

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.