

Acknowledgements

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Letter from the Chair of the High Level Panel on Fragile States

President Donald Kaberuka

In October 2012 you established the High Level Panel on Fragile States and requested me to Chair this eminent group. The Panel was mandated to consider and discuss critical and strategic issues for the development community towards enhanced and effective recommendations for engagement in countries affected by conflict and crises in Africa. The Panel was also requested to support the Bank's own thinking on becoming more responsive throughout the different phases of the fragility continuum while focusing on the achievement of the country's long term results and impact for statebuilding and state legitimacy.

It is, therefore, my sincere pleasure to submit to you the final report of the High Level Panel on Fragile States, under the title Ending Conflict & Building Peace in Africa: A call to action. Over the course of the past year, the Panel has deliberated deeply on the complexities of fragility and post-conflict statebuilding and peacebuilding. Our discussions have led us to consider the challenges and opportunities that face Africa and above all nations in their different stages of transition. Our most important attention has been given to providing sound recommendations that address drivers of conflict and enable an environment where conflict can become a thing of the past in Africa. We have also deliberated the important role of the African development Bank Group and its partners within the framework of the New Deal for Engagement in Fragile States.

Our report proposes forward looking solutions which could mitigate drivers of conflict while understanding that a short to long term approach would be crucial to the process. We emphasize the need for country ownership while building institutional capacity. Such actions have to go hand-in-hand with long term commitments to national development programs with greater flexibility to using financial resources.

We believe that the report is going to be crucial in light of the current challenges of new and continuous conflict faced by our Continent. We remain assured that under your leadership, the global community will strengthen its efforts to address fragility and conflict in Africa and ensure that peace and prosperity prevails for our generations of young women and men.

Yours sincerely



President Ellen Johnson Sirleaf

15th January 2014.

Executive summary

The High-Level Panel on Fragile States in Africa was established on the initiative of President Kaberuka of the African Development Bank (AfDB or 'the Bank'). Under the leadership of Her Excellency Ellen Johnson-Sirleaf, President of Liberia, the Panel was asked to review the likely sources of fragility in Africa in the coming years and to make recommendations both for the Bank and the wider policy community as to how they should be tackled.

Africa is changing at an extraordinary speed. This report comes at a critical time in light of the current emerging and new conflict on the continent. In the coming period, the combined pressures of a growing population, environmental change and rapid economic growth will transform the lives and livelihoods of Africans at an unprecedented pace. These changes are in many respects positive, providing the impetus for Africa's continuing development. But with change also comes risk. Rapid urbanisation, youth unemployment, inequality and social exclusion, new natural resource finds and a changing climate all have the potential to place African societies under considerable strain. Last but not least, urgent attention must be given to the transition of national movements into statebuilding and peacebuilding processes.

Fragility comes about where these pressures become too great for national institutions and political processes to manage, creating a risk of violence. This is further recognised in the on-going crisis in South Sudan where the national institutions needed to be transformed to an inclusive civil administration in the shortest possible time. We therefore see fragility not as a category of states, but as a risk inherent in the development processes itself. In the coming period, it will appear across Africa in different places and forms, at national or local level – including in countries not currently classified as fragile.

We see the challenge of addressing conflict and fragility in Africa as twofold. The first part is mounting an effective policy response to the most disruptive economic, social and environmental changes facing Africa. The second part is creating resilient states and societies able to manage those pressures. This entails building interlocking institutions and partnerships at the community, state and regional levels. Our twin themes for this report are therefore managing change and forging partnerships.

Managing change

Though change is intrinsic to the development process, it can also be disruptive, and in Africa it is happening at a speed and a depth that creates risks as well as opportunities. In the coming period, Africa's institutions at the community, city, district and national levels will face a number of major challenges.

Youth employment

The urgently needed skills and employment opportunities for the youth in South Sudan and in the Central African Republic can be a serious platform for peace in the region. Creating quality livelihood opportunities for the millions of young people pressing onto the labour market each year is one of the most pressing challenges facing Africa today.

Urbanisation

Africa's cities are growing exponentially, creating new forms of inequality and insecurity. In the future, social unrest in Africa will have an urban face.

The extractive industries

A wave of new natural resource discoveries across the continent has the potential to transform societies, for better or worse. Africa needs radically to improve its natural resource governance, to avoid the resource curse. Further regional cooperation on cross-border natural resources management and monitoring will be crucial to shared peace and promote greater regional integration, such as in the case of South Sudan.

Climate disruption

Climate change and environmental damage will act as multipliers of fragility, creating conflict over depleting land and water resources.

Poverty and inequality

Poverty and inequality interact with fragility in complex ways. Africa's current pattern of growth is excluding large geographical areas and social groups, magnifying the risks of conflict and instability. This is an urgent call to address political mechanisms that will reduce the risk of local level violence.

African policy makers and their international supporters must actively manage these pressures, rather than reacting only once conflict has begun.

Forging partnerships for resilience

To do so, African countries need resilient states and societies, within a robust political framework provided by the African Union. State-building is one part of the solution to fragility. In recent years, we have learnt many lessons about building effective states, including the importance of inclusive political settlements, re-establishing security and justice, building core economic management capacity and creating legitimacy through public service delivery.

Overcoming fragility also involves two other important dimensions. One is drawing on the resilience found in African societies. The private sector has demonstrated an extraordinary capacity to manage risk and create livelihoods in even the most difficult environments. Through civil society, communities are able to govern their affairs, manage disputes and protect the most vulnerable. African women play a vital but often unacknowledged role in forging peace and rebuilding livelihoods. A key strategy for overcoming state fragility is to build on these diverse forms of resilience, recognising that public goods and services can be delivered through many different mechanisms.

The other dimension is continental and regional mechanisms and processes. Many of the drivers of conflict in Africa, such as illicit trade in arms and conflict minerals, are regional in nature and call for regional solutions. Under the leadership of the African Union, we believe that Africa's regional structures are maturing to the point where they can reinforce national institutions in a growing range of areas, to promote resilience.

Strengthening AfDB's engagement with conflict and fragility

The AfDB holds a vital position in Africa's development architecture. During our consultations, we repeatedly heard that the Bank is prized for its African character and its understanding of Africa's development challenges. African countries trust the Bank and would welcome it taking on a more active leadership role on issues of conflict and fragility.

The Bank is already active in many areas that are directly relevant to the challenge of overcoming fragility. We recommend that it increase its focus on a number of issues.

Youth employment

We encourage the Bank to develop new strategies for promoting youth employment, including supporting the demobilisation, disarmament and reintegration (DDR) of young combatants, engaging youth organisations in community rehabilitation, promoting youth entrepreneurship through finance and training programmes, and helping to make labour markets work for young people;

Private sector development

We recommend that the Bank develop new instruments for supporting private investment in fragile contexts, by blending concessional funds with its private-sector window to enable it to support strategic investments with a wider social return;

Empowering women

The Bank should use its influence to encourage the participation of women in peacebuilding and state-building processes at all levels, and provide targeted finance and training to help women transform their micro-businesses into cooperatives and small firms;

Economic aspects of justice and security

We recommend that the Bank, working in partnership with other agencies, contribute to the provision of security and justice by funding infrastructure for police and other civil agencies and building financial management capacity within the sector.

Promoting resilience through regionalism

We encourage the Bank to help build the capacity of Regional Economic Communities to address drivers of fragility, in areas such as trans-boundary water resources and the extractive industries.

We also recommend various measures that the Bank can take to strengthen its own capacity to engage with issues of conflict and fragility. It should review its rules and procedures so as to enable significant improvements in the speed and flexibility of its response to countries emerging from conflict. This entails a fundamentally different approach to risk management, recognising that fiduciary risk must be set against the risk of acting too slowly in volatile contexts. We recommend investing in 'surge capacity', with a cadre of specialists who can be deployed to boost country teams when an urgent response is required. We suggest developing new, more flexible forms of capacity building assistance in transition contexts.

We recommend that the Bank supplement its country-based allocation process and Fragile States Facility with a new, thematic funding instrument dedicated to conflict prevention and building resilience. This would provide a means of piloting innovative activities in the priority areas identified in this report. We recommend that the Bank invest more effort into building partnerships with other institutions on issues of conflict and fragility, both at the policy level with the African Union, UN system, regional institutions and civil society, and at country level. Finally, we propose a series of initiatives to boost the capacity of Bank staff to engage effectively in this challenging area.

Introduction

The High-Level Panel for Fragile States was established at the initiative of President Kaberuka of the African Development Bank Group (AfDB or ‘the Bank’). Under the leadership of Her Excellency Ellen Johnson-Sirleaf, President of Liberia, the Panel was asked to review the likely sources of fragility in Africa in the coming years and to make recommendations on how they should be tackled. The Panel’s conclusions are intended to help international policy on fragility in Africa to respond to emerging challenges and opportunities. They are also intended to inform the Bank’s forthcoming strategy on fragility in Africa and its continuing efforts to strengthen its capacity in this key area.

The Panel has spent the past year consulting widely with African governments, civil society organisations and citizens. Twelve African governments, a range of civil society representatives and partners attended the Panel’s launch in Monrovia on 2 September 2013. Panel members undertook visits to Côte d’Ivoire, Guinea-Bissau and Burundi. Key messages from these consultations can be found throughout this paper.

Fragility in Africa is a product of dramatic social, economic and environmental change

We also commissioned research from a number of distinguished authors in the field. The papers explored the nature and trends in conflict and fragility in Africa and looked in detail at a range of factors underlying conflict and fragility, and peace and resilience, in Africa.

Africa is changing at a dizzying speed. In the coming period, the combined pressures of a growing population, environmental change and above all rapid economic growth will transform the lives and livelihoods of Africans at an unprecedented pace.

These changes are inevitable, and in many respects desirable. If they are managed well, they will provide the impetus for Africa’s continuing rapid development. Across most of the continent today, growth is buoyant, new livelihood opportunities are emerging and poverty headcounts are falling. A growing number of countries have reached a point when they can look to bring their dependence on external assistance to an end and fund their continuing development from their own resources.

But with change also comes risk. Urbanisation and slum development, the youth bulge, inequality and social exclusion, climate pressures, environmental damage, new resource rents and resource scarcity all have the potential to place African societies under considerable strain.

‘Fragility’ is not a category of states, but a phenomenon that can appear in many places and forms

Fragility comes about where these pressures become too great for countries to manage within the political and institutional process, creating a risk that conflict spills over into violence – whether interstate or civil war, ethnic or tribal conflict, widespread criminality or violence within the family. Countries that lack robust institutions, diversified economies and inclusive political systems are the most vulnerable. In the most acute cases, violence has the effect both of magnifying the underlying pressures and eroding the institutions needed to manage them, creating a *fragility trap* from which it is very difficult to escape.

We do not find it helpful to approach ‘fragility’ as a category of states. Rather, it is a risk that is inherent in the development process itself. In the coming period, fragility is a phenomenon that will appear in many

different places and forms, whether at local or national level – including in countries not currently classified as fragile. Recognising the magnitude of the social and economic changes now underway, we need to employ a ‘fragility lens’ to the development process across Africa, building the capacity to detect, prevent and respond to conflict wherever it emerges.

Of course, we also recognise that there are countries and regions that face acute problems of conflict and fragility that need external assistance in escaping from fragility traps. These countries need new partnerships to help them address drivers of fragility at their source and to build resilient states and societies.

We see the challenge of addressing conflict and fragility in Africa as twofold. The first part is managing the

underlying drivers of conflict. This means prioritising a policy response to the most disruptive economic, social and environmental changes within the development agenda. The second part is building resilient states and societies. In our view, resilience comes about through interlocking institutions and partnerships at the community, state and regional levels. While state-building is central to the process, states in fragile circumstances need to build on the capacities available within society, including the private sector, civil society and local communities, and to be anchored within supporting frameworks at the regional level. Our twin themes for this report are therefore managing change and forging partnerships.¹

This is an urgent challenge. Change in Africa is happening, whether we wish it or not. Where we forge

Changing patterns of conflict in Africa

Conflict in Africa is not a static phenomenon; it constantly changes in response to shifts in the global geo-strategic environment and local conditions. In the twenty years to 1989, there were an average of 12 conflicts a year in sub-Saharan Africa to which the state was a party (including inter-state and civil wars). An average of 17,000 African lost their lives each year as direct casualties of these state-based conflicts. Over the same period, there was a steady increase in non-state violence, involving contending armed groups or communal violence. Though shorter and less deadly than state-based conflict, these non-state conflict are both more common and more difficult to predict. Between 1989 and 2009, sub-Saharan Africa experienced 271 non-state conflicts, resulting in 60,000 direct casualties.

We still have much to learn about the conditions that can trigger conflict in Africa. There is a growing body of evidence on the link between conflict and environmental pressures. One 2011 study found a strong correlation between conflict and soil degradation in areas of high population density. Another found a connection between conflict and localised changes in rainfall. If environmental pressure

are indeed a source of conflict, the risks will only increase with the impact of climate change.

There are also linkages between conflict and inequality. Studies have found that differences in welfare and access to economic resources among local groups increase the risks of localised violence. Marginalised groups that lack the means to rebel against the state may contend with neighbouring groups for access to resources. Major political transitions – particularly transitions away from authoritarian rule – can also give rise to heightened conflict risk. States in transition may lack the ability, willingness or legitimacy to constrain inter-group violence.

If we broaden our perspective on conflict to include piracy, trafficking and other organised crime, the picture is still more complex and dynamic. UNODC reports that drug trafficking and people smuggling remain significant problems in both West and East Africa, with illicit markets that link African countries to other continents. The street value of cocaine transiting West Africa towards Europe, for example, is considerably larger than the national security budgets for many West African countries. This demonstrates how readily organised crime can undermine states’ capacity to provide security to their citizens.

effective partnerships to manage that change effectively, we face a bright future. Where we succumb to fragility and conflict, we risk falling behind.

This Report is structured as follows. Chapter 2 sets out the Panel's reflections on the agenda for conflict and fragility in Africa. It summarises some of the key lessons that the Panel draws from the past decade of state-building and peacebuilding assistance in Africa. It then sets out our reflections on new drivers of conflict and fragility in Africa, and what policy response they call for from the international community at large.

Chapter 3 of the Report is specific to the AfDB. It reviews the Bank's existing engagement with conflict and fragility and recommends five areas where it could further strengthen its engagement. We then assess what the Bank needs to do at the organisational level to strengthen its capacity in this area. The final part briefly draws together our conclusions and recommendations.

An agenda for overcoming fragility in Africa

Managing change in Africa

Africa is undergoing wrenching economic, social and environmental changes. Some of these changes are a product of Africa's successful development, and some, like poverty and exclusion, are legacies of Africa's past underdevelopment that have yet to be overcome. Some are the product of long-term demographic or environmental trends.

Such change is intrinsic to the development process. If managed effectively, it can be a source of dynamism, unlocking the development potential of African societies. Yet change can also be disruptive, and in Africa it is happening at a speed and a depth that creates risks as well as opportunities. In the coming period, Africa's institutions at the local, city, district and national levels will be tested in a range of new ways.

This section looks at the first half of our agenda for overcoming fragility in Africa, which is managing these changes to as to maximise the benefits and minimise the risk of fragility and conflict.

The Youth Bulge

Africa's population is growing fast. It is projected to peak at 2.4 billion in 2050, around two times its current level. By that time, 40 percent of its population will be below 15 years of age and 60 percent below 25 years. South Sudan already has 44.4% of its population below 15.

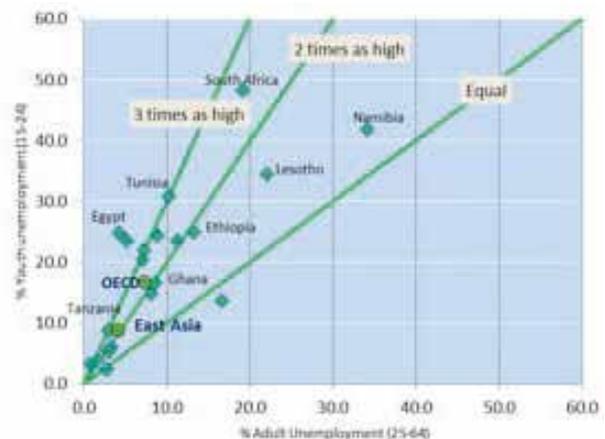
The combination of youth unemployment, improved education and the spread of information technologies is creating new sources of political instability

Rapid population growth places infrastructure and public services under strain. It also offers the potential for a 'demographic dividend' – the benefits of a high ratio of working-age, economically productive citizens to dependents. However, these benefits are not automatic. They depend upon sound economic policies, strong institutional capacity and a financial sector that makes efficient use of savings. Above all, they depend upon finding gainful employment for the hundreds of millions of young people pressing onto the labour market each year.

It is now widely acknowledged that creating quality livelihood opportunities for young people is one of the most pressing challenges facing Africa today. In Nigeria, for example, four million young people enter the workforce every year – including 150,000 university graduates. Yet only a fraction of them manage to find salaried employment.

Across Africa, the burden of unemployment falls heavily on young people (see Figure 1 below). In Northern Africa, youth unemployment in 2012 was 3.4 times the adult unemployment rate, and higher still among young women at 37 percent compared to 18 percent among young men. In 2007, Egypt had a youth unemployment rate of 25 percent, compared to 4 percent for adults. Alarmingly, young people who succeed in the education

Figure1: Youths face higher unemployment than adults



Source: 2012 African Economic Outlook, ILO KILM, 7th Edition, 2012, OECD

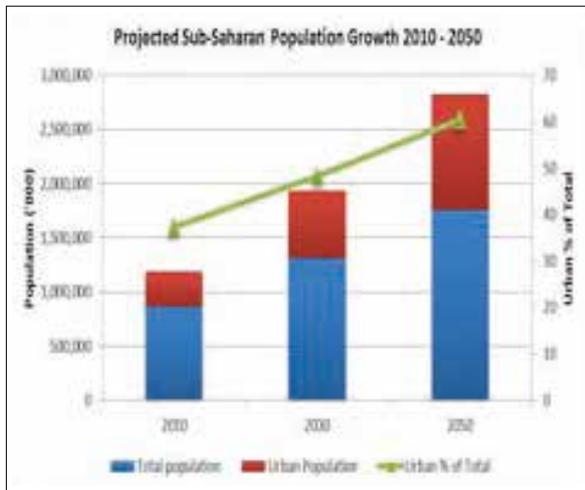
often face no better prospects of gainful employment. In Tunisia in 2010, unemployment was considerably higher among young university graduates than among those with only a basic education.²

In sub-Saharan Africa, official youth unemployment averaged 11.8% in 2012, which was twice the adult unemployment rate. Yet this tells only part of the story. In the absence of formal employment prospects, most young people are forced into low productivity activities in the informal sector where their prospects for advancement are limited.

Young people are also widely excluded from decision making in African societies, opening up a gulf between generations. This creates a pool of disaffected young people who are vulnerable to radicalisation or recruitment into criminal enterprise.

As we saw vividly demonstrated in North Africa during the ‘Arab Spring’, the combination of an educated young population, increasingly connected to the rest of the world through social media, yet with few opportunities for advancement at home, can be highly destabilising. It acts as a multiplier of unrest, even in countries that are leaders in social development. Africa’s extraordinary success in expanding access to education has therefore paradoxically made the challenge of youth employment all the more urgent.

Figure 2: Projected Sub-Saharan population growth 2010-2050



Source: UN- HABITAT State of African Cities 2010

Urbanization and Spreading Informality

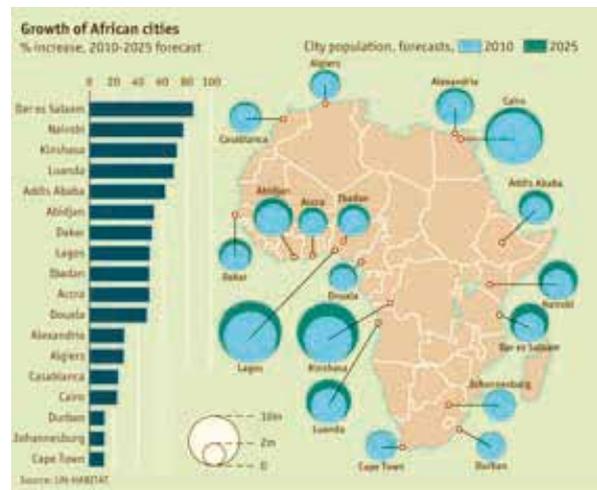
With high population growth comes rapid urbanisation. African cities are growing precipitously, adding an estimated 15 to 18 million people a year. For the next two decades, Africa’s urban population is projected to grow 45 percent faster than the population as a whole, reaching 60 percent of the total by 2050 (see Figure 2).

More Africans will live in megacities (see Figure 3), with Lagos and Kinshasa passing Cairo as Africa’s largest. Much of this growth will be in informal settlements, with 100 million Africans living in slums by 2020.³ Many of those we consulted believe that unplanned urbanisation represents one of the most potent threats to Africa’s stability.

Social unrest in Africa will increasingly have an urban face

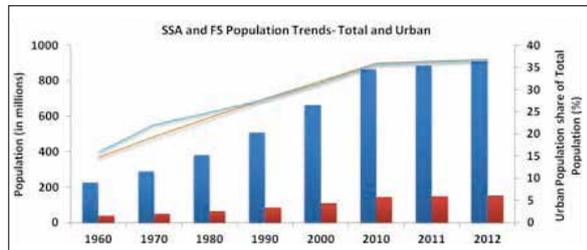
We are only just beginning to glimpse the consequences of this dramatic social change. The growth of cities will put unprecedented pressure on natural resources, infrastructure, services and job markets. The challenges are by no means insurmountable. Thanks to major efforts by African governments, some 24 million African

Figure 3: Growth areas



Source: The Economist

Figure 4: SSA and FS Population Trends – Total and Urban



Source: World Development Indicators ⁸

slum dwellers have seen significant improvements to their living conditions over the past decade.⁴ But the current pace of change is not keeping up with the rate of urbanisation, and as a result many cities are seeing declining rates of access to basic services like clean water and sanitation.

Slums give rise to new social challenges and sources of instability. Already, African cities are said to have the highest levels of inequality in the world.⁵ Increasingly, tribal and ethnic divisions are being replaced – or added to – by class divisions. Those living with insecure property rights often find themselves living beyond the reach of the law and vulnerable to exploitation. A concentration of unemployed young men can lead to the growth of gangs, trafficking and violent crime. Increasingly, slum areas such as Kibera (Nairobi), Karu (Abuja), Soweto (Johannesburg), Camp Luka (Kinshasa) and Bonaberi (Douala) foster dangerous interactions of poverty, crime, and social exclusion.⁶

In 2012, around 37% of the population in conflict-affected countries lived in urban areas (See Figure 4). Conflict and urbanisation interact in complex ways. Conflict leading to population displacement will both accelerate urbanisation and divert resources away from urban development – and in some cases damage the urban fabric itself. For example, Gulu town in northern Uganda has been a reception centre for internally displaced persons since 1996, with its population swelling from 40,000 to 130,000, making it now Uganda's second largest city.⁷ Even as the wider conflict moves towards a resolution, the pressures caused by the expansion of this town beyond its capacity to absorb new arrivals could be a source of future instability.

Extractive Industries

A wave of new natural resource discoveries across the continent, from the Rift Valley to the Gulf of Guinea, has the potential to transform African economies. International capital is flooding into Africa's resource-rich countries. In 2010, revenues from the export of oil and minerals were eight times the total value of development assistance.

New natural resource finds across Africa can provide a huge boost to development, but only if the revenues are used wisely

If used well, these revenues could provide a route out of fragility for many African countries, helping to close Africa's infrastructure gap and extend public services. Yet natural resource wealth can also magnify fragility. The greater the share of primary commodity exports in GDP, the higher the risk of instability. The infamous 'natural resource curse' is linked to the risk of violent conflict over resource rents, greater availability of resources to fund rebellions and weakened rule of law. Commercial interests vying for access to resources can also have a disruptive influence. This pattern has been observed for oil, gold, diamonds, rare earth minerals and forestry products, among others.

The economic impact on the population is often pernicious, exacerbating inequality which stifles the emergence of an entrepreneurial middle class. In some fragile countries, elites have compromised their country's development by entering into complex, non-transparent and sometimes fraudulent deals with foreign parties over access to natural resources. Natural resource extraction may be accompanied by a decrease in the accountability of political leaders to their citizens, by relieving them of the pressure to raise taxes. Democratic accountability is displaced by narrow patronage-based relationships between state officials and the extractive industries. We acknowledge the progress that has been made through the Extractive Industries Transparency Initiative, but there is still a need for a radical increase in the level of transparency and the quality of governance in the extractives sector.

Climate disruption can be a multiplier of fragility, where resource conflicts reinforce existing lines of political or social division

Climate Disruption and Resource Conflicts

Africa's climate is changing. Man-made warming of the climate is combining with natural variation to produce widespread and increasingly disruptive change. Extreme weather, including droughts, flooding and storms, in many places has become the 'new normal'. In 2012, there were 99 extreme weather events in Africa, well above the long-term average of 56, with the loss of over 1,200 lives. Many of Africa's largest and most rapidly expanding cities are in coastal areas, where they are vulnerable to flooding.

Rising temperatures and changing rainfall patterns, when combined with poor agricultural practices, have the potential to cause major disruption to food production in Africa. As soil temperatures increase and rainfall decreases, agricultural yields in some places will decline markedly. With so much of its population dependent on traditional rain-fed agriculture and pastoralism, Africa is by far the most vulnerable continent to climate change. For example, in Cameroon, a 14% reduction in rainfall is projected to cause losses of around US\$4.6 billion. Climate change is already costing African countries an estimated 3 percent in GDP each year. According to African Development Bank estimates, 20 percent more people in Africa will be at risk of hunger by 2050 due to the changing climate.

The links between climate disruption and conflict are complex and still emerging. Climate change is rarely the sole cause of violent conflict. However, it can act as a multiplier of fragility. The risks are highest in regions that combine environmental fragility with poorly diversified economies, high dependence on rain-fed agriculture and public institutions that lack the capacity or willingness to support adaptation and conflict management. In many parts of Africa, neighbouring groups will find themselves in competition over depleting resources, particularly land and water. If this competition feeds underlying social divisions, such as ethnic or tribal conflicts, or if they are exploited by political elites for short-term gain, it can give rise to wider conflict. Other risks include climate-induced migration and accelerated urbanisation.

Figure 5: Africa Logistics Network as of 2008



Source: The Economist; October 2008.

“We have two challenges, fighting global poverty and fighting climate change. Fail the one, fail the other.”

Dr. Donald Kaberuka, President, African Development Bank

The cost of isolation

In landlocked South Sudan, with no domestic industry, the cost of transport is a major determinant of the costs of living or doing business. The country has just 300 km of paved road. Its economic lifeline is the Gulu-Nimule road to Uganda. Each day, around 130 trucks from Uganda, Kenya and Ethiopia arrive at a customs clearing area the size of a football field, where they wait two days or more for their goods to be cleared. Most shopkeepers in South Sudan travel to Kampala or Mombasa each month to buy stock, with each container costing them an average of \$8,500 in transport costs.

Some African states have democratic processes and government institutions strong enough to manage these pressures. In fragile environments, however, there is a risk that climate change and resource conflicts will only further weaken institutions, contributing to the fragility trap.

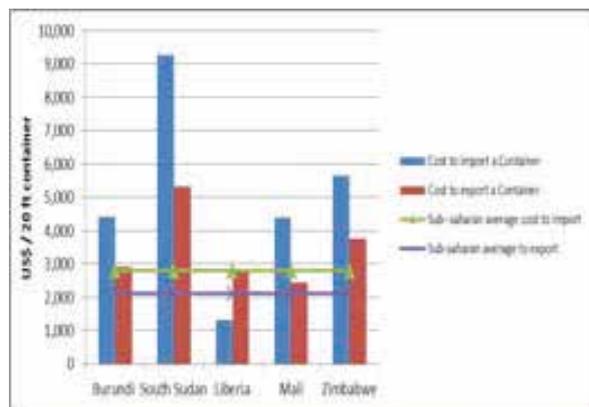
Poverty and exclusion

Of course, not all threats to Africa's stability are novel. Poverty, inequality and exclusion are long-standing features of African societies and create the conditions in which conflict and fragility are more likely. It is in the nature of rapid economic growth that some regions and groups of people are left behind. If growth itself is not to be a driver of fragility, we need to pay close attention to the quality of growth, to make sure it is inclusive in nature.

Inequality and exclusion have many different dimensions, but two of them are particularly important in assessing drivers of fragility. One is the economic isolation of countries and regions. Many African countries are landlocked with small internal markets (see Figure 5) depend for their access to regional markets on neighbours who themselves lack the resources to invest in adequate transport infrastructure. Other countries, such as the Democratic Republic of Congo, have potentially very large internal markets, but remain underdeveloped as a result of poor infrastructure and long-lasting insecurity, resulting in widespread economic isolation.

One study found that it cost more to ship a ton of wheat from Mombasa in Kenya to Kampala in Uganda than from Chicago to Mombasa.⁹ In Burundi, we heard how the closure of the Tanzanian rail link between Dar es Salaam and Kigoma, on Lake Tanganyika, has cost the port in Bujumbura half of its traffic and added \$3,000 to the cost of shipping a container to the coast. Figure 6 below illustrates how much it costs to import or export a 20 foot container from various African countries.

Figure 6: Average cost of importation and exportation of 20ft Container



Source: 2014 - World Bank Doing Business

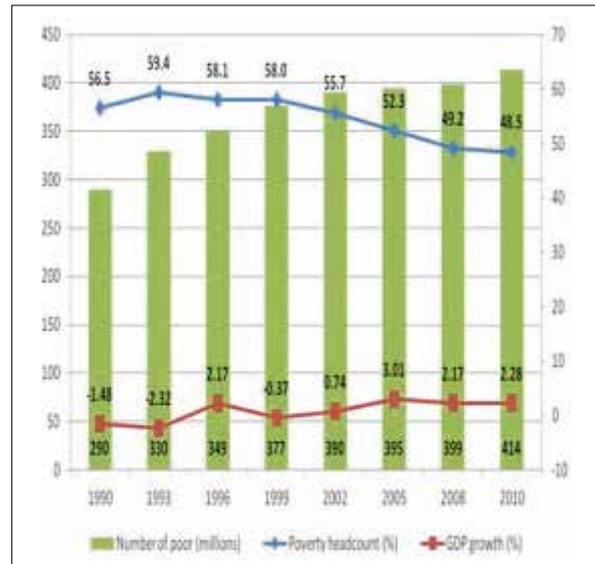
We cannot hope to end fragility in Africa without tackling the poverty and inequality that underlies it

Isolated economies lack a sufficient number of firms for a competitive market, and their enterprises are too small to reap economies of scale. As a result, large areas of economic activity that are present in larger economies are simply missing. As Paul Collier argues, growth therefore depends crucially on the availability of 'pioneer investors' – those willing to move into new

“The absence of strong institutions fed off and exacerbated, political and ethnic differences attracting ‘opportunistic investment’ which does not help the country develop. Hence, poverty prevails and the battle over limited resources becomes inevitable. So starts, ends and continues the vicious cycle of fragility and underdevelopment.”

Tabu Abdhallah Manirakiza, Minister of Finance, Burundi

Figure 7: Poverty Trends



Source: Millennium Development Goals, targets and indicators, 2013: Statistical table; World Development Indicators; Povcalnet

areas of economic activity. Yet pioneer investment in fragile contexts carries high risks and uncertain returns. Without a credible, long-term development pathway, such states are readily caught in fragility traps.

Another driver of fragility is the persistence of extreme poverty and social exclusion for particular social groups, even in economies enjoying healthy growth rates. While Africa has made great strides on poverty reduction in recent years, nearly half the population still lives on less than \$1.25 a day¹⁰ (See Figure 7).

In countries that experienced significant violence in recent decades, poverty rates are on average 21 percentage points higher than in countries that saw no violence.¹¹ At the end of a typical civil conflict, household incomes are 15 percent lower than they would otherwise be, inequality is higher and 30 percent more people live in extreme poverty.

Individuals are more likely to be driven to violence when unemployment is high and traditional livelihoods disrupted. The extreme poor are more easily mobilised by militias and insurgent groups. The frustration caused by injustice and inequality can trigger different forms of instability, from inter-group conflict in rural areas to social unrest in cities.

Among the recommendations of the High-Level Panel on the Post-2015 Development Agenda, much attention has focused on the proposal to ‘leave no-one behind’ by focusing on the eradication of extreme poverty. This commitment would entail a strong focus on conflict-affected countries, which face twice the rates of malnourishment and infant mortality and three times the rate of out-of-school children as other countries.

Conflict is also a great multiplier of vulnerability. It erodes household assets, public services and social capital. Communities emerging from conflict are left far more vulnerable to other shocks, such as food price rises or natural disasters. Inevitably, it is women, children, the elderly and those displaced by conflict who are the most vulnerable.

Building effective states

Many of the changes we have described here are both opportunities and risks – they can propel countries or regions forwards towards new development frontiers, or drag them backwards into political instability and violence. The pivot is the quality of institutions and political processes through which change is managed. We believe that many of Africa’s institutions, at local, district, national and regional levels, will be tested in the coming years.

‘Resilience’ is the term commonly used for the capacity of institutions to manage conflicts and external pressure. Over the past decade, attention has focused on building resilience through state-building – commonly conceptualised as the building of national institutions with the capacity, resources and legitimacy to respond to the needs and expectations of society.

We have learnt some important lessons about state-building in the aftermath of major conflict and political instability. One is on the primacy of politics. Overcoming fragility is first and foremost about building or re-establishing the underlying political settlement on which the state is constructed. Without solid political foundations, attempts to build resilient institutions are unlikely to succeed.

Political settlements are not once-off agreements, but sets of political practices that emerge over time and become institutionalised. Formal peace agreements and written constitutions may help reinforce a nascent political settlement, or create a structure in which it can emerge. Resilience is then built up through the gradual layering of practices of compromise and accommodation among different groups in society, through a process of ‘political sedimentation.’¹²

New political settlements should be increasingly inclusive, challenging old patterns of dominance and exclusion

It is useful to think of a political settlement as having two dimensions. First, it must establish the power relations between contending groups in society. If any significant political force or social group is excluded from participation, they are likely to pursue their interests outside the political process, creating a risk of conflict. Second, it must reset the relations between government and citizens. To make a decisive break with past conflict patterns, it must be increasingly inclusive in nature, with explicit human rights and social justice objectives. In particular, it should give a strong voice to women, which past experience shows can be transformational in impact.

This is the challenge of crafting new political settlements. They should be stabilising, accommodating the interests of the main contending political forces, so as to prevent a lapse into violence. Yet they should also be transformational, creating a decisive break from patterns of dominance and exclusion that have proved to be a source of conflict in the past.

A second lesson on state-building is that establishing security and justice is a precondition for progress in all other areas. Persistent insecurity – including armed conflict, political violence, violent criminal activity and interpersonal violence – deters political participation, dampens economic activity and hampers the delivery of basic services. The provision of security and justice is therefore one of the most basic of state-building goals and essential to building the legitimacy of the state. This is recognised in the African Union’s 2013 Policy Framework on Security Sector Reform.

Security sector reform requires a careful balance of capacity and accountability. In conflict-affected environments, states need the ability to project their authority across their territory and provide security to their citizens. However, a strengthened security sector may itself be a source of instability, if it lacks strong management systems and democratic oversight. The Arusha Peace Agreement in Burundi, for example, made security sector reform a central element of the peace settlement, with a strong role for opposition parties and civil society organisations in overseeing the process and holding government to its commitments.

Progress on security and justice is usually a precondition for progress in other areas

It is important to take a broad approach to the provision of security and justice, using a ‘human security’ approach that encompasses the different types of insecurity to which men and women are vulnerable. The most effective way of reducing violence may be to tackle its underlying social or economic causes. For example, when tackling the problem of cattle raiding and inter-tribal conflict in South Sudan, a multidimensional approach may be needed, partnering improved policing

with initiatives designed to promote alternative livelihood opportunities. Women face specific forms of violence and insecurity, which may deter them from participating actively in economic and social life.

Other key lessons on state-building include the importance of revenue collection and public financial management, which underpin the state's ability to re-establish its core structures, pay civil servants and deliver public services. Tax collection gives the state an interest in promoting economic development, to broaden its tax base, while giving tax payers a stake in how the state uses their taxes – a potential virtuous circle that helps rebuild the capacity and legitimacy of the state. We have also learned the importance of moving as quickly as possible from the delivery of basic services outside the framework of the state, as is common in humanitarian emergencies, towards state-run service provision, in order to contribute to state-building.

State-building priorities can shift rapidly in a complex political environment, calling for flexible international support

Above all, as set out very clearly in the *New Deal for Engagement in Fragile States*, we have learnt the importance of country-led and country-owned transitions out of fragility. State-building is fundamentally and necessarily a country-led process. In providing their support, external partners must allow national authorities the flexibility to navigate complex political terrain in setting the priorities and sequencing for institutional development.

New partnerships for resilience

While building effective and legitimate states is essential, there are two other dimensions that are also key to overcoming fragility. Given the time required to build effective institutions, we cannot rely exclusively on the state to provide the necessary resilience. First, we must draw on the resilience found in African societies that can be observed even where the state is largely absent.

Second, we must buttress states in fragile positions with a framework of regional and continental institutions and processes.

African societies are remarkably resilient. Even in conflict-affected environments, households are able to protect their livelihoods and communities to govern their affairs and look after their interests. Civil society organisations emerge to deliver essential services and protect the vulnerable. The private sector is able to operate even in apparently chaotic environments, showing a remarkable ability to adapt to and overcome difficulties.

In the past, we have often understood state-building as requiring a rapid return to state-delivered public goods and services. This has led to excessive expectations of states in difficult environments, while creating competition between state and non-state actors for resources. We believe that overcoming fragility should be reconceptualised as creating partnerships between states and societies, recognising that the diversity of institutional forms found in situations of conflict and fragility can be a source of strength.

The private sector is often overlooked as a partner. In countries transitioning out of conflict, the private sector is a vital stabilising force, creating alternatives to conflict economies based on predatory or illicit activity.

The private sector is remarkably resilient to conflict and can be a force for stabilisation and renewal

There is growing evidence to show that the private sector is far more resilient than often supposed, able to manage risk and take advantage of pockets of stability. It is also a key constituency for peace and security.

We should do more to mobilise this private-sector resilience in support of peace. We should make investing in income generation activities an early priority, even in the midst of conflict, as an additional strategy for promoting peace. We should ensure that the private sector is given a voice in peace negotiations and setting state-building priorities. We should also embrace 'peace

Private sector resilience

Bolloré Africa Logistics, a division of a French industrial conglomerate, invested heavily in Côte d'Ivoire's port infrastructure despite the civil war, reducing the handling time of containers in the port from eight to two days. According to Ivoirian officials, Bolloré's investment, which allowed cocoa exports to continue during the conflict, helped keep the country from collapsing. For its part, Bolloré uses the experience to illustrate its "Afro-optimism" and its policy of never withdrawing from countries in crisis.

Another example is the brewery Southern Sudan Beverages Limited ("SSBL"), majority-owned by SAB Miller Plc, which successfully operated in South Sudan throughout the country's long independence struggle.

entrepreneurship' – activities that combine profit-seeking with peace-building goals. Youth employment activities that draw young people away from conflict seem particularly promising.

Civil society is likewise a key source of resilience in conflict-affected societies. We fully endorse the *New Deal* emphasis on strengthening and using country systems for service delivery, so as to strengthen country leadership and state legitimacy. We also note that, where capacity is weak, organising public services in the form of a single, central line ministry that combines planning, resource allocation and service delivery may not always be the best option. What matters is a clear and visible role for the state in coordinating and regulating services; the question of who delivers them may be secondary.

We should recognise that fostering a plurality of institutional forms may be a better strategy for overcoming fragility. We would encourage stronger partnerships between states, civil society and the private sector in delivering public goods and services.

Women play a vital but often unacknowledged role in peacebuilding and state-building

We also stress the indispensable role played by African women in building resilience in conflict-affected societies. Yet women are largely marginalised from national peacebuilding and state-building processes. They are seen as victims of conflict, rather than agents of stability. Access to the peace table is paradoxically determined by control over the instruments of violence, rather than those of peace. As a result, few peace agreements properly address the needs of women or recognise their role. Gender inequality is far more pronounced in conflict-affected countries than elsewhere in Africa.

The benefits of empowering women during transitions out of fragility are many. At the national level, they bring an alternative voice to the political process, to challenge established lines of division. At the community level, they play a vital role in building social cohesion and crafting conflict-resolution mechanisms. As economic actors, they are key to raising productivity and improving livelihoods. International partners should therefore place a strong emphasis on supporting women's agency, encouraging their progressive inclusion in politics and government at all levels, while recognising the diversity of women's voices and interests.

The other key dimension for building resilience is through regionalism. Africa's network of continental and regional institutions is steadily maturing. It has reached the point where it can offer a larger institutional framework to reinforce fragile institutions at the national level. The greater the density of regional or intergovernmental agreements, mechanisms and processes in which African states are involved, the greater their resilience will be.

A regional approach to conflict and fragility is important for a number of reasons. First, many of the drivers of conflict in Africa are regional in nature. Illicit trade in arms and conflict minerals spill across national boundaries, as do refugees and armed groups, fuelling conflict and spreading instability. Past examples have included the spread of conflict through the Great Lakes and Mano River regions and the destabilisation of Chad and the Central African Republic as a result of the Darfur conflict. This drags down economic performance across the region and can easily destabilise neighbouring countries, creating interlocking conflicts that can only be tackled through regional cooperation. We see regional cooperation in the justice and security arena as a key frontier.

The more African states are anchored in structures of regional cooperation, the more resilient they are likely to be

Second, climate change and other environmental losses are likely to lead to the proliferation of cross-border

conflict management issues in the coming years. Where climate change disrupts traditional livelihoods, it can trigger population movements. In recent years, the increasing scarcity of grasslands in southern Chad and Sudan have led to the migration of pastoralist herders into the northern regions of the Central African Republic, adding to tensions in that region. Likewise, conflict among pastoral groups in the Horn of Africa has a strong trans-boundary dimension. Regional organisations have a key to play in mediating such conflicts.

Third, Africa's most important water resources span national boundaries. Trans-boundary water basins contain 90 percent of all surface water in Africa. The Congo Basin with its vast forests and biodiversity spans ten countries. Sustainable management of these resources requires regional and intergovernmental bodies and mechanisms. For example, AfDB has been working with the Mano River Union and its member states to build their capacity for the joint management of the Upper Guinea Forest. Such regional bodies also have an important conflict-prevention role, providing a framework for compromise across different interests. The governments of Liberia and Côte d'Ivoire are paying particular attention to conflict analysis and conflict sensitive conservation in the development of the shared Tai-Sapo forest complex.

Building a stable and inclusive economy: applying the fragility lens on Cote d'Ivoire

The disarmament, demobilization and reintegration ("DDR") programme for ex-combatants has commenced with a target population of 64,777 persons to be disarmed. 30,000 demobilized ex-combatants to be reintegrated by 2013 and the balance in 2014. The National Social Cohesion Program ("PNCS") and Dialogue, Truth and Reconciliation Commission ("CDVR") have also been established to rebuild social cohesion and promote reconciliation. To sustain and further increase the current GDP growth of circa 9%, the pace of the DDR process will need to be increased, national reconciliation and social cohesion will need to be reinforced and growth needs to be inclusive so that

they act as a stimulus for development rather than potential drivers of conflict and instability.

Social cohesion and reconciliation programs need to be adequately funded to address issues on citizenship, rural to urban migration, the return of citizens who left during the crisis, the arrival of refugees and lack of clarity regarding land rights that could create security challenges in rural and urban areas unable to cater for the growing population. These programs will aid the ability of communities to adopt inclusive strategies for development, empowerment and also contribute towards reducing regional disparities particularly in the rural communities that have been hit hard by poverty with rates between the range of 50.9% to 85.1%, depending on the region.

Source: Excerpts from HLP's discussion with Cote D'Ivoire stakeholders

This type of regional cooperation should be led by the Regional Economic Communities, within a political framework provided by the African Union.

An agenda for resilient states and societies

We have characterised the challenge of overcoming fragility in Africa as having two components. One is responding effectively to the enormous changes that are taking place across Africa, so that they act as an impetus for development, rather than as drivers of conflict and instability. The other is building resilient states and societies, in particular by anchoring African states in stronger partnerships with local sources of resilience, including the private sector and civil society, and with each other in regional structures and processes.

To that end, we offer the following broad recommendations for the policy agenda on overcoming conflict and fragility in Africa. These recommendations are addressed to African countries, African regional and continental institutions and to development partners.

Recommendation 1:

Across the development agenda in Africa, increase the focus on potentially disruptive economic, social and environmental change

The policy response to conflict in Africa is still overwhelmingly reactive, rather than preventative. We approach fragility and conflict as external threats to the development process, rather than as risks inherent in development itself. We should recognise that potentially disruptive economic, social and environmental change is taking place across Africa – and not just in countries conventionally labelled as fragile. We need to bring a fragility and conflict lens to the development processes, working to reduce pressures and manage conflicts within robust local, national and regional institutions.

In this paper, we have set out some of the most potentially disruptive elements in Africa's development path. These include rapid population growth, the youth bulge and the challenge of youth employment, rapid urbanisation and the growth of informality, the growth of

the extractive industries, climate disruption and natural resource conflicts. These combine with the ongoing risks caused by poverty, inequality and social exclusion for the countries, regions and population groups that are excluded from Africa's current patterns of economic growth. These are all areas that call for greater attention in national development strategies and in development assistance.

Recommendation 2:

Develop new instruments for supporting private sector development in isolated economies

Much of the fragility we see in Africa is linked to underdeveloped and isolated economies that are unable to share in the benefits of Africa's current economic growth. We must redouble our efforts to prevent these areas of underdevelopment from falling ever further behind. The solutions include increasing the rate of investment in transport infrastructure and addressing bureaucratic obstacles to the movement of goods and people across national boundaries. However, infrastructure may not be sufficient. We also need to provide more direct support to boost the rate of private investment. In fragile economies, strategic investments in new areas of the economy can offer development benefits that exceed the immediate financial return. We need to do more to encourage such investment.

At present, the private investment arms of development finance institutions use purely commercial criteria for their investment decisions, leading them to shy away from fragile states. We encourage them to blend their private investment finance with concessional resources in fragile environments, so they can support investments with wider development benefits. This could take the form of equity investments, to lower the costs of capital, reduced interest rates, or new forms of political risk guarantees and other insurance.

Recommendation 3:

Make more use of private sector and civil society capacity in delivering public goods and services

We have suggested that, in situations of fragility, a state

monopoly on the delivery of public services may not be a viable strategy. Instead, we should be willing to support a plurality of institutional forms, with service delivery shared between government agencies, private firms, civil society organisations and local communities according to whichever is best positioned in different localities. We acknowledge the importance of unified public services to building the legitimacy of the state. However, in some circumstances this may be best achieved by placing the state in a regulatory or commissioning role, with services clearly labelled for citizens as part of a national system.

Recommendation 4:

Invest in regional frameworks for resilience

We see the goal of overcoming fragility in Africa as having an indispensable regional dimension. We believe that, as they develop, Africa's networks of regional institutions, agreements and processes, under the overall political framework of the African Union, have the capacity to buttress fragile national institutions and promote resilience. We recommend a concerted effort to anchor conflict-affected countries in regional processes in areas such as management of extractive industries and trans-boundary natural resources. We see scope for greater regional cooperation on fighting trafficking in illegal goods and other cross-border criminal activity. We urge the continuing development of regional and

continental security structures, including the capacity to provide external security guarantees for countries that require them.

Recommendation 5:

Work towards a more integrated response to conflict and fragility

One of the messages that came through clearly from our consultations was that the division of labour within the international community between humanitarian, security, political and development agencies has become unhelpfully rigid. These different types of intervention all share the same arena and need to form part of an integrated whole. Though specialisation in function and mandate is necessary, specialised agencies must act as components of a larger operation with shared goals and strategies. Agencies should do more to share knowledge and information. For example, in the early phase of a transition out of conflict, much of the knowledge required by development agencies rests with humanitarian agencies. Humanitarian operations should be planned with a view to facilitating their transition into longer-term development interventions. We also see scope for linking the security and development fields, by using development intervention to address the socio-economic drivers of crime and conflict. To this end, we welcome the New Deal and its focus on shared state-building and peacebuilding goals.

“Donors should cooperate rather than compete. It is important that all reforms are integrated. A reform that addresses the security should liaise with the development of the education, job creation, private sectors.”

Civil Society, Guinea Bissau

Strengthening AfDB's engagement with conflict and fragility

This section sets out our recommendations for how the AfDB should develop its capacity to engage on issues of conflict and fragility, given its unique mandate and areas of comparative advantage. We first propose five new areas where the Bank could make an important contribution to overcoming fragility and building resilience. We then look at some organisational changes that could help strengthen the Bank's capacity to engage effectively with the challenges of conflict and fragility.

New areas of focus

The AfDB holds a vital position in Africa's development architecture. During our consultations, we repeatedly heard that the Bank is prized for its African character, its deep understanding of Africa's development challenges and its close relationships with its Regional Member Countries. Its partnerships with the African Union and the Regional Economic Communities are also key assets. African countries trust the Bank and would

Building resilience in Burundi

Young people in Burundi, who make up three quarters of the population, have grown up in the midst of protracted conflict. During our consultations, we heard of the huge toll that conflict has taken on

people, institutions and infrastructure, "resulting in a society with little confidence in either the state or the future". Yet Burundians are not without ideas for how to overcome poverty and fragility. The government has set down the following programme of actions that are needed.

Institutions	People	Partners
Sector reforms, particularly security and justice sectors	Vocational training for former rebels and unemployed youth	Private sector: Lines of credit for banking & micro-finance sector; PPPs for infrastructure and mining
Build capacity of formal courts and informal justice systems	Create SMEs, entrepreneurship and community development opportunities	Development partners: Long-term commitment, private sector development
Reconstruction of government's physical infrastructure	Diversify formal educational training	Civil society: Citizens awareness raising; Service delivery
Put in place measures for a conducive pre-electoral climate	Land tenure, banking reforms to increase women's economic opportunities	Regional actors: Cooperation on cross-border trade; NRM, regional private investment
Strengthen capability to negotiate and partner with private sector actors	Increased women's participation in political, economic and social life	
Develop long-term economic diversification strategies		

welcome it taking a more active leadership role on issues of conflict and fragility.

The Bank is already active in many areas of development assistance that are essential to the twin challenges of managing drivers of conflict and building resilience. It is the leading investor in infrastructure across Africa. Its investments in regional transport corridors are helping landlocked countries to become 'land linked', promoting regional economic integration, while its efforts to promote access to transport, power and water in remote areas are helping to overcome regional inequalities. It has been a pioneer in the provision of budget support to countries emerging from conflict, and its Fragile States Facility helps transition countries to clear their arrears to international financial institutions and access development finance. It specialises in building core economic management capacity, including public financial management, natural resource governance and improving the business environment. It supports the restoration of essential services, such as health and education, and the design of social safety nets, while its private-sector arm supports strategic investments and public-private partnerships.

Under its Strategy 2013-2022, the Bank sets out how it will use these different types of assistance to support Africa's transformation towards inclusive and green growth. It specifies fragility as one of its priority issues. Its specific approach in fragile contexts is now being

Souk At-tanmia, or "the Development Market", is an innovative pilot programme aimed at helping young Tunisian entrepreneurs in disadvantaged regions to create new enterprises. The AfDB has worked with other development partners and the Government of Tunisia to link them with mentors and finance institutions, so that innovative business ideas can be brought to fruition.

AfDB, 2013

developed through a new Fragile States Strategy. Our paper is intended as a contribution to that strategy.

Past reviews of the Bank's engagement in fragile states, while endorsing its many strengths, have found that the Bank could do more to adapt its support to the specific needs of conflict-affected countries. Its approach should reflect the intertwined nature of peace, security and development, aligning its support to national peacebuilding and state-building goals.¹³ While focusing its areas of comparative advantage, it should employ a specific 'fragility lens' in the design of its country strategies and its operations, so that they help to support state-building and conflict reduction.

As an African institution with a deep understanding of African conditions, the AfDB is trusted to play a leading role on conflict and fragility

This message was echoed in our consultations with African governments, who would like to see the Bank 'at the table' when peacebuilding and state-building goals are discussed. Though other agencies may lead the political engagement, the Bank should be there to offer its proven expertise in economic and financial recovery and stabilisation and to ensure that its own support is anchored in shared frameworks and strategies.

There are also areas where the Bank could take on a leadership role, building on its proven role in promoting and overseeing the economic recovery process and working in partnership with others. The Bank has, in the past, anchored its previous fragile states strategy on the "continuum approach" carving a role for itself in the post-conflict engagement stage. In this regard, we have heard a strong call from the countries for the Bank to be "at the table" at the very beginning. We also heard a clear call for the Bank to move away, gradually, from the conceptual approach of fragile states as a category of countries and work towards addressing more closely drivers of fragility. In this section, we outline five areas that the Bank could emphasise in its new Fragile States Strategy.

The more African states are anchored in structures of regional cooperation, the more resilient they are likely to be

Youth Employment

Youth unemployment has emerged as one of the most pressing social challenges facing Africa today. As we saw in the ‘Arab Spring’ revolutions in North Africa, it can be a driver of instability even in relatively prosperous societies. In situations of protracted conflict, high youth unemployment creates a critical mass of disaffected individuals who are prone to radicalisation or recruitment into militias or criminal gangs. Diverting their energies into productive and gainful activities is a key peacebuilding objective.

We encourage the Bank to adopt short, medium and long-term strategies for tackling youth unemployment. In the short term, for countries recovering from conflict, the demobilisation, disarmament and reintegration (DDR) of young men from armed groups is an immediate priority. Another is employment creation for young people through labour-intensive reconstruction or infrastructure development projects. There may also be scope for supporting youth organisations to engage young people in community rehabilitation and development activities. Engaging young people in the rebuilding of their communities can enhance their social status and make

them stakeholders in the recovery processes, making them less prone to falling back into conflict as a way of life.

In the medium term, the focus should be promoting youth employment through the creation of small and medium-sized enterprises and the provision of micro-finance. Experience shows that such programmes often fail due to the lack of practical skills and business experience among young people, particularly those whose education has been interrupted by conflict. Programmes that combine finance with training and on-going support for young entrepreneurs would seem most likely to succeed.

In the longer term, the Bank can help African states to make their labour markets work for young people by reducing barriers and creating incentives for their employment. It should help to tailor national education and training systems to equip young people with the skills needed by the private sector, with a strong focus on science and technology. It could include a youth focus within programmes designed to promote agricultural modernisation. It can also work to promote opportunities for young people within the extractive industries as part of local content requirements, and offer government-paid apprenticeships in other sectors. It should work with the Regional Economic Communities to promote greater labour mobility, to broaden the options available to young people.

Facilitating Private Investment

In the previous section, we set out the case for supporting the private sector in situations of conflict and fragility. The Bank is already doing so in various ways, including by promoting regional economic integration, addressing infrastructure gaps and strengthening the business environment. These are important areas of engagement that should continue. However, on their own they may not be enough to overcome the barriers to investment in small and isolated economies.

We urge the Bank to explore more direct methods for leveraging strategic private investments in fragile contexts. The Bank has been a leader in Africa in developing innovative financial instruments that lower risks for private investors. These instruments can be further adapted for fragile contexts. We see the potential for blending ADF grant funds and non-sovereign lending

“We need to strengthen the government’s capacity to negotiate investment contracts, especially in the natural resources and extractive industries, as well as other commercial and business transactions, to agree public-private partnerships and to engage in dialogue with the private sector.”

Former government official, Burundi

from the Bank's private sector arm into new instruments that can support productive investments based on their potential for development impact, rather than just their direct financial return. This could take the form of equity investments into private enterprises or new types of risk-sharing instruments. This would enable the Bank to identify pioneering investments with the potential to open up new areas of economic activity and value chains in small markets.

Empowering women

We welcome the Bank's recent commitment to increasing its focus on gender equality, with the appointment of a Special Envoy on Gender and the launch of its Gender Milestones. We see the empowerment of women as a powerful strategy for building resilience and reducing fragility. The political, economic and legal empowerment of women is a principle that should run right across the Bank's work on conflict and fragility.

In practice, this means recognising and supporting the vital role played by women and women's organisations in peacebuilding and state-building processes. The Bank should use its influence to encourage the inclusion of women at all levels, from constitution making to local community governance. It should help to build the capacity of women within government – for example, through measures encouraging partner countries to promote women's participation in counterpart structures and project implementation units. It should pay close attention to the distributional impact of its own operations, to ensure that men and women benefit equally.

It also means developing targeted measures to empower women. In fragile environments, special attention should be paid to supporting women's livelihoods through entrepreneurship support. Fragility impacts differently on women and men, girls and boys. It can often lead to greater gender inequality and increased vulnerability for women. The Bank should promote gender equality through its engagement with national development strategies. It should earmark a proportion of post-conflict recovery funds for projects that promote gender equality and women's empowerment.

Programmes promoting reconciliation, cohesion and reintegration are vital, to prevent former combatants from returning to violence

One area with considerable potential is promoting women's entrepreneurship. In conflict-affected societies and those emerging from protracted conflict, women play a key role in agriculture, handicrafts, trade and other micro-businesses, mostly within the informal sector. Helping women to join forces into cooperatives and small businesses may be one of the most promising strategies for rebuilding livelihoods and creating employment.

At present, there is a marked lack of finance to allow this to happen. There is a significant gap between donor-funded micro-finance programmes, which often lend to individual women, and the operations of formal financial institutions, which lend usually only to established firms. The Bank could help to fill this missing middle with support for the development of financial institutions targeting this middle level of small business looking to expand. This can be combined with training in entrepreneurship.

“Development partners are often reluctant to support the security sector. The Ministry's budget is only enough to cover salaries and a few overheads, with no investment. Financing the development of much-needed physical infrastructure – office buildings, fibre optic connections and so on on – would go a long way.”

Ministry of Justice official, Burundi

“Eighty percent of combatants have no skills. If they are not integrated back into society and provided with livelihood opportunities, they could become highway robbers.”

Hon. Hamed Bakayoko, Minister of Interior, Home Affairs and Security, Côte d’Ivoire

Economic Aspects of Justice and Security

Security and justice is an area that emerged strongly from our consultations as requiring more attention. Restoring effective policing and dispute resolution processes are key to recovery from conflict. Both governments and international partners specialising in justice and security, such as the UN system, have highlighted the need for investment in public financial systems in these sectors and critical infrastructure such as courthouses and prisons. As a result, this area is not receiving the range and volume of support that it requires.

For example, in Cote D’Ivoire, Government and civil society organisations alike highlighted the need for investment in security and justice reform to consolidate peace and prosperity.

While the Bank cannot take the lead role on justice and security reform, we believe that it should play a supporting role in rebuilding civilian functions such as policing, corrections and the justice system. When requested to do so by partner countries, it should be willing to finance the development of physical infrastructure, whether directly or as a component of budget support operations. It can also provide technical support in areas such as improving the integrity of the payroll functions and capacity-building for public financial management. The security sector should also be covered in cross-cutting diagnostic work such as public expenditure reviews.

In addition to supporting formal security and justice institutions, the Bank should adopt a ‘human security’ approach to its engagement in fragile contexts – that is, helping to protect the most vulnerable from a range of threats to their lives and livelihoods. This would help it bring a conflict lens to other programming areas and to

partner more effectively with other agencies in tackling the socio-economic roots of insecurity. For example, it could support disarmament, demobilisation and reintegration (DDR) programmes by helping to provide former combatants with livelihood opportunities, as the World Bank has done on occasion.

Urban development would also benefit from a human security approach. The Bank could encourage African governments to plan their urban development so as to promote safe environments with secure housing rights and adequate public services, including policing. The Bank could also consider increasing its support to affordable housing and inclusive public services, supported by capacity building with city and municipal authorities. Working directly with local communities to help build informal networks to promote justice, security and reconciliation is another promising approach. We also encourage the Bank to explore the possibility of cash transfer programmes for the most vulnerable, such as those displaced by conflict, to serve as a bridge between humanitarian and development assistance.

Resilience at the Regional Level

One of the AfDB’s strengths is its ability to engage with development issues at the regional level, through its regional centres and its close working relationships with the Regional Economic Communities (RECs). It has an extremely important role to play in helping to build up the capacity of the RECs and in providing financial support for regional initiatives. We see many of the drivers of fragility in Africa as regional in nature; by the same token, anchoring African countries in regional frameworks and processes can help to reinforce their resilience. We therefore encourage the Bank to introduce a conflict and fragility perspective into its regional engagement.

We recognise the important work the Bank is doing in promoting regional infrastructure, including transport corridors and power pools. Developing high-value regional networks requires supporting agreements and governance arrangements among the participating countries and the harmonisation of national regulations – all of which contribute to building resilience. However, we note that complex regional projects often progress very slowly; countries are unsure as to whether others will fulfil their commitments, making it risky for them to proceed. What is needed is a stronger regional *commitment technology*, with credible penalties for

“The wars of the next century will be about water.”

Ismail Serageldin, Vice-President of the World Bank

countries that renege on their commitments. With its pan-African lending programme, the AfDB would be in a position to support regional agreements by imposing financial penalties on countries that fail to meet their commitments. This of course could only be done in accordance with rules and procedures agreed in advance by all the parties. We believe that introducing a credible method of holding countries to their commitments would help regional integration in Africa progress to a new level, making a major contribution to building shared resilience.

The management of cross-border natural resources is another area calling for an acceleration in regional cooperation. In Africa, 90 percent of all surface water is contained in trans-boundary lakes and rivers basins, of which there are around eighty. Large populations depend on shared water resources such as Lake Chad (37 million) and Lake Victoria (30 million). Yet so far, only a few of these shared water resources have any intergovernmental agreements or institutional arrangements for their integrated development and protection.¹⁴

The link between the management of trans-boundary water and other resources and conflict and fragility is very clear. The combination of rapid population growth, economic development and climate change will place Africa's natural resources under increasing pressure, creating potential flashpoints for localised or inter-state conflict. Both the African Union and the Regional Economic Communities have acknowledged this threat, but the development of regional agreements and institutions is lagging behind. We encourage the AfDB to intensify its efforts to promote integrated water resource management with a strong conflict-management focus. It should promote shared governance arrangements

with broad stakeholder participation, with mechanisms for building consensus and resolving disputes, working within principles and approaches agreed at continental level through the African Union. We welcome the Bank's recent decision to establish a Natural Resources Centre to provide the policy lead in this area.

Another area for promoting resilience at the regional level is the management of extractive industries. The AfDB already supports the governance of mineral resources in a number of countries, as well as supporting global processes such as the Extractive Industries Transparency Initiative. This is an area where we see considerable potential for regional approaches. The Bank could work with the Regional Economic Communities to promote regional standards on the transparency of payments and revenues and local content requirements for international companies. It could help to build capacity within the RECs to provide technical assistance in these areas and promote harmonised regulations. It could promote regional approaches to negotiating with international companies, so that neighbouring countries can bargain from a position of shared strength rather than be drawn into unhelpful competition. It can help to promote regional standards for the conduct of international companies in areas like human rights and environmental protection, with regional monitoring mechanisms. It could promote greater regional cooperation on trade in conflict minerals, through regional mechanisms to tackle illegal trade and the promotion of certification mechanisms that allow artisanal miners in conflict areas to bring their product legitimately to market.

Organizational implications for AfDB

In recent times, the Bank has launched a number of initiatives to boost its own capacity to engage effectively on issues of conflict and fragility. Its Fragile States Unit has been upgraded to a Department and is being strengthened with additional personnel. The Bank is reviewing its fiduciary guidelines and results management procedures. We welcome these initiatives. To assist with this on-going process, we suggested a number of areas where the Bank could further strengthen its capacity. Our recommendations here are at a summary level; the Bank itself is better placed to work through the practical implications for implementation.

Engaging Thematically

At present, the Bank allocates funds for addressing conflict and fragility through its country-based allocation formula, supplemented with additional funds from the Fragile States Facility for countries specifically identified as fragile. There are some shortcomings to this approach. One is that funds allocated to fragile states are not necessarily devoted to addressing issues of conflict and fragility in those states. Another is that the Bank is not well placed to respond to issues of conflict and fragility emerging in countries not previously classified as fragile. We also note that many of the most pressing drivers of fragility call for complex, multi-sectoral approaches, which are challenging for any development agency that is organised primarily along sectoral lines.

We therefore recommend that the AfDB supplement its country-based allocation model with a thematic funding instrument dedicated to conflict prevention and building resilience. It should identify a number of key fragility-related themes, such as youth unemployment, safe urban environments, natural resource conflicts, conflict minerals or women's empowerment. The instrument should be used to pilot innovative approaches which, if successful, can then be scaled up through conventional programming. The resources should be available to all countries that identify themselves and/or are identified as such by other development partners as having conflict-prevention needs, not just those currently classified as fragile. It should have light procedures enabling it to respond quickly to threats and opportunities. It should also have the capacity to raise additional funds directly from donors.

This thematic funding instrument should also provide a platform for the Bank to build its expertise and its leadership role on the issues selected. It should draw together relevant expertise from across the Bank, helping to build knowledge networks and promote greater attention to conflict and fragility issues across AfDB programmes. It should invest in research and analysis, to build knowledge and promote policy dialogue. In appropriate areas, it should consider funding surveillance and early warning systems, which could be based in NGOs or academic institutions, to facilitate early response to emerging problems. It should use its convening power to reach out to other key stakeholders, including the African Union, the Regional Economic

Communities, other development partners and civil society organisations, to create a policy community and platforms for sharing experience.

We also recommend that the Bank develop a results framework for measuring progression on addressing socio-economic drivers of conflict and fragility that are a focus of the Bank's thematic work. This should help pull together results from across the Bank's portfolio, drawing on indicators in programme and country-level results frameworks.

Boosting Speed and Flexibility

One of the most prominent messages we heard from African governments was a call for the Bank to improve the speed and flexibility of its response. In countries transitioning out of conflict, delays in mobilising international support can mean the difference between success and failure. Governments expressed frustration that Bank projects, even those identified as urgent, can be held up for long periods by procedural difficulties. As a result, the economic recovery side of complex transitions often lags behind. We therefore call on the Bank to review its procedures for committing and releasing funds, to enable it to respond to conflict and fragility in a more agile fashion.

This in turn calls for a fundamentally different approach to risk management. In situations of fragility, the risks are both higher and of a different character than those facing the Bank in other operating contexts. At present, the Bank's rules oblige it to prioritise operational and fiduciary risk, which results in lengthy delays in releasing resources. The international learning is clear that, in fragile environments, a failure to act quickly and take advantage of windows of opportunity in itself poses substantial risk. The Bank's risk management guidelines should allow it to make trade-offs across different types of risk – including, where appropriate, by accepting higher levels of fiduciary risk in the short term, as a condition of timely support in volatile contexts. This should include a willingness to channel Bank funds through country systems, in order to support state-building, at the same time as working to strengthen those systems.

Another approach to boosting speed of response would be to invest in 'surge capacity' within the Fragile States Department as well as the Field Office Resource

Centre – that is, a cadre of specialists on conflict and fragility and in functional areas like financial management and procurement, who can be deployed to boost the capacity of country teams where an urgent response is required. This would also give the Bank greater capacity to participate in multi-agency needs assessments.

We also recommend that the Bank introduce arrangements to monitor how efficiently its procedures are functioning in more difficult environments. Management should be alerted in real time when procedural obstacles are holding up delivery, so that early action can be taken. Aggregate indicators on efficiency of operations in fragile states can then be introduced into the Bank's corporate results frameworks.

Another message that we heard from governments was the importance of flexibility in the design of operations. Post-conflict situations are volatile and priorities can shift rapidly. Programmes need to be designed with the flexibility to respond to changing priorities and reallocate resources as required.

We see this as particularly important in the capacity-building arena. The Bank's Fragile States Facility includes a window for targeted capacity building support in fragile contexts, designed to fill gaps left by conventional programmes. The OPEV evaluation, however, found that it had yet to establish a sufficiently flexible way of operating to play that role. We recommend that the Bank explore the possibility of providing countries in transition with a pool of resources that they can draw on as needed in support of broad institutional-development goals. Governments should be permitted to determine their own priorities and sequencing, but with strong results monitoring to ensure accountability and governance arrangements that involve a range of national stakeholders. Such programmes would also lend themselves to being co-financed with other donors and with technical support from UN agencies.

Partnerships

Issues of conflict and fragility in Africa are too broad and too challenging to be tackled by any single institution. The key to effective action is joint work with partners, to build alliances and combine different mandates and sources of expertise. Strengthening the Bank's role on conflict and fragility therefore calls for it to give much

higher priority to building partnerships.

The Bank's ambitious programme of decentralisation has now given a much stronger presence in the field, and therefore better capacity to engage in partnerships at the country level. However, our observation is that working jointly with others is still seen by Bank staff mainly as a transaction cost, rather than as an integral part of effective delivery.

The Bank should be ready to engage in different types of partnership. There are some areas in which the Bank should take an active leadership role, using its convening power and financial resources to promote joint strategies and initiatives with other actors. In other areas, particularly those of a more political nature, other agencies may be better placed to lead, but the Bank can still contribute its knowledge and expertise and help to finance activities led by others.

As we noted in the previous section, the Bank should also work towards building partnerships at the continental level around key fragility-related themes, using its mandate to bring together different stakeholders, including the African Union, the UN system including the UNECA, Regional Economic Communities, African governments, development partners and civil society organisations, into policy communities. We note the importance of African countries sharing experiences with each other on managing conflict and sources of fragility, as many of them are confronting similar challenges. We encourage the Bank to help broker this exchange of experience – for example, within the auspices of the African Solidarity Initiative managed by the African Union.

Finally, we see potential for the Bank to play a convening or brokering role in-country in addressing issues of conflict and fragility. Beyond administering Bank projects, staff should seek out opportunities to use the unique mandate of the Bank to address pressing problems. For example, we are informed that the financial channels for remittance flows to Somalia are under threat, putting hundreds of thousands of Somalis at serious risk. On problems of this kind, the AfDB could act as a bridge between national and international actors to help broker a solution, drawing on its status as a respected African institution.

Organizational capacity

We welcome the Bank's commitment to increasing its capacity on conflict and fragility, including by upgrading the Fragile States Facility to a Department. We note that conflict and fragility is a challenging area, requiring a deep knowledge of different country contexts and complex conflict dynamics. It calls for skills in conflict and political economy analysis, the brokering of partnerships and the ability to identify cross-cutting and multi-sectoral interventions. The Bank should make a concerted effort to build up the skills of the Department in this area – including if necessary by bringing in new personnel from outside the organisation.

We recommend that the Department launch a concerted campaign to raise awareness across the Bank on issues of conflict and fragility, so that Bank staff are able to apply a fragility and conflict 'lens' to their work wherever needed. It should prioritise working with staff in field offices in countries affected by conflict and fragility. This is a key function that needs to be prioritised and sufficiently resourced.

The Department should also be tasked with building knowledge networks across the Bank on some of the key drivers of fragility that we have discussed in this report. It should maintain close contacts with (and where appropriate, help to finance) surveillance and early warning systems on conflict risk across Africa, and

ensure that the Bank is kept well informed of current and emerging risks.

Bank country teams should invest more effort in building up their knowledge of the country context and fragility and conflict issues that may bear upon their programmes. We welcome the Bank's decision to introduce fragility assessments into the country strategy process in fragile contexts. These assessments should be supplemented by additional analytical work as required – done wherever possible in partnership with others, as building a common understanding of the situation is the first step towards developing joint strategies and stronger partnerships. The Bank should also make a concerted effort to build up knowledge and analytical capacity on conflict and fragility within its partner countries – for example, by commissioning analysis from national academic institutions or civil society organisations and investing in surveillance systems and knowledge centres.

Finally, the brokering and partnership-building that we have recommended also requires a distinct set of skills, together with incentives for staff to give them the priority they require. We therefore recommend that the Bank include partnership building within its staff training programmes and as an explicit component of staff performance appraisals.

Conclusions and recommendations

These are exciting times for Africa. The winds of change are blowing, opening up new possibilities. More Africans than ever before can look forward to brighter futures for themselves and their children.

But these are also testing times. The social, economic and environmental changes that we can see unfolding in Africa today will in the coming years subject African states and societies to a range of new stresses. We need far-sighted policy actions to address these head on, before they become drivers of conflict. We need to build up capable institutions anchored in broader partnerships, to manage change and its associated conflicts.

We therefore call for a strong emphasis within the development agenda in Africa on addressing potentially disruptive economic, social and environmental change. This applies not just to states currently seen as fragile, but right across Africa. We need to accelerate our efforts to manage population growth, the youth bulge, urbanisation, the growth of the extractive industries, climate disruption and natural resource scarcity, with an eye to preventing and managing fragility and conflict.

This means building capable and legitimate states. But state-building is a long and challenging process, particularly in the face of disruptive socio-economic change. We therefore need to anchor African states in a network of supportive partnerships. This includes drawing on the sources of resilience found in African societies, in the private sector, civil society and within communities. We need to draw more on these capabilities in the delivery of public goods and services. We also need to buttress African states with regional frameworks and processes that help to support national resilience.

During our consultations, we were impressed at the trust that is placed in the African Development Bank as Africa's foremost development finance institution. With its African status, its close relationships with its member countries and other African institutions and its deep knowledge of Africa's development challenges, it plays a indispensable role in addressing conflict and fragility.

Like many of the African governments we consulted, we would like to see the African Development Bank intensify its engaging in the challenges we have outlined in this paper. Building on its unique mandate and the expertise it has built to date, we see some important areas where it could step up its efforts:

Addressing the multi-dimensional challenge of youth employment;

Providing direct support for private investment in isolated economies;

Empowering women as key actors in peacebuilding and statebuilding and in building livelihoods;

Support economic aspects of justice security, including promoting human security in Africa's cities; and

Building the capacity of the Regional Economic Communities to pursue regional solutions to drivers of fragility such as natural resource management and the extractive industries.

We see a number of areas where the Bank could build up its own capacity to work effectively on conflict and fragility. It should boost the speed and flexibility of its response to conflict and fragility, recognising that fiduciary risks need to be offset against the often greater risks caused by inaction or delay. It should develop a new thematic funding instrument to pilot innovative approaches to conflict prevention and building resilience. This would provide an opportunity for the Bank to build up its expertise and leadership on some of the emerging policy challenges. It should invest more into building partnerships, at both policy and implementation levels. Finally, it should make a concerted effort to building knowledge and awareness across the organisation on conflict and fragility.

Members of the High Level Panel on Fragile States



Chairperson of the High Level Panel on Fragile States: H.E. Ellen Johnson Sirleaf

Her Excellency Ellen Johnson Sirleaf is the 24th and current President of Liberia. She served as Minister of Finance from 1979 until 1980 after which she left Liberia and held senior positions at various international finance institutions. Her Excellency President Sirleaf was awarded the 2011 Nobel Peace Prize, jointly with Leymah Gbowee of Liberia and Tawakel Karman of Yemen.



Dame Barbara Stocking

Dame Barbara Stocking was Chief Executive of Oxfam GB from May 2001 until February 2013. During this time Barbara led major humanitarian responses, including the Horn of Africa and the West Africa food crises, as well as the Haiti earthquake, Pakistan floods and Tsunami. In July 2013 Barbara became the 5th President of Murray Edwards College, founded as New College, in the University of Cambridge. Previously a member of the top management team of the National Health Service, in her eight years with the NHS, Barbara worked as regional director for the South East of England, and then as the founding Director of the NHS Modernization Agency. Barbara has a Masters degree in physiology. She was awarded a CBE for health services in 2000 and a Dame Commander of the British Empire (DBE) for humanitarian services in the 2008.



Callisto Enias Madavo

Dr. Callisto Enias Madavo is a Visiting Professor to the African Studies Program at Georgetown University's School of Foreign Service. Prior to joining the University, he held numerous senior level positions at the World Bank, including Regional Vice President for the Africa Region, Country Director for East Asia, and Country Director for East Africa. Dr. Madavo has extensive experience in development work in a wide range of country program issues as well as sectoral matters, including urbanization (housing and transport), in Asia, Africa, Latin America, and the Caribbean. He has championed a number of initiatives on Africa at the World Bank, including the HIV/AIDS initiative, capacity development and infrastructure.

**Geraldine Joslyn Fraser-Moleketi**

Mrs. Geraldine Joslyn Fraser-Moleketi is the Special Gender Envoy at the African Development Bank. She has previously held the position of Director of the United Nations Development Programme's (UNDP) Democratic Governance Group, overseeing the organization's related strategic and policy work in 197 countries and territories around the globe. She was also appointed by the Secretary General of the United Nations as a board member of the United Nations Institute for Training and Research. Prior to joining UNDP, she served as Minister for Public Service and Administration in South Africa (1999 to 2008) and as Minister for Welfare and Population Development (1996-1999). She also served as National Deputy Elections Coordinator for the African National Congress from 1993/1994 in the lead up to South Africa's first democratic elections of April 1994.

**Gilbert Fossoun Hougbo**

Gilbert Fossoun Hougbo is Deputy Director-General for Field Operations and Partnerships International Labour Organization. Prior to his current functions, Mr. Hougbo was the Prime Minister of the Republic of Togo (2008 - 2012) leading the government efforts in substantial improvement in all areas namely rule of law, civil liberties, social cohesion, economic reforms, debts cancellation programs, good governance, rural development, social betterment, shared growth etc. In addition, Mr Hougbo held the position of Assistant Secretary General, Assistant Administrator & Director UNDP Africa (United Nations Development Programme - Africa) where he led UNDP's social and economic development activities in 45 Sub-Sahara Africa countries. He also worked for Price Waterhouse Canada, where he specialized in operational and financial rationalization, financial viability & turnaround services. He holds degrees in accounting and business management.

**Greg Mills**

Dr. Greg Mills is the director of the Johannesburg-based Brenthurst Foundation. A special advisor to a number of African and other governments, he is widely published on international affairs, development and security; a regular columnist for international newspapers; and the author of the best-selling books 'Why Africa is Poor – and what Africans can do about it' (Penguin: 2010) and, with Jeffrey Herbst (President: Colgate University), 'Africa's Third Liberation' (Penguin: 2012). In 2008 he was deployed as Strategy Advisor to the President of Rwanda. From 2007-12 he directed the Secretariat to the Presidential International Advisory Board in Mozambique, and since 2012 the Presidential Advisory Committee on the Economy of Malawi. His latest book, 'Why States Recover', based on field-work in three dozen case-studies from Europe, Africa, Latin America and Asia, will be published in 2014 by Panmacmillan

**Rakiya Omaar**

Rakiya Omaar, a Somali lawyer by training, is the director of African Rights, an international human rights organization that documents human rights violations and conflict and promotes dialogue. Through research and publications, African Rights brings the voices of victims, as well as other concerned parties, to the centre of debates on how to secure rights. Ms Omaar is the author of numerous books, reports and articles on genocide, war, conflict, justice and gender. The only human rights researcher on the ground during the 1994 genocide in Rwanda, she wrote the earliest detailed account of the 1994 genocide, *Rwanda: Death, Despair and Defiance* (Revised Edition). In 2009, she served as a member of the African Union High Level Panel on Darfur, chaired by President Thabo Mbeki. In 2012, she worked as an advisor to the Joint Special Representative of the United Nations/African Union Mission in Darfur.

**Sarah F. Cliffe**

Sarah Cliffe is the Special Advisor and Assistant Secretary-General of Civilian Capacities to the United Nations. Prior to that, she was the Special Representative and Director for the 2011 World Development Report on Conflict, Security and Development. Sarah Cliffe has worked for the last twenty years in countries emerging from conflict and political transition at the World Bank, United Nations Development Programme in Rwanda, the Government of South Africa, and the Congress of South African Trade Unions. She has also worked for a major management consultancy company in the United Kingdom on public sector reform issues. She holds degrees in History and Economics.

Secretariat to the High Level Panel on Fragile States

Ms. Margaret Monyeh, Young Professional
Ms. Olukemi Dolly Afun-Ogidan, Young Professional
Ms. Siham Dridi, Assistant

Endnotes

- 1 This twofold framework builds on the 2011 WDR on conflict, security and development in highlighting internal and external stresses and the institutional resilience to manage them. It adds significantly to that framework, however, by highlighting factors specific to the African continent, including by stressing that positive drivers of change such as demographic shifts, urbanisation and new natural resource discoveries offer both opportunities and risks in the coming years, and that institutional resilience is needed at the national, sub national and city level.
- 2 Stampini & Verdier –Chouchane, 2011
- 3 UN- HABITAT State of African Cities 2010
- 4 UN- HABITAT State of African Cities 2010
- 5 Based on the Inequality Human Development Index, which measures how a country's achievements on health, education and income are distributed among citizens (Source: UNDP Human Development Reports.)
- 6 Urban Fragility and Security in Africa by Stephen Commins- African Security Brief (April 2011)
- 7 Cities in Fragile States www.crisisstates.com, LSE Crisis States Research Centre
- 8 A cross-section of fragile states was used in the analysis, based on their history of almost consistent fragility since the 60s: Angola, Burundi, Central African Republic (CAR), Chad, Democratic Republic of Congo (DRC), Guinea-Bissau, Sierra Leone, Somalia, Togo, and Zimbabwe.
- 9 The Economist, October 16, 2008.
- 10 Extreme Poverty Line: \$1.25 per day. Millennium Development Goals Report 2013
- 11 WDR 2011
- 12 Jago Salmon and Catherine Anderson, "Elites and Statebuilding," in Chandler and Sisk, *The Routledge Handbook of International Statebuilding*, pp. 48-49.
- 13 Operations Evaluation Department, "Evaluation of the Assistance of the African Development Bank to Fragile States", 2012, p. vii. http://www.afdb.org/fileadmin/uploads/afdb/Documents/Evaluation-Reports/Evaluation%20of%20AfDB%20Assistance_Fragile%20States_%20web.pdf.
- 14 Grey, D., Sadoff, C. and Connors, G., "Effective cooperation on transboundary waters: A practical perspective", in Jägerskog, A. and Zeitoun, M. (eds), *Getting Transboundary Water Right: Theory and Practice for Effective Cooperation*, Report No 25, Stockholm: Stockholm International Water Institute, 2009

