roles and responsibilities during the initial stage of state-building. This is essential to strengthen coordination and information-sharing, without which the risk of corruption increases, as officials do not know who is doing what, when, and with what resources.

The process of accountability should be driven internally and supported by the international community. This will generate political will at senior levels, enabling the Afghan state and the international community to take bold steps against corruption. A few initial public actions against corruption will send a strong signal and improve discipline. It is important that government positions not be used by incumbents to gain access to material resources for personal gain. A second step is to simplify procedures for monitoring and oversight, and build an improved and credible public financial management system. Early investment in police, judiciary and local gover-

nance, including adequate salaries, is the third important element of a strategy that can reduce risk of building corrupt state.

Procurement and contractual rules must be straightforward and accompanied by monitoring, reporting and oversight mechanisms. Complexity increases the risk of corruption, enabling profiteers to take advantage of incompetence, conflicting rules and regulations and nepotism. Poor asset management also creates fertile ground for corruption. A recent report by the US Government Accounting Office found that some 76,000 weapons delivered to the Afghan National Security Force by the US unaccounted for. This is a warning sign; these weapons are not necessarily all lost or sold, but there is no way of knowing, as the asset management system is not reliable.

## Dilemmas in addressing the drug industry

AFGHANISTAN'S TRIALS HAVE PUSHED it to become the world's top opium poppy producer. Cross-border terrorism, insurgency, corruption, poverty and injustice create a welcoming host for the illicit drug trade. Although poppy-free provinces have doubled from 12 to 24, poppy cultivation remains intense in the insecure provinces of the south. This underscores the links between drugs, insecurity, while experience has shown that applying force to stop the country's 2.8 million poppy-growing farmers to stop cultivation does not work and is, in fact, even counterproductive.

The approach must be changed. Instead of investing in projects that do not deliver farmers a viable living, it would be better to invest heavily in agriculture and water. A new agriculture strategy, properly implemented, can improve crop productivity, access to market, and nurture quality agro-businesses. Over time, these can replace poppies with other cash crops and marketable fruits; this is the only way to create lasting jobs for rural people and thereby weaken the recruitment base of Taliban. At the same time, there is a need to focus on drug dealers at national, regional and international levels.

Afghanistan's state cannot be replaced by other actors. Building state institutions that respond to the needs of people, while showing themselves able to lead and articulate the country's own development agenda is the only way forward, the only way in which Afghanistan will be able to function on its own, without foreign assistance. 

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A poppy field in the Pashtun tribal zone of Ghugiani, on the Afghani side of the border.

## An Accountable State with a Strong Civil Society

BY SEEMA GHANI

### The role of history and tradition

AFGHANISTAN HAS ALWAYS had a government. At times even powerful ones, that conquered neighboring countries and managed to go as far as Isfahan to the West and India to the East. Our history proves that establishing a good government in Afghanistan is possible and that we can build a strong, capable state in this country.

Today—as in the past—the government is the only entity in Afghanistan that has the power to mobilize people. The typical *jirgas* and *shuras* for which we are famous have never actually managed to control the population. Their work has mainly been a temporary measure, limited to dealing with smaller matters. It has been governments, however, that have man-

aged to control the population and establish law and order. We even have a fairly successful taxation system that has been in place since the very old days.

### Geography shapes development

AFGHANISTAN'S HISTORY has been shaped by its geography. It has been an important crossing point for conquest and many of the neighboring countries' armies marched through our land be it from South to the North, or from the North to the South and West. But at the same time, the particularities of our country have also denied victory to powerful military operations which failed to achieve their goals.

Afghanistan's position as a landlocked country has been limiting its trade and international outreach options. Our natural resources were underused as a result and the lacking access to markets hampered our economy. The Silk Road, once our main



Afghan women attend an election campaign event of incumbent president Hamid Karzai in Kabul.

economic support, lost its importance when the region's markets were increasingly connected by sea lanes.

## How can the international community help push forward state building?

THE TOP PRIORITY of any state building agenda is to establish security. The international community should either take a sequential or parallel approach to the security-development nexus. These effort needs to take into account that some countries still provide support to terrorism directly and indirectly and support the restoration of the Taliban rule of Afghanistan instead of seeking development in this country.

State building is costly, particularly in Afghanistan where all institutions were destroyed and no legal framework is in place as a consequence of the 30 years of war. Infrastructure suffered equal destruction. We expect the international community to support the rebuilding of institutions, such as the holding of democratic elections. It is an expensive process and Afghanistan alone could never cover its costs.

The financial support of the international community requires accountability, which is unfortunately lacking so far. At present, there is not much international attention dedicated to project and program evaluation, monitoring or results feedback. Few donors hold the government accountable for corruption associated with aid money. This is an area that needs attention and the current approach has to change.

## How to help build the state without undermining it?

WHILE STATE BUILDING is a lengthy process, areas such as law and order should be a top priority and receive continuous attention. Afghanistan had some judicial systems that worked even during the years of war. These systems did not receive attention once larger-scale work on legal institution building began. As a consequence the judicial system overall suffered and is now marked by high levels of corruption.

Civil society needs to be strengthened. Only when the government feels there is a strong opposition or a strong public demand for the delivery of services will it be competitive and start performing. While supporting the government in the delivery of services, donors should start a focused program of strengthening civil society and demand for good governance.

The government needs to be in the driver's seat. At this stage, the international community should assume a helping role and follow the guidance of the government. People should start feeling that their government is working and delivering. The National Solidarity Program is an interesting example worthy of support: although the program has many flaws, it provides the government with some legitimacy. The international community should steer clear of becoming a shadow government next to the Afghan government and provide all funding through the government or have the government monitor it.

On the military front, increased coordination and information-sharing between international troops and the Afghan army will help to reduce civilian casualties and damage.

For some countries, Afghanistan's future and state-building are not the central objective. Their objectives are short-term and their priority is focused on the security of their own homelands. Their help is self-motivated and, therefore, this mindset has to change. Any development and military strategy should be designed with the good of Afghanistan in the short and the long term as the primary objective, and not as a consequential aspect.

## How to address the risk of building a corrupt state?

THE PROCESS OF STATE BUILDING requires the support of civil society; without it the government's legitimacy will be questioned. Without such broad based public support governments depend on a narrow power-structure, and patronage is the result.

International funds can be misused. Without transparency, accountability and the rule of law, corruption flourishes. Corruption is prevalent at the central state level and patronage rules. Donor projects provide no corruption checks as they are process and not result oriented.

At the sub-national level, many senior government representatives facilitate drug production and trafficking. Political appointments are not merit based but a result of the central state's patronage system.

In short, merit-based recruitment, a competitive election process, and accountability paired with the rule of law would ensure a less corrupt state. To work towards this end the donor community needs to call for accountability and dare to "name names."

## Dilemmas in addressing the drug industry

- Without an effective plan to address the issue of narcotics trade, state-building will not be achieved in Afghanistan.
- Without security in place, there will be further narcotics cultivation and trafficking.
- There is no appropriate alternative livelihood program. The current approach, by the government as well as the international community, is superficial, both in scope and quality.
- Demand for the drugs remains high in the region and internationally. Many sub-national governments in this country have become mafia-like facilitators of the narcotics trade. The drug trade fuels the engine of terroristic agendas, military activities, political ambitions and personal gains.
- The lack of a working judicial system provides those involved with impunity.

Afghanistan needs a comprehensive approach that tackles the economic, political and judicial aspects of the country's narcotic industry—without such a strategic approach the international and national state building efforts will not succeed.

Seema Ghani is Director of Baawar Consulting Group, Afghanistan.

# How the International Community Can Support State Building

BY WILLIAM BYRD

## The role of history and tradition

AFGHANISTAN HAS A LONGER HISTORY as a distinct political entity than most of its neighbors. Moreover, Afghanistan has never spawned significant separatist movements with any serious prospects for success. Still, the reach of the govern-

ment has been limited, historically and at present. Within the umbrella of a de facto unitary and centralized state, local governance has involved traditional community, kin, and tribal arrangements. Both these customary systems and the formal mechanisms of the state to a large extent broke down during several decades of conflict, supplanted by warlords and militias—with a large element of rule by the gun.



An Italian soldier with the International Security Assistance Force (ISAF) stands guard as a pile of opium is set afire on the outskirts of Herat, Afghanistan.

## Geography shapes development

AFGHANISTAN IS LANDLOCKED and located along the fault-lines between civilizations, empires, and regional and global powers. While sometimes it has served as a "land bridge," much more often it has been contested terrain, a backwater on the periphery of different regions, or itself a source of instability for its neighbors. From an economic development perspective, Afghanistan's landlocked location is a significant handicap, and complicates relations with some of its neighbors.

## How can the international community help push forward state building?

STATE BUILDING IS AN INTERNAL, domestically-driven, and long-term process. In developed and successful developing countries, it took intense periods measured in decades, in many cases a century or longer, to build the state. Countries such as Afghanistan do not have the luxury of time; there is an ever-present risk of relapse back into conflict if progress falters. On the other hand there has to be space for domestic political processes to work and for the state to build its domestic legitimacy. Thus the challenge is how can the international community support and encourage what has to be a domestic process, while helping keep it on track and moving forward in a reasonably timely manner. The timing of and support for elections is an important dilemma, but far from the only challenge in this area.

## How to help build the state without undermining it?

THE "DO NO HARM" PRINCIPLE is important for interventions in fragile and conflict-affected countries like Afghanistan, but too often, the international community has been part of the problem rather than part of the solution. For example, the well-meaning efforts of donors and agencies to directly provide services in the early stages of post-conflict recovery, as occurred in Afghanistan, can make it more rather than less difficult for the national state to build its capacity and credibility. Putting funds through the government budget, for projects executed by the government, and with appropriate financial controls and fiduciary safeguards, is an extremely important means of supporting state building without undermining it.

## Can the international community cohere around effective state building?

PART OF THE PROBLEM is the sheer number and differing mandates and processes of the various international actors with activities in Afghanistan. In principle, only the government can effectively lead and coordinate donors, but the size and complexity of the international community imposes a heavy burden. One promising way forward which can help reduce the burden on government is coordinated financing of development activities; the Afghanistan Reconstruction Trust



Afghan drug addicts smoke heroin amidst war ruins in Kabul.

Fund is a notable example which has already channeled close to \$3 billion of coordinated financing for the government through its national budget. There is no reason why more aid cannot be channeled through this mechanism.

## How to address the risk of building a corrupt state?

BY DEVELOPING THE CAPACITY and roles of the state, including in service delivery, regulation, and security and rule of law, the state-building effort creates more opportunities for corruption. In the case of Afghanistan, the situation has been exacerbated by large inflows of off-budget aid and illicit narcotics receipts which provide great potential for corruption. A lesson from Afghanistan is that corruption issues cannot be ignored or treated as second-priority in the early stages of state-building—otherwise corruption can proliferate and put at risk the entire state-building and development agenda.

## Dilemmas in addressing the drug industry

A UNIQUE FEATURE OF AFGHANISTAN is that it is by far the world's largest producer of illicit opiates, providing over 90 percent of global supply. While the drug industry clearly undermines the state including notably through narcotics-related corruption, poorly thought-out counter-narcotics efforts can exacerbate the problem and further undermine the state. For example, corruptly implemented poppy eradication campaigns can contribute to strengthening and consolidation of the drug industry, undermining the state and potentially increasing support for the anti-government insurgency.

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# A UN Architecture to Build Peace in Post-Conflict Situations



**BY EJEVIOME ELOHO OTOBO**

OVER THE LAST DECADE, the international community has learned that the countries most likely to lapse into conflict are those that have been there before. Studies have shown that about half of all countries that emerge from violent conflict relapse into violence within ten years. Recognizing that much more effort has to be devoted to consolidating the peace after it has been won, leaders at the 2005 World Summit created the institutional arrangements of the UN Peacebuilding architecture.

## Peacebuilding Architecture overview

THE UN PEACEBUILDING ARCHITECTURE (PBA) is the latest in a series of efforts to reform the way the UN supports conflict-affected countries, in particular those at the post conflict end of the spectrum. It consists of three components: the Peacebuilding Commission, the Peacebuilding Fund and the Peacebuilding Support Office.

The Peacebuilding Commission (PBC), the institutional lynchpin of the architecture, is an inter-governmental advisory body to the Security Council and the General Assembly mandated to:

- Bring together all relevant actors and to advise on integrated strategies for post-conflict peacebuilding and recovery;
- Help to marshal resources and ensure predictable financing for immediate post-conflict activities and sustained financial investment over the medium- to longer-term;
- Extend the period of attention by the international community to post-conflict recovery;
- Develop and disseminate best practices in support of countries emerging from conflict.

Currently the PBC has four countries on its agenda: Burundi, Sierra Leone, Guinea Bissau, and the Central African Republic. There are five ways in which the Commission is putting into practice its mandate in these countries.

First, the PBC has brought together in a single forum all major stakeholders relevant for each country's peacebuilding process, i.e. the UN, international financial institutions, countries contributing troops, major donor countries, neighboring countries, regional organizations and institu-

TABLE 1: PEACEBUILDING PRIORITIES IDENTIFIED IN THE STRATEGIC FRAMEWORKS

COUNTRY	PRIORITIES AND CHALLENGES
Burundi (2007*)	Promotion of good governance; comprehensive Ceasefire Agreement between Government of Burundi and PALIPEHUTU-FNL; security sector reform; justice, promotion of human rights and action to combat impunity; the land issue and socio-economic recovery; mobilization and coordination of international assistance; subregional dimension; and gender dimension.
Sierra Leone (2007*)	Youth employment and empowerment; justice and security sector reform; consolidation of democracy and good governance; capacity-building; energy sector; and subregional dimensions of peacebuilding.
Guinea-Bissau (2008*)	Elections and institution-building for the National Electoral Commission; measures to jump-start the economy and rehabilitate infrastructure, in particular the energy sector; security sector reform; strengthening of the justice sector, consolidating the rule of law and fighting against drug trafficking; public administration reform and modernization; and social questions critical for peacebuilding.
Central African Republic (2009*)	Reform of the security sector and disarmament, demobilization and reintegration; governance—rule of law; and development poles.

\* Year that the Strategic Framework was adopted between the PBC and the Country.

tions, and the permanent members of the UN Security Council.

Second, the Commission has articulated an integrated peacebuilding approach between interventions meant to restore peace and security and those aimed at reconstruction and development in these countries.

Third, the PBC is sustaining international political and financial support to these countries well beyond the evaporation of the "CNN effect." Fourth, the PBC seeks to ensure that all stakeholders engaged with these countries collaborate around an agreed upon integrated strategy, or a "roadmap" for peace consolidation, developed jointly by national authorities and the Commission. Table I shows the key peacebuilding challenges and priorities identified in the strategic frameworks agreed upon by the PBC and the four countries currently on its agenda. Finally, through its Working Group on Lessons Learned, the Commission seeks to capture and disseminate good practices from the experiences of post-conflict countries for broader application to countries on the agenda of the PBC and in similar situations.

The second component of the architecture, the Peacebuilding Fund (PBF), is under the authority of the UN Secretary General and is administered by the Peacebuilding Support Office. The PBF combines the scope of a global fund with the country-specific focus of a multi-donor trust fund. It is designed to quickly release resources needed to launch peacebuilding activities in countries emerging from conflict and to bridge funding gaps in pertinent areas. As of May 2009, a total sum of \$312.7m has been pledged to PBF against an initial target of US\$250m. To date, allotments have been made to twelve countries. Table II provides a summary on the key aspects of the Fund.

Both PBC and PBF are supported by a Peacebuilding Support Office (PBSO) which is part of the UN secretariat. The PBSO is a small non-operational office headed by an Assistant Secretary General who reports directly to the Secretary General. The Office supports the work of the PBC, manages the PBF and advises the Secretary General on UN system-wide peacebuilding strategies and policies.

## Peacebuilding Architecture— a promising beginning

SINCE THE PEACEBUILDING ARCHITECTURE is only in its third year of operation, it may be too soon to make a definitive assessment regarding fulfilling its mandate and meeting the high expectations that led to its creation. However, it is fair to say that the peacebuilding architecture has achieved some successes.

A commonly agreed element of the PBC's value-added is its contribution to developing integrated strategies for peacebuilding, based on genuine partnerships between national and international actors. Such strategies have been completed in all four countries on the agenda of the PBC. The strategies have provided the basis for "compacts" between the various national actors, in particular the government, and the international community. These are monitored at biannual review

meetings which provide a forum for inclusive dialogue amongst all partners. The PBC has also provided concrete advice and recommendations to other UN organs, including the Security Council and the Executive Boards of UN Funds and Programs. The PBC has also played a key role in advising operational actors on the necessary sequencing and prioritization of peacebuilding efforts in Central African Republic and Guinea Bissau, in which such strategies were adopted in the past nine months.

The Commission seeks to galvanize international support for and improve coherence of peacebuilding efforts in countries on its agenda. For example, it convened the High-Level Stakeholders Consultation on Sierra Leone in May 2008, at which senior representatives of member states, the UN, IFIs, the private sector and civil society gathered and thus broadened the donor base for Sierra Leone. The Commission also played this role effectively in Burundi by keeping the spotlight on the peace process and working with regional actors to encourage both sides of the conflict to adhere to prior agreements. The Commission was also instrumental in mobilizing resources to bridge the funding gaps for the November 2008 Presidential elections in Guinea Bissau and is actively working to mobilize support for economic development and security sector reforms in that country. Similarly, the commission is currently engaged in promoting international support for disarmament, demobilization and reintegration in Central African Republic, as an integral part of sustaining national political reconciliation and creating an enabling environment for growth and development.

PBC's approach of sustained attention is predicated on the principles of national ownership, partnership and mutual accountability. As Burundi, Guinea Bissau, Central African Republic and Sierra Leone, have demonstrated, the PBC engages in active partnership with national authorities, providing a platform for incorporating and supporting their interaction with international partners. The Commission has also fostered dialogues among national authorities and local civil society actors active in peace consolidation efforts, most notably in Burundi.

Despite these initial successes in sustaining international attention for countries on its agenda, the PBC is cognizant of the challenges which must be addressed as it moves forward.

One of such challenges for the Commission will be to determine when a country "graduates" from its agenda. Emerging evidence suggests that peacebuilding results must be measured in decades or even generations, not years. The PBC has a valuable role to play in helping national and international partners build knowledge about the use of benchmarks and milestones in the peacebuilding process. The second challenge is strengthening its effort to mobilize resources for countries on its agenda, beyond allocations by the PBF.

As for the PBF, it has demonstrated its value not only as an instrument to support post-conflict peacebuilding but also as a tool to address problems that could lead to potential lapse or relapse into conflict. Yet, we have also learned that the Peacebuilding Fund may have been too slow in disbursing funds. Some of its problems can be attributed to "teething."

**TABLE 2: PBF KEY FIGURES: PEACEBUILDING FUND ALLOCATIONS AND PROJECTS APPROVED AS OF MAY 15, 2009**

WINDOW	COUNTRY	Allocation USD	Projects Approved	
			#	USD
PBF WINDOW I	Burundi	\$35,000,000	17	\$32,836,315
	Central African Republic	\$10,000,000	12	\$10,000,000
	Guinea Bissau	\$6,000,000	4	\$5,686,889
	Sierra Leone	\$35,000,000	14	\$32,669,828
	<b>TOTAL PBF WINDOW I</b>	<b>\$86,000,000</b>	<b>47</b>	<b>\$81,193,032</b>
PBF WINDOW II	Comoros	\$9,000,000	-	-
	Côte d'Ivoire	\$5,000,000	2	\$5,000,000
	Guinea	\$6,000,000	-	-
	Liberia	\$15,000,000	20	\$14,287,394
	Nepal	\$10,000,000	-	-
	<b>TOTAL PBF WINDOW II</b>	<b>\$45,000,000</b>	<b>22</b>	<b>\$19,287,394</b>
PBF WINDOW III Emergency Projects	Projects funded in Burundi; Central African Republic; Côte d'Ivoire; Guinea; Haiti; Liberia and Kenya (more details)	\$6,353,903	8	\$7,353,903
	<b>TOTAL PBF WINDOW III Emergency</b>	<b>\$6,353,903</b>	<b>8</b>	<b>\$7,353,903</b>
<b>PBF WINDOW I, II &amp; III</b>		<b>\$137,353,903</b>	<b>77*</b>	<b>\$107,834,329</b>

*\*Note: These projects cover a wide range of areas such as supporting national peace dialogues, promoting community reconciliation, strengthening rule of law, rehabilitating military barracks and prisons, disarmament, demobilization and reintegration, providing seed capital for entrepreneurs and addressing youth unemployment.*

but others are systemic, and related to implementing arrangements in fragile post-conflict situations characterized by weak implementation capacities. However, the Fund's greatest potential is not that of a "main funder" of peacebuilding projects but that of a "catalyst" for new approaches and commitments to peacebuilding. Another significant feature of the Fund is the fact that funding decisions are decentralized to a national-level steering committee which includes government, civil society, private sector, the UN, donors and, in most cases, the World Bank. In some cases, this has led to improved national ownership, forging new partnerships, and building a common agenda for peacebuilding.

## Strengthening partnership in support of post-conflict countries

ENHANCED COLLABORATION and strategic partnership between the PBC and IFIs, and other institutional donors, holds much promise. From the inception of the Commission, it was agreed that the World Bank, the International Monetary Fund and other institutional donors should participate in all PBC meetings. The PBC provides the best platform for the

World Bank to engage with other stakeholders in determining critical peacebuilding priorities, sequencing and coordination of peacebuilding efforts.

As a consequence of its unique composition and working methods, the PBC represents a major forum to coordinate international support to countries emerging from conflict. It is also the most suitable forum to facilitate greater collaboration between security, political and development actors, thus advancing the World Bank's notion of "securing development." The PBC could also support the follow-up to and implementation of the World Bank-UN Partnership Framework for Crisis and Post-Crisis Situations signed in 2008 by the Secretary General and the President of the World Bank.

The PBA has taken the important first steps to achieve its key objectives of supporting countries in transition from conflict to sustainable peace, bridging institutional gaps in the post-conflict reconstruction and development within the UN, and advancing the broader international community's peacebuilding effort. Indeed, early experience suggests that the PBA is off to a promising start.

Ejeviome Eloho Otobo is Director and Deputy Head, UN Peacebuilding Support Office.

## PARTNERING FOR A HARMONIZED, ALIGNED RESPONSE IN FRAGILE STATES

### THE PRINCIPLES FOR GOOD INTERNATIONAL ENGAGEMENT IN FRAGILE STATES (FS) EXHORT INTERNATIONAL ACTORS TO:

- ▶ harmonize their activities in fragile states through, for example, joint upstream analysis, assessments, shared strategies, and coordinated political engagement.
- ▶ take an integrated approach to politics, security, and development challenges.

In the spirit of these principles, the Bank has catalyzed its partnerships with the UN (in a Partnership Framework), the International Network on Conflict and Fragility (INCAF) of the Development Assistance Committee of the Organization for Economic Cooperation and Development, the African Development Bank and European Union (and International Monetary Fund) on budget support, and the United Nations Development Programme on state building.

# 1

#### THE UN-WORLD BANK PARTNERSHIP FRAMEWORK

The need to formalize a partnership framework with the UN arose from recognition that the Bank and the UN have complementary roles in fragile states, but that previous *ad hoc* working arrangements caused delays and inefficiencies. These retarded the speed and coherence of international response.

These principles are operationalized through two documents:

- ▶ *A UNDG-WB Operational Annex* which anchors a common operational platform for coordinated post-crisis responses, including common methodologies and tools (such as the Post-Conflict Needs Assessment and the Post-Natural Disaster Needs Assessments)
- ▶ *The Fiduciary Principles Accord (FPA)* between concerned UN agencies and the World Bank. Any agency signing the FPA can use its own fiduciary rules when implementing projects financed under emergency trust funds administered by any other signatory. This should reduce implementation delays.

#### THE OECD-DAC'S INCAF

The Bank co-chairs the INCAF task team on Peace-building, State-building and Security and participates in the Financing and Aid Architecture task team.

# 2

In the first case, co-chairing enables the Bank to bring its perspective to linkages between state-building and peace-building, and thus between security, institutions, and development. In the group on transitional financing, the Bank helps deepen knowledge on the availability of finance during a conflict-affected state's transition period to sustained peace. The group reviews donor instruments available during the transition, assesses financing gaps, and identifies risk management strategies to ensure delivery of rapid and flexible financing in context of fragility.

#### JOINT WORK ON BUDGET SUPPORT WITH THE EC AND AFDB

# 3

The Bank is working with the EU and the AfDB (with the IMF acting as "interested" peer reviewer) to review past experiences with, and recommend a set of common principles for, budget support in fragile situations. Five focus countries (Central African Republic (CAR), Sierra Leone, Burundi, Guinea-Bissau, and Haiti) have been selected, and a comparative analysis between them and budget support experience in non-fragile situations is being undertaken to draw out best practices. A "statement of principles" to harmonize budget support practice will be applied to the CAR case.

#### JOINT INITIATIVE ON STATE BUILDING WITH THE UNDP BUREAU OF CRISIS PREVENTION & RECOVERY (BCPR)

# 4

This initiative aims to support national actors and the UNDP and World Bank (WB) programs in their on-going efforts to support state-building processes in fragile states. Experiences with capacity development in support of state building, and how UNDP and WB inputs are furthering state building, will be reviewed. Two countries—Sierra Leone and Liberia—are being reviewed as case studies as part of this initiative. The review of past experience will be complemented by an action plan for additional measures to improve effectiveness of UNDP and WB efforts in this important area of international support to fragile states.

# Evaluating Community-Driven Reconstruction

## *Lessons from post-conflict Liberia*

**BY JAMES FEARON, MACARTAN HUMPHREYS AND JEREMY WEINSTEIN**

RECONSTRUCTION IN NORTHERN LIBERIA presented daunting challenges when the International Rescue Committee launched a community-driven reconstruction (CDR) program there in 2006. The area had been racked by civil war since 1989, when Charles Taylor's rebel group, the NPFL, launched its attack from Cote d'Ivoire. The conflict was devastating, with 85 percent of the local population displaced at some point during the fighting and over four percent killed directly from war-related violence. The conflict was finally brought to an end with Taylor's exile, a transition government, a UN peacekeeping mission and elections in 2005.

The CDR project, financed by the British government's Department for International Development (DFID), sought to improve material well-being, reinforce democratic political attitudes, and increase social cohesion. CDR projects like this

are being employed in post-conflict situations around the globe. They are a mechanism to disburse development funds rapidly and support the war-to-peace transition by strengthening local communities and rendering decision-making more transparent and accountable.

That's the theory. In fact, although billions of dollars are disbursed on community driven development programs, the evidence that these programs are effective is quite thin. Indeed, many social scientists might contend that the idea that a short-term injection of funds coupled with an imported model for collective decision making would alter local community dynamics—as many aid organizations hope—appears fanciful. Community cohesion and decision-making practices reflect long histories and real distributions of power and wealth; it is plausible that they are not sensitive to short-term external interventions. It is also possible that short-term cash injections in a post-conflict setting could even exacerbate existing social divisions.



Liberia was devastated by years of conflict.

So which account is correct? Do CDR approaches actually deliver the many benefits claimed for them? To find out, our group partnered with the International Rescue Committee (the IRC) to undertake a rigorous evaluation of post-conflict community-driven development in Liberia.

## The evaluation challenge

ATTEMPTS TO ASCERTAIN whether CDR programs actually improve community cohesion and reinforce democratic practices face two major challenges. The first concerns how communities are usually selected to participate in CDR programs. If pre-existing differences between communities are related both to outcomes and selection into the program, we face a problem of “confounds” which makes evaluation extremely difficult. If, for example, communities are selected because they are especially easy to work with, then a simple comparison of outcomes between project and comparison communities would lead us to overestimate program effects; if, however, the neediest areas are selected, then a simple comparison could lead us to underestimate the impact.

From an evaluation perspective, the best way to address these problems is to select the areas for the program so that there is a control group that is similar to the treatment group in all respects except for the presence of the treatment. This is best achieved through a “randomization” process in which eligible communities are divided into treatment and control communities by a lottery. Then we can know with confidence that programs are not in operation in particular sites *because* attributes of those sites and individuals were not exposed to the program. While it is possible (and to some extent inevitable) that there are differences between program and control areas, there is no reason to expect there to be any systematic bias one way or another. This is the solution we adopted in Liberia, where communities were selected into the program through public lotteries.

The second major challenge concerns measurement. Democratic political attitudes and patterns of social cooperation are difficult to measure, much more so than outcomes such as educational attainment and health status. Moreover, one might reasonably believe that communities exposed to CDR would be more likely to provide survey responses that indicate support for democracy, less community tension, and greater collective efficacy *even if there has been no underlying change in attitudes and behavior*. If we observe positive effects of a CDR program, how can we be sure that these reflect real changes in attitudes and behavior, and not simply the fact that CDR treatment communities learned what to say and how to act in order to please outsiders?

In response to this concern, we gathered behavioral measures of political practices and social cooperation (to complement our standard household surveys) through a set of experimental games. Six months after the CDR program was completed, all treatment and control communities were given the opportunity to raise funds from a Liberian NGO to implement a public goods project. The only requirements were that the communities choose a project in advance and identify three individuals to

handle the money. Communities were also told that the amount of money they would receive (ranging from \$0 to about \$500) would depend on the results of a village-wide public goods game, in which 24 randomly selected individuals could choose privately to retain a sum of money for their own use or contribute it to a community fund (with an additional contribution supplied by us) to be used for the public good. We then gathered data on how communities selected projects and representatives and observed patterns of play in the public goods game.

This behavioral approach has an important advantage over traditional methods for measuring social cooperation. Unlike with survey responses, there is a real cost in the games to taking an action motivated purely by a desire to please outsiders; instead the focus is directly on the question of interest, the willingness to make a private sacrifice for public gains.

## What we found

THE DATA COLLECTED through our surveys and behavioral games suggest the following key conclusions:

- **The CDR program had a measurable, positive impact on the level of community cohesion.** Communities exposed to the CDR program appear better able to act collectively after the program’s completion to improve their own welfare. The evidence for this in the surveys is mixed, but our behavioral measures provide strong evidence that CDR communities can significantly outperform control communities in raising funds to implement a community project.
- **Exposure to CDR also appears to have increased social inclusion in beneficiary communities, especially for marginalized groups.** The behavioral evidence on this is powerful, with greater knowledge and awareness of the community project and faith in the representatives and projects chosen. Traditionally marginalized groups made significantly higher contributions to the community project in CDR communities. Survey evidence also supports this conclusion, with individuals in CDR communities reporting less social tension and exhibiting greater acceptance of traditionally marginalized groups.
- **The CDR program reinforced democratic values and practices.** The evidence in the surveys provides some evidence for greater support for elections and participatory processes in treatment communities. The behavioral games demonstrate these values in practice, with a higher likelihood of democratic selection processes for community representatives and projects in communities that experienced CDR. Baseline support for these values and practices was already high, however, and there is no evidence that the program altered these values among our sample of town chiefs.
- **There is little evidence of positive improvements in material well-being related to the CDR program.** While the data do suggest an improvement in local public goods—consistent with the focus of communities on the construction of community facilities—this does not appear to have translated into household-level welfare improvement. The main positive finding on welfare is that access to education

improves significantly. Evidence for gains in livelihoods and asset holdings are, however, weak.

The findings were quite surprising to us. The program had a demonstrable effect on more abstract and difficult-to-measure outcomes, such as social cohesion. It had much less impact on material wellbeing. These results went against our expectations, but we were conscious of the weak empirical base that informed those expectations. In fact, to the best of our knowledge, this is the first time a CDR project of this type has been evaluated with a randomized control trial (though other trials are ongoing). The evidence of positive program impact, and absence of evidence of any negative effects, is thus considerably stronger than in most previous evaluations done on community-driven reconstruction.

## What we learned about evaluation

IN THE COURSE OF THIS WORK, we found that we learned as much about the challenges of doing evaluation – and the linkages between program design and evaluation – as we learned about the program itself. Three issues merit particular emphasis:

**Program assumptions.** Evaluations often focus on *differences* between treatment and control groups and not on the *levels* of the outcomes of interest. Yet, we found in many cases that the levels of outcomes such as cohesion, democratic attitudes, or social acceptance, were high both in treatment and control communities. These findings are inconsistent with some of the assumptions underscoring the CDR approach. Plausibly the really important divisions exist between communities rather than within them, but this was not the focus of the program. Having this information at the outset might have shaped the design of the program, but in standard practice, baseline measures are taken only after the program design has been completed. Our results suggest that these data may be even more useful if they are gathered earlier in the process.

**Ethics of randomization.** From the beginning, we were conscious of the ethics of using randomization; in particular, we worried that this strategy could give rise to jealousies between communities that did and did not receive the program, thereby exacerbating conflict. At the same time, we were aware of ethical arguments suggesting the equitability and transparency advantages that derive from the use of lotteries when insufficient resources are available for all needy communities. Because of these concerns, we monitored the lottery process. Reports from the field were encouraging: not only were there no conflicts resulting from the randomization, but communities actually viewed the process favorably and appreciated the equity of the procedure. Though randomization processes should continue to be monitored closely, our experience suggests that the potential for using lotteries is greater than many believe.

**Assessing the magnitude of program impact.** The randomized design and our behavioral measures allow us to conclude with some confidence that the IRC CDR program had a positive impact, but how big are these improvements and were they worth the cost? When an aid program seeks to reduce

infant mortality or to improve material welfare, the outcomes in question usually have natural metrics that allow for cost-benefit comparisons with other types of aid projects. This is much less the case for aid projects that seek to improve governance or to promote post-conflict reconciliation and we faced real difficulties in assessing the magnitudes of the effects we find. With time we hope that it will be possible to develop more standardized governance and cohesion measures that allow comparisons across programs.

## Looking forward

EXERCISES IN POST-CONFLICT RECONSTRUCTION and local institution-building are increasingly common across the developing world. But despite major investments, few efforts have been mounted to assess the efficacy of external interventions designed to alter local dynamics and patterns of social cooperation. Our work with the IRC and DFID in Liberia shows that rigorous program evaluation is possible, even in post-conflict contexts. We also learned that distributing program benefits through a public lottery not only facilitates evaluation but may also increase the satisfaction of potential recipient communities with the equity and transparency of the aid distribution process. Finally, we found that innovations in measurement can be used to demonstrate believable program effects on difficult-to-measure outcomes such as social cohesion and a commitment to democratic practices.

Strategies for post-conflict peace-building should be held up to the same evidentiary standards of efficacy now being applied to development efforts in health, education, and agriculture. But this requires changes to current practice.

- First, we need to focus on substantive outcomes, not just process. Most evaluation still focuses on how well programs are implemented and not on whether they have an effect. This needs to change.
- Second, there needs to be early coordination between practitioners and researchers. It was essential for our work that the evaluation process began before the program started; but for many programs, evaluation is treated as an afterthought and implemented when it is often already too late.
- Third, researchers and practitioners will need to further innovate in the measurement of outcomes such as social conflict, social cohesion, and political values and beliefs. While attitudinal surveys remain standard, our results suggest that they may fail to pick up underlying behavioral change. Actual behavioral measures offer greater promise, but the twin issues of how to ensure comparability across contexts and how these behavioral outcomes can be assessed in a cost-benefit framework are the critical challenges that will shape the next generation of CDR evaluations. 

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# A Way to Effective Service Delivery in Fragile States

## *Public-Private Partnerships*

BY ANOOP SWAMINATH

EFFECTIVE DELIVERY OF SERVICES to the public is a key test of legitimacy for any government, but especially those in fragile and conflict-affected states. Where multiple challenges such as ethnic fragmentation, succession struggles and rebellion threaten to send a country into a spiral of deterioration, failure to deliver water, health, education and other vital services can cripple a government's chances of survival. By the same token, success and effectiveness in this area can establish the legitimacy of a fragile state's government, and thereby reduce its fragility. Public-private partnerships (PPP) offer a viable approach to achieving this goal.

In most countries, citizens expect their governments to provide basic public services such as health and education, and utilities such as water and power. In fragile states, weak institutional capacity often results in poor performance, and failure to meet these expectations.

The constraints are numerous, and constitute the primary reason for fragility. They include, among others:

- Fragile states are often both cause and result of stunted human development among their people; there are simply not enough educated and capable people to help develop and run the country. Challenges at the individual level have translated into more pronounced difficulties at the institutional level.
- The politics of patronage stymies development of a culture that would reward efficient public service delivery. Fragile governments have been short-sighted in their views on



Installation of water and sewerage pipes in the Yemeni town of Yarim along the Sana'a Highway.

power, national self-interest, and investments in the country. With inadequate checks and balances or political restraints in place, service delivery often takes a back seat (Collier 2007).

- A combination of geographic challenges and weak or destroyed national infrastructure from conflict scenarios has cut off access to public services for many citizens in fragile states. Remote and isolated areas are often wholly neglected, further exacerbating fragility within the country.
- Fractured relations among ethnic groups and communities can impede provision of services. Delivery of services to preferred groups, and their denial to others due to politics, power, and conflict has caused egregious divisions, particularly in Africa. These phenomena have resulted in people living in fragile states growing exhausted with conflict, disgusted with existing political culture, and desperate about their future. For these people, the highest priority is the return of the country to some sense of normalcy. A hallmark of this sought-after normalcy and stability is the provision of basic health, water, and primary school education.

Public-private partnerships are invaluable in driving an effective strategy towards better results in service-delivery that helps pre-empt deterioration. Such partnerships can offer a synergy that overcomes weaknesses inherent in having services delivered by a single either public or private provider. But to succeed, they must be conducted under the right conditions, including:

- A recognition that strategic selectivity is a must; health, water, and education are proven strong entry points.
- A directed effort at nurturing micro-economies of agglomeration around these core service themes can help embed service clusters on a regional and national level.
- Specific attention to points of fragility, such as ethnic fragmentation, will ensure that services reach previously alienated communities; a special effort to reach difficult-of-access regions offers significant gains as well, creating de facto

“strong zones” amidst the chaos.

Practitioners have acknowledged that interventions in fragile states must deliver some “quick wins”. What does this strange term mean? In some ways, it brings us back to the quest for legitimacy and effectiveness. “Quick wins” are visible displays of competence which, so far, have been few and far between in most of these countries.

Apart from public-private partnerships in extractive industries, there has not been a systematic approach by international organizations, enterprises, and governments to apply this tool in a coordinated manner on fragile states. But with the rapidly-emerging consensus among development partners that fragile states are a global priority, various eager players have emerged looking for ways to make an impact. There is an opportunity here to apply some fresh partnership models and schemes to implement effective delivery of public services.

Managing expectations is a critical factor in perceived success. This is espe-

cially important when engaging with multiple actors in overwhelming scenarios, such as the Central African Republic. Quick wins are about small-scale successes across dispersed geographic regions and diverse communities.

The actors perhaps most uniquely positioned to deliver success in such cases are social organizations. They often have the advantages of authentic intentions to deliver social benefits, adept implementation capacity, and experience in cultivating change agents at the grassroots level. These qualities position them as effective potential advocates for the PPP model in tough environments:

- Mercy Corps has been an active player in fragile states delivering interventions from water infrastructure in Somalia to health and HIV/AIDS prevention in challenged Chinese ethnic minority states. Their efforts have relieved many communities of various hardships ([www.mercycorps.com](http://www.mercycorps.com)).
- The Gates Foundation has worked with various fragile governments on malaria eradication and clean-water projects that have saved many lives in Africa ([www.gatesfoundation.org](http://www.gatesfoundation.org)).
- The International Association for Human Values has played a pivotal role in delivering primary school education to tribal children in India’s Jharkand province, historically one of the country’s worst-performing states. Where previously no education services were available, the Foundation worked with the government to create 18 certified schools with free education, uniforms and food for the students ([www.iahv.org](http://www.iahv.org)).
- The Ashoka Foundation has targeted fragile states in West Africa, empowering over 100 social entrepreneurship fellows to work with countries on health and human services. Tens of thousands of lives have been touched through different types of projects (<http://www.ashoka.org/africa>).

The common trend among these organizations is their profound service orientation at the individual level and their ability to work collaboratively with existing, albeit weak, public sector channels. Organizations operating in fragile



Working on electrical power lines outside the town of Macia, Mozambique.

states need to be supported to scale up the size and scope of their impact.

Likewise, it is important to craft new roles for public sector entities to account for state fragility. One suggestion is to reform the role of parliaments. Parliaments in fragile states have functions ranging from peacebuilding to ensuring representation, social accountability, gender mainstreaming, and others. But many parliaments in fragile states are filled with inexperienced novices; during their electoral campaigns, they promised to improve service delivery, but quickly learn that parliaments do not directly perform that function. At most, they oversee budgets and through financial flows impact service delivery (O'Brien, Stapenhurst 2008).

Parliaments can, however, play a role in forming associations with private sector entities to develop partnership models to deliver services to citizens. Through stronger broad-based coalitions, parliaments would be able to keep a closer eye on implementation, as well as the capacities of relevant ministries.

Institutional strengthening of the ministries actually responsible for service delivery is another imperative. Fragile states are crippled by often non-existent capacities in service departments. International actors, including multilateral organizations, can respond by providing training and technical assistance on building institutions, as well as policy advice. Also, education programs focused on leadership, accountability, and the responsibility of public service have achieved progress in many settings. Fragile states will stabilize only when their governments and leaders promote a return to professionalism in public service (Pradhan 2009). A valuable byproduct that emerges from private-public collaboration is that some of the private companies' skills and knowledge seamlessly transfers to the state.

In sum, the emphasis on public-private partnerships in fragile states is not just about improving tactics. The objective of any intervention of this kind should be to protect against the destruction of precious and irreplaceable human capital, specifically that held by youth. Most fragile states have been stuck with their desperate status quos for decades. The only plausible way out is to ensure that the future generations are privy to fundamental public services. Public-private partnerships offer a way to get there. 

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## PARTNERSHIP FOR DEMOCRATIC GOVERNANCE AND AFRICAN DEVELOPMENT BANK

### *Contracting Out Core Government Functions and Services in Post-Conflict and Fragile Situations, 8-9 June, 2009, Tunis, Tunisia.*

On the 8-9 June in Tunis, the Partnership for Democratic Governance held a conference on "Contracting Out Core Government Services and Functions in Fragile and Post-Conflict Situations." This event was co-hosted by the African Development Bank and benefited from financial support from Japan. The conference gathered around 100 participants from a wide range of development aid stakeholders: OECD members, non-DAC donors (Brazil and Chile), international organizations (UNDP, UNICEF, UNECA, ADB), NGOs and the private sector. Fifteen partner countries from Africa and Asia were represented at senior level, including the Minister of Finance for Timor-Leste and the Minister of Health for Liberia. The objective of the conference was to examine how the contracting-out of government functions and services in fragile states can be compatible with local capacity development and state building.

#### AREAS OF CONSENSUS

There was strong agreement over the following points:

- 1 Contracting out government functions and services should be preceded by a thorough assessment of existing national capacity. Where possible, joint ventures with local constructors (for example, road construction and maintenance in Papua New Guinea) should be preferred.
- 2 Contracting-out requires a clear contractual agreement stipulating duration, services delivered and accountability mechanisms.
- 3 The regulatory role of the government is key; therefore regulation and management capacities should be one main focus for donors' well-sequenced support.

#### FUTURE QUESTIONS

There was significant debate and interrogation on the following points:

- 1 What should be the appropriate timing and sequencing of contracting-out arrangements? How long does it take to exit? While much attention must be paid to country context, what lessons can be drawn to promote good practice?
- 2 While it was agreed that Governments (even the most fragile) should be the ones to decide on contracting-out needs, even when those contracts are donor-funded, the weak capacity of many such governments presents a "chicken and egg" dilemma which is not addressed in international documents like the Paris Declaration.
- 3 As a way forward, greater focus could be given to the lessons from the broader contracting literature, rather than taking a sectoral or development approach. Specific questions here include: how can the outputs be specified? What is the appropriate allocation of risk between parties? How enforceable is the contract in practice?



**INTERNATIONAL CRISIS GROUP (ICG)** is now generally recognized as the world's leading independent, non-partisan, source of analysis and advice to governments, and intergovernmental bodies like the United Nations, European Union

and World Bank, on the prevention and resolution of deadly conflict. Crisis Group's reports, and the advocacy associated with them, have had a very significant direct impact on conflict prevention and resolution in regions across the world.

[www.crisisgroup.org](http://www.crisisgroup.org)



**CENTER FOR THE STUDY OF CIVIL WAR (CSCW)** aims to clarify the ways in which actors respond to civil war, in all its phases from onset to post conflict, whether as primary

participants, general citizenry or intervening powers. CSCW research seeks to strengthen the foundation for preventive and conflict-resolving initiatives of governments and other public bodies that participate in peacebuilding operations, and agencies assisting refugees in war zones. See the Country Reports and the Datasets. CSCW is an autonomous centre within the International Peace Research Institute, Oslo (PRIO).

[www.prio.no/cscw](http://www.prio.no/cscw)



**THE INTERNATIONAL PEACE RESEARCH INSTITUTE (PRIO)** has as its mission to conduct high-quality academic research on questions relevant to the promotion of a more peaceful world. PRIO contributes to theoretical and methodological development both within specific academic disciplines, and through cross-fertilization between disciplines. PRIO also engages in the promotion of peace through conflict resolution, dialogue and reconciliation, public information and policymaking activities.

[www.prio.no](http://www.prio.no)



**THE FUND FOR PEACE** exerts two principal efforts to affect decisionmakers. First, it promotes scholarship to define problems and to provide competent answers.

Second, it uses the knowledge and information it obtains to participate in debates and inform the public of the facts. The Fund's primary task is to correct conditions that threaten human survival through a combination of scholarship and active civic education.

[www.fundforpeace.org](http://www.fundforpeace.org)



**UNDP/BCPR** helps address the structural causes of violent conflict through development programs that promote participation, dispute resolution and gender equality. UNDP takes a three-pronged approach to conflict prevention: a) Integrating conflict prevention

into development programs; b) Building national processes and institutions for conflict management; c) Building consensus through dialogue.

[www.undp.org/cpr](http://www.undp.org/cpr)



**THE ARMED CONFLICT DATABASE (ACD)** is to be found on the site of The International Institute for Strategic Studies. The ACD has a built-in-function which can generate targeted reports on

conflict data back to 1997 and correlates reports from various years, conflicts, regions and topics. Variables can be isolated or combined and the results are easily presented, either on-screen in a table or when downloaded.

[www.iiss.org/publications/armed-conflict-database](http://www.iiss.org/publications/armed-conflict-database)



**UNITED STATES INSTITUTE OF PEACE** is an independent, nonpartisan institution established and funded by Congress. Its goals are to help prevent and resolve violent

international conflicts, promote post-conflict stability and development, and increase conflict management capacity, tools, and intellectual capital worldwide. The Institute does this by empowering others with knowledge, skills, and resources, as well as by directly engaging in peacebuilding efforts around the globe.

[www.usip.org](http://www.usip.org)



**MINORITIES AT RISK PROJECT (MAR)** is a university-based research project that monitors and analyzes the status and conflicts of politically-active communal groups in all

countries with a current population of at least 500,000. The project is designed to provide information in a standardized format that aids comparative research and contributes to the understanding of conflicts involving relevant groups. MAR is hosted by the center for international Development and Conflict Management at the University of Maryland.

[www.cidcm.umd.edu/mar](http://www.cidcm.umd.edu/mar)



**VISION OF HUMANITY** groups together a number of interrelated initiatives focused on global peace. It brings a strategic approach to raising the world's attention and awareness around the

importance of peacefulness to humanity's survival in the 21st century. It is a collaborative enterprise bringing together a group of initiatives which enjoy the support of a wide range of philanthropists, business people, politicians, religious leaders and intellectuals.

[www.visionofhumanity.org](http://www.visionofhumanity.org)



**SWISSPEACE** is a practice-oriented peace research institute in the area of conflict analysis and peacebuilding. We research the causes of wars and violent conflicts, develop tools for early recognition of tensions, and

formulate conflict mitigation and peacebuilding strategies. Swisspeace contributes to information exchange and networking on current issues of peace and security policy through its analyses and reports as well as

[www.swisspeace.ch](http://www.swisspeace.ch)



**THE INDEX OF STATE WEAKNESS IN THE DEVELOPING WORLD**

was designed to provide policy-makers and researchers with a credible tool for analyzing and understanding the world's most vulnerable countries. Co-directed by Brookings Senior Fellow Susan Rice and

Center for Global Development Research Fellow Stewart Patrick, the Index ranks and assesses 141 developing nations according to their relative performance in four critical spheres: economic, political, security and social welfare.

[www.brookings.edu/reports/2008/02\\_weak\\_states\\_index.aspx](http://www.brookings.edu/reports/2008/02_weak_states_index.aspx)



**THE INTERNATIONAL NETWORK ON CONFLICT AND FRAGILITY (INCAF)**

is a unique decision-making forum which brings together governments and international organizations in order

to support peacebuilding as well as effective and legitimate state institutions in the world's most challenging development situations. INCAF helps donors, international organizations and partner countries to respond to conflict and fragility by working on cutting-edge policy and programming and by acting as a dialogue facilitator between donors and partner countries. See publications online.

[www.oecd.org/dac/incaf](http://www.oecd.org/dac/incaf)



**THE NETHERLANDS INSTITUTE OF INTERNATIONAL RELATIONS CLINGENDAEL**

is a knowledge institute for international relations. In a constantly changing global environment, Clingendael

acts as a think-tank as well as a diplomatic academy in order to identify and analyze emerging political and social developments for the benefit of government and the general public. The Institute acts in an advisory capacity to the government, parliament and social organizations, holds conferences and seminars, maintains a library and documentation centre, and publishes a Dutch language monthly on international politics as well as a newsletter.

[www.clingendael.nl](http://www.clingendael.nl)

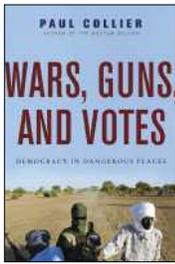


**HUMAN RIGHTS WATCH**

is dedicated to defending and protecting human rights. By focusing international attention where human rights are violated, it gives voice to the oppressed and hold oppressors accountable

for their crimes. Our rigorous, objective investigations and strategic, targeted advocacy build intense pressure for action and raise the cost of human rights abuse.

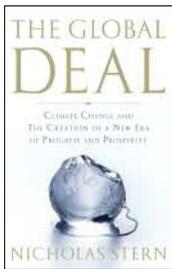
[www.hrw.org/en/about](http://www.hrw.org/en/about)



**WARS, GUNS, AND VOTES: Democracy in Dangerous Places,** by Paul Collier. Harper, 2009.

Paul Collier investigates the violence and poverty in the small, remote countries at the lowest level of the world economy. He argues that the spread of elections and peace settlements in the world's most

dangerous countries may lead to a brave new democratic world. In the meantime, though, nasty and long civil wars, military coups, and failing economies are the order of the day—for now and into the foreseeable future. But he insists that peace and stability can be achieved if the international community intervenes through aid, democracy building, and a very limited amount of force.



**THE GLOBAL DEAL: Climate Change and the Creation of a New Era of Progress and Prosperity,** by Nicholas Stern. Public Affairs, 2009.

In 2006, Nicholas Stern made headlines around the world with his report on the costs and benefits of dealing with global warming. Until the Stern Review, no one knew how much it would cost, and how to do it. Now,

Stern has transformed his report into a powerful narrative book for general readers. The Global Deal evaluates the economic future, and the essential steps we must take to protect growth and reduce poverty while managing climate change. The future Stern outlines is optimistic and pragmatic; he believes we have the capacity and creativity to change. But we need the will to inspire our political leaders to drive a new global strategy.

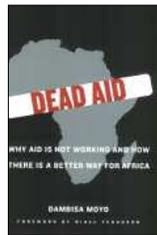


**THE POLITICAL ECONOMY OF GOVERNMENT AUDITING: Financial Governance and the Rule of Law in Latin America and Beyond,** by Carlos Santiso. Routledge Cavendish, 2009.

This book addresses the elusive quest for greater transparency and accountability in the management of public finances in emerging economies; and, more specifically, it

examines the contribution of autonomous audit agencies (AAAs) to the fight against corruption and waste. While the role of audit agencies in curbing corruption is increasingly acknowledged, there exists little comparative

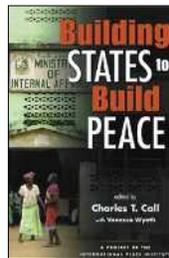
work on their institutional effectiveness. Addressing the performance of AAAs in emerging economies, Carlos Santiso pursues a political economy perspective that addresses the context in which audit agencies are embedded, and the governance factors that make them work or fail.



**DEAD AID: Why Aid Is Not Working and How There Is a Better Way for Africa,** by Dambisa Moyo and Niall Ferguson. Farrar, Straus and Giroux, 2009.

In *Dead Aid*, Dambisa Moyo describes the state of postwar development policy in Africa today and confronts one of the greatest myths of our time: that billions

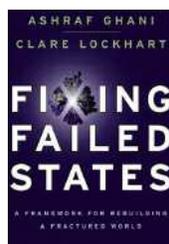
of dollars in aid sent from wealthy countries to developing African nations has helped to reduce poverty and increase growth. Provocatively, Moyo illuminates the way in which overreliance on aid has trapped developing nations in a vicious circle of aid dependency, corruption, market distortion, and further poverty. Debunking the current model of international aid, Moyo offers a bold new road map for financing development that guarantees a significant decline in poverty without reliance on foreign aid.



**BUILDING STATES TO BUILD PEACE,** edited by Charles T. Call with Vanessa Wyeth. Lynne Rienner Publishers, 2008.

How can legitimate and sustainable states best be established in the aftermath of civil wars? And what role should international actors play in supporting the vital process?

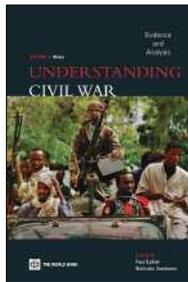
Addressing these questions, this volume explores the core challenges involved in institutionalizing postconflict states. The combination of thematic chapters and in-depth case studies covers the full range of the most vexing and diverse problems confronting domestic and international actors seeking to build states while building peace.



**FIXING FAILED STATES: A Framework for Rebuilding a Fractured World,** by Ashraf Ghani, and Clare Lockhart. Oxford University Press, 2008.

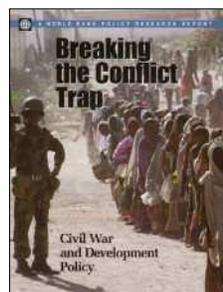
The authors have taken an active part in the effort to save failed states for many years, serving as World Bank officials and UN advisors. In *Fixing*

*Failed States*, they offer an on-the-ground picture of why past efforts have not worked and advance a groundbreaking new solution to this most pressing of global crises. Their state-building strategy, which assigns responsibility equally among the international community, national leaders, and citizens, maps out a clear path to political and economic stability.



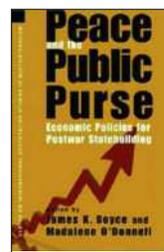
**UNDERSTANDING CIVIL WAR (Vol. 1: Africa): Evidence and Analysis**  
**UNDERSTANDING CIVIL WAR (Vol. 2: Europe, Central Asia, & Other Regions): Evidence and Analysis**, Edited by Paul Collier and Nicholas Sambanis.  
*The World Bank, 2005.*

These two volumes build upon the World Bank's prior research on conflict and violence, particularly on the work of Paul Collier and Anke Hoeffler, whose model of civil war onset has sparked much discussion on the relationship between conflict and development in what came to be known as the "greed" versus "grievance" debate. The authors systematically apply the Collier-Hoeffler model to 15 countries in 6 different regions of the world, using a comparative case study methodology to revise and expand upon economic models of civil war.



**BREAKING THE CONFLICT TRAP: Civil War and Development Policy**, Oxford University Press, World Bank, 2003.

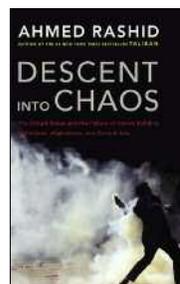
This was the first book to identify the dire consequences that civil war has on the development process and remains a seminal text even today. It offers three main findings: First, civil war has adverse ripple effects. Second, some countries are more likely than others to experience civil war conflict, due to a country's characteristics including its economic stability. Third, *Breaking the Conflict Trap* explores viable international measures that can be taken to reduce the global incidence of civil war and proposes a practical agenda for action.



**PEACE AND THE PUBLIC PURSE: Economic Policies for Postwar Statebuilding**, edited by James K. Boyce and Madalene O'Donnell. Lynne Rienner Publishers, 2007.

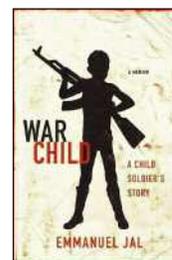
In the aftermath of violent conflict, how do the economic challenges of statebuilding intersect with the political challenges of peacebuilding?

How can the international community help lay the fiscal foundations for a sustainable state and a durable peace? *Peace and the Public Purse* examines these questions, lifting the curtain that often has separated economic policy from peace implementation. Drawing on recent experiences in Afghanistan, Bosnia, Cambodia, Timor-Leste, Guatemala, Palestine, and Uganda, the authors bring to life a key dimension of how both peace and states are built.



**DESCENT INTO CHAOS: The United States and the Failure of Nation Building in Pakistan, Afghanistan, and Central Asia**, by Ahmed Rashid, Viking Adult, 2008.

Ahmed Rashid, a prominent Pakistani reporter, examines the region and the corridors of power in Washington and Europe to see how the promised nation building has progressed. His conclusions are devastating: An unstable and nuclear-armed Pakistan, a renewed al-Qaeda profiting from a booming opium trade, and a Taliban resurgence and reconquest. Rashid argues that Pakistan and Afghanistan are where the conflict will finally be played out and that these failing states pose a graver threat to global security than the Middle East.



**WAR CHILD: A Child Soldier's Story**, by Emmanuel Jal and Megan Lloyd Davies. St. Martin's Press, 2009.

Shocking, inspiring, and finally hopeful, *War Child* is a memoir by a unique young man, who is determined to tell his story and in so doing bring peace to his homeland. In the mid-1980s, Emmanuel Jal was a seven-year-old Sudanese boy. His father Simon rose to become a powerful commander in the Christian Sudanese Liberation Army, and Jal was conscripted into that army, one of 10,000 child soldiers, and fought through two separate civil wars until he was adopted by a British aid worker.

## CALENDAR

### OCTOBER 2009

- 5** World Habitat Day  
Washington, DC  
[www.unhabitat.org](http://www.unhabitat.org)
- 6-7** World Bank/International Monetary Fund  
Annual Meetings  
Istanbul, Turkey  
[www.worldbank.org](http://www.worldbank.org)
- 15-16** UCW Seminar IV on Child Labour,  
Education & Youth Employment  
Istanbul, Turkey  
<http://go.worldbank.org/OV6J7EQ6Wo>  
[www.ucw-project.org](http://www.ucw-project.org)
- 22** Y2Y Global Youth Conference  
Washington, DC  
<http://go.worldbank.org/LSDT7VKLMo>

### NOVEMBER 2009

- 4-5** The Fifth International Scientific and Business  
Congress on Protecting the Climate  
Pretoria, South Africa  
<http://en.cop15.dk>

- 8-10** India Economic Summit  
New Delhi, India  
[www.weforum.org](http://www.weforum.org)
- 11-13** African Economic Conference: Fostering  
Development in an Era of Financial and  
Economic Crises  
Addis Ababa, Ethiopia  
[www.afdb.org](http://www.afdb.org)
- 20-22** Summit on the Global Agenda  
Dubai, UAE  
[www.weforum.org](http://www.weforum.org)
- 30-  
Dec 2** Seventh WTO Ministerial Conference  
Geneva, Switzerland  
[www.wto.org](http://www.wto.org)

### DECEMBER 2009

- 7-18** United Nations Climate Change Conference  
Copenhagen, Denmark  
<http://en.cop15.dk>

### JANUARY 2010

- 27-31** World Economic Forum Annual Meeting  
Davos-Klosters, Switzerland  
[www.weforum.org](http://www.weforum.org)

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### PARTICIPATORY BUDGETING

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# World Development Report 2010

## Development and Climate Change

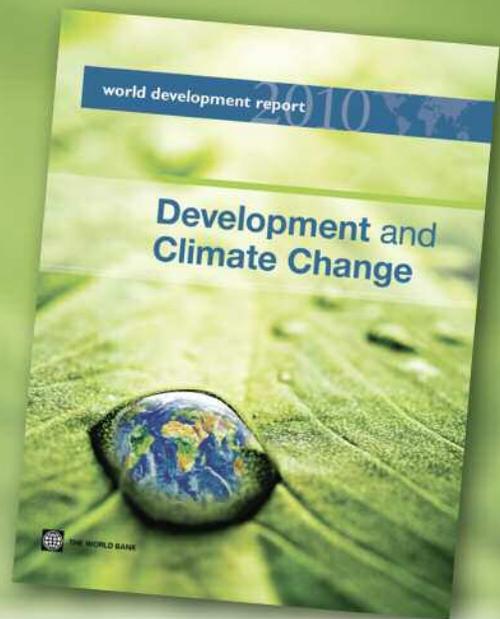
In the course of the last two decades, the world has seen significant development progress. However, substantial challenges remain. Climate change will add to the many stresses faced by developing nations. Climate-smart development policies are needed to both tackle the challenges of adaptation and mitigation, and exploit the new competitive landscape created by climate change. But an adequate, achievable, and equitable solution to climate change also requires a climate framework that meets the needs and concerns of developing countries. Access to the necessary financial and innovation instruments is critical.

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- highlight opportunities in the changing competitive landscape—and how to seize them
- propose policy solutions grounded in analytic work and in the context of the political economy of reform

**Paperback.** October 2009. 300 pages. Stock no. 17987 (ISBN: 978-0-8213-7987-5). **US\$26.00**

**Hardcover.** October 2009. 300 pages. Stock no. 17989 (ISBN: 978-0-8213-7989-9). **US\$50.00**



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- Chapter 2** Reducing human vulnerability: helping people help themselves
- Chapter 3** How to manage land and water to feed nine billion people, protect natural systems, and reduce the effects of climate change
- Chapter 4** Energizing development without compromising the climate
- Chapter 5** Integrating development into the global climate regime
- Chapter 6** Harnessing \$240-600 billion a year for mitigation—and \$10-90 billion for adaptation
- Chapter 7** Accelerating the innovation and diffusion of climate-smart systems
- Chapter 8** Climate-smart action—overcoming the behavioral, organizational, and political forces of institutional inertia

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