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Outline

- 1 | Introduction p.1
- 2 | Classification of fragile states in Africa p.2
- 3 | What are the drivers of fragility? p.3
- 4 | Global factors influencing conflict and fragility p.5
- 5 | Why is fragility so hard to fix and how long does it take? p.7
- 6 | What is the New Deal and how does it relate to the model of "drivers of fragility" and "inclusive growth"? p.6
- 7 | A "toolkit" for Social Protection in fragile states p.11
- 8 | The AfDB's enhanced support to fragile states p.13
- 9 | Conclusion p.14

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Drivers and Dynamics of Fragility in Africa

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Key Messages

- The central driver of fragility in Africa is weak state institutions.
- Recovery and the creation of legitimate and resilient institutions that can prevent conflict and fragility is a very slow process and takes time.
- The regional negative spillover impact of fragility is also often underestimated.
- The Horn of Africa and the Sahel provide compelling examples of how global factors such as organized crime, radical extremism and migration reinforce state fragility and have devastating effects on development. A regional approach in addressing fragility is needed.
- Social protection in fragile states can achieve twin objectives of addressing economic and social vulnerability.
- AfDB needs to address institution building more strategically.

1 | Introduction

1.1 Fragile and conflict affected states present unique and complex challenges to achieving effective development. While the range of issues can vary depending on the country or region of fragility, some key issues are common to all of them. These include; chronic poverty; government and state structures lacking the capacity or will to provide public safety and security and basic services for their populations; low levels of state accountability to citizens; challenges relating to natural resource ma-

nagement; a private sector which may be largely informal and opportunistic; low levels of foreign direct investment; and a high risk of further state decline.

1.2 Most development agencies broadly describe fragile states as incapable of assuring basic security, maintaining the rule of law and justice, or providing basic services and economic opportunities for their citizens¹. People in fragile and conflict affected situations are more than twice as

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¹ Accordingly, the OECD characterized fragile states as: 'unable to meet their population's expectations or manage changes in expectations and capacity through the political process' (OECD 2008).

likely to be undernourished and lack clean water as those in other developing countries². Children are particularly affected badly, a child in a fragile state is twice as likely to die before the age of five and also less likely to be able to attend school.

1.3 Weak state legitimacy is increasingly understood to be a key defining characteristic of fragility. The debate on fragility has returned the focus on state institutions in the development process, and underscored the need to adapt external interventions and priorities on the basis of deeply rooted knowledge of the local political and economic context. The heterogeneity of fragility's manifestations and degrees implies that deeply rooted knowledge of the local context is critical to ensuring successful external engagements in fragile countries.

1.4 The regional impact of fragility is also often underestimated. Fragile states can have direct negative spillover effects on neighboring states, which include the spillover of violent conflicts, refugee flows, organized crime, epidemic diseases, and the emergence of barriers to trade and investment, hence mitigating fragility can be considered an international public good³.

1.5 The objective of this brief is to (i) examine some of the key drivers of fragility; (ii) show the importance of social protection in mitigating fragility and its linkage with the OECD principles for good international engagement in fragile states as well as the new deal for engagement in fragile states. The paper is not intended to be an extensive academic review of the available literature on causes of fragility. Instead, it is hoped that this paper will contribute to the ongoing fragile states initiatives in the Bank in articulating a better understanding of responses needed in fragile states.

2 | Classification of fragile states in Africa

2.1 Fragility is essentially a dynamic process. States may not always demonstrate signs of fragility; elements of fragility will be more obvious at some times than at others. There are no simple causal processes of the main pressures or risk factors associated with fragility and each case is the unique outcome of a set of complex chains of events and interactions. While each context is different and each vulnerability distinctive, research points to a set of common and interrelated factors that affect, either in causing or sustaining fragility. These

include: weak political institutions, economic decline, poverty, and violent conflict.

2.2 State fragility is difficult to define partly because the term itself is fluid and partly because it represents a continuum, with the possibility of a state moving in and out of fragility, depending on its ability to respond to internal and external shocks. This notwithstanding, development partners have tried to categorize fragile countries using different performance indicators. Some characterize fragile states as countries with poor policies, weak institutions and weak governance structures. Others use poor socio-economic performance indicators as evidence of potential inability to achieve the Millennium Development Goals (MDGs) as a criterion for determining state fragility. Still, others use the concept of state inability to provide basic services, including security, as an indicator of state fragility. Whatever they are called, the main attributes of a fragile state is its inability to deliver basic services either because of weak capacity, weak institutions and poor policies, political instability, or a combination of all these factors.

2.3 Large variations exist in how donors, international agencies and think tanks measure state fragility and which countries are classified as fragile. These various classifications have therefore been criticized as arbitrary, methodologically questionable and lacking in transparency. There is, however, value in measuring and classifying fragility, since it can help to provide an understanding of causality, to monitor changes over time and to recognize deteriorating situations. A large number of analytical frameworks and instruments have been developed to measure certain dimensions and indicators of state fragility. These often produce lists or indexes of fragile states, which are organized in a hierarchy according to their performance against certain state functions⁴.

2.4 The AfDB uses the harmonized multilateral development banks (MDBs), Country Policy and Institutional Assessment (CPIA) with a cut off rating of 3.2 or less being necessary for "fragile" classification⁵. While this approach has the advantage of consistency, it has several limitations for effective assistance and timely response. The main shortcoming include (i) inadequacy in measuring fragility and/or risk of fragility and vulnerability; (ii) time lag in data collection and analysis which limits the ability to assess and respond to fast

² World Bank, World Development Report 2011.

³ (see Chauvet, Collier and Hoeffler, 2007; Global Monitoring Report 2007: 45).

⁴ The most prominent fragility indices are the Country Indicators for Foreign Policy (Carleton University), the Failed States Index (Fund for Peace) and the Index of State Weakness in the Developing World (Brookings Institution). One of the key criticisms of such lists is that they do not adequately illustrate differences of state capacity across functions (McLoughlin 2011).

⁵ According to the current MDB definition, the term "fragile situations" indicates either a harmonized AfDB/World Bank average CPIA rating of 3.2 or less, or the presence of a United Nations and/or regional peace-keeping or peace-building mission during the previous three years.

moving situations; and (iii) a country based model that does not sufficiently capture regional and external dimensions of the drivers of fragility⁶.

2.5 The proposed adjustments to the Bank Group Framework for Engagement in Fragile States will introduce additional qualitative measures for identifying fragile states and for assessing eligibility for assistance from the AfDB's Fragile States Facility. The assessment would take into account the regional and sub-regional dimensions of fragility and/or recent developments as well as dimensions and drivers of fragility that were not captured in the annual harmonized MDB classification score of 3.2 or less. In addition the AfDB will develop a standardized fragility assessment framework during the ADF-13 period.

3 | What are the drivers of fragility?

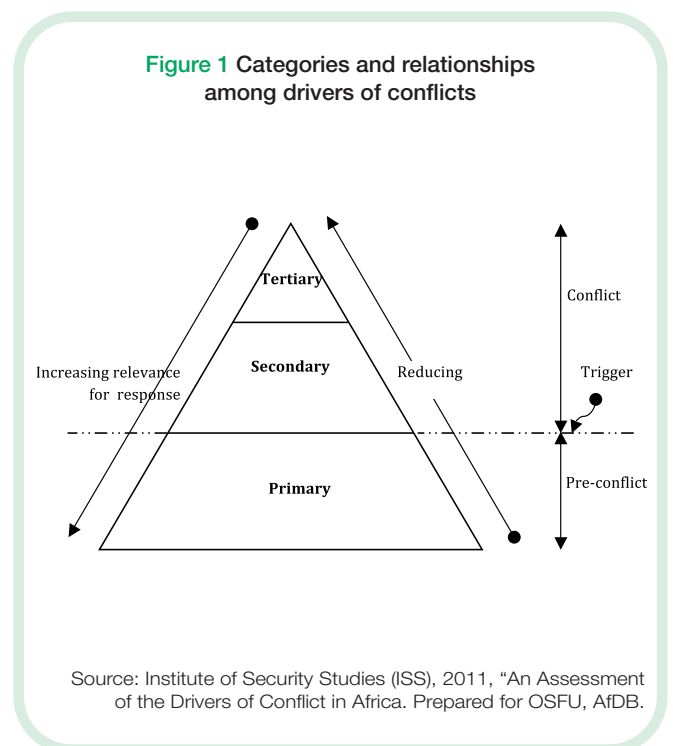
3.1 Extensive literature exists on the characteristics and drivers of fragility. Most analysts accept the multi-causal, multi-dimensional and mutually reinforcing nature of the drivers of fragility, but place different importance on certain causal factors. It has been argued that these countries are caught in one of four traps: the conflict trap; the natural resources trap; the trap of being landlocked with bad neighbors; and the trap of bad governance⁷. While these traps are not inescapable, standard solutions will not work as there is no "one size fits all" recipe, given the unique country political history. Each instance of fragility is unique, but there are common themes that can be identified to promote better responses to fragile states, in particular focusing on preventing fragility.

3.2 The European University Institute (2009) reviewed the literature on the main drivers and consequences of fragility focusing on the relationship between fragility and conflict. It argues that in spite of the diversity of definitions of fragile states, there is a consensus that they are characterized by authority, service entitlements and legitimacy failures. Previous armed conflict, poor governance and political instability, militarization, ethnically and socially heterogeneous and polarized populations are the key causes.⁸

3.3 The central driver of fragility is weak state institutions. All other factors associated with fragility are in themselves linked to weak state institutions as a driving force. For example,

poverty is certainly linked to fragility, but not all poor areas are necessarily fragile. Fragility can occur when poverty or economic decline are combined with the presence of weak state institutions that cannot manage the very real grievances caused by, for example, inequitable distribution of resources or unequal access to formal institutions. Essentially, this means that in fragile states political institutions are not strong enough to effectively manage the natural conflicts that occur in society. This 'fragility' or weakness will be most evident at any time that the state undergoes processes of economic, political and social change⁹.

3.4 Three categories of drivers of conflict and fragility in Africa can be identified – primary, secondary and tertiary – which are deeply enmeshed with each other and mutually reinforcing. Conflicts and fragility are complex and multi-causal, and arise from political, socio-cultural and economic dynamics that become conditions triggered by intervening variables that can create conflict. To understand the drivers of conflicts in Africa, it is important to appreciate the role of "trigger factors" as intervening variables between the existence of conditions necessary for the occurrence of conflict and the outbreak of conflicts. These triggers include the politicisation of existing issues, contested elections outcomes and readiness of an entity or group to resort to the use of violence as an option¹⁰ (Figure 1).



⁶ Proposed adjustment to the Bank Group Framework for Engagement in Fragile States – ADF-13 second replenishment meeting June 2013

⁷ See Chauvet, Collier and Hoeffler(2007) ; Beasley and Persson (2011) for empirical analysis.

⁸ See Johathan Di John (2008).

⁹ Vallings and Moreno-Torres (2005).

¹⁰ Hausken and Ncube (2012).

3.5 Primary Drivers - primary drivers are key to sustaining fragility and conflict, and give rise to secondary drivers. They are core to most of the conflicts and fragility on the continent and immediately preceding the occurrence of a given conflict. The major primary drivers of conflict and fragility in Africa include:

3.5.1 *Lack of Good Governance*

When a developing country benefits from good governance, it has sound economic policies, transparency and a thriving democracy tolerant of dissenting views. In fragile states, the reverse is true: no sound economic policies existed, leadership was authoritarian, democratic space was dwindling, opposition parties were targeted, the media gagged and politics of exclusion practiced. These factors reflect lack of good governance in fragile states and lead to economic non-performance and collapse, worsening poverty and eliminating political pluralism for lack of a vibrant opposition. Grievances and the complex socio-economic factors underlying most of Africa's conflicts flourish in this context.

3.5.2 *Economic and Social Exclusion*

The practice of politics of ethnicity and exclusion, and the largely clientist nature of politics in Africa where a particular group dominates the national agenda causes resentment and anger among the marginalized and excluded. The attachment to and importance of ethnic identities is easily manipulated by political elites who dominate the national agenda. Ethnicity as a variable in the body polity of states makes states vulnerable to conflict principally as a result of the "we-versus-them" situation that it introduces into the already tense suspicions among the different ethnic groups.

3.5.3 *Economic Collapse and Worsening Forms of Poverty*

Economic decline and/or collapse and conflict are mutually reinforcing. Years of conflicts worsen economic performance; economic decline including economic mismanagement, inept economic policies and weak governance, are important precursors to the mix of issues that can lead to the onset of the conflict. There is substantial evidence of a correlation between low levels of economic development and state fragility. The strength and basis of the economy, for example in terms of whether or not it is diversified, whether it is concentrated on enclave sectors or more broad based, historical patterns of economic growth (inclusive or exclusive), trade openness and level of foreign direct investment, are frequently cited as impacting on the strength and resilience of the state. It has also

been argued that low levels of economic production, characterized by particularly low levels of agricultural productivity and little investment in manufacturing, are root causes of fragility¹¹. The negative effects of these factors on the economic fortunes of African states make governments unpopular because they do not fulfill promises of job creation, improved standards of living or deliver better social services. Those affected become disenfranchised, especially young people who become cannon fodder for uprisings.

3.5.4 *State Weaknesses and Collapse*

Fragile States lack regime legitimacy, the capacity to respond to service delivery, territorial presence and control, and responsibility. In most fragile states, security and social amenities are felt, at best, in the capital city, leaving the greater part of the country unprotected and ungoverned. Conflict comes into the security vacuum more easily. Lack of control over the army coupled with the influx of small arms and light weapons makes a State less able to contain uprisings that thus become difficult to contain, and easy to initiate and sustain.

3.5.5 *Religious Extremism*

Religious extremism has emerged as a risk factor for violent conflict. Civilians are often targeted, sometimes with the use of suicide bombers. Iraq and Pakistan are well-known examples. Religious extremism is also identified as one of the causes of conflict in Somalia.

3.5.6 *Ideological Exclusion*

In some countries, political leaders with Marxist ideals that led the liberation struggle for independence, see themselves fundamentally different from more liberals in the society. Some of these ideologues are people who were caught in the overhang of the cold war and liberation politics. The inability of the different ideological divides to find a common ground for operationalizing their search for national development often provide the basis for polarization of the political landscape with weakening impact on the state.

3.6 Secondary Drivers: Secondary drivers of conflict dictate the dynamics of conflicts without being their primary causes.

3.6.1 *Natural Resource Curse*

The abundance and scarcity of natural resources in Africa -- oil, gold, diamond, coltran, fertile agricultural lands and marine resources among others - have often fuelled conflicts. A good portion of the literature on fragility has been concerned with the impact of natural resource wealth on political governance

¹¹ OECD (2010).

and economic growth. The “rentier state” model argues that natural resources wealth makes democracies malfunction because it removes the need for the state to make bargains or pacts in support of a social contract and encourages the politics of patronage. Where resources are abundant, they create competition for control, which becomes synonymous with power and financial security, which can lead to instability and conflict. Limited but essential resources such as land and water also drive conflicts for similar reasons.

3.6.2 Proliferation of Small Arms and Light Weapons

Of the estimated 600 million small arms and light weapons currently circulating worldwide, about 100 million are in Africa, where they have fueled and driven combat activities. Their presence creates a “weapons effect” or a tendency to increase the likelihood of aggression amid anxiety or fear. Easily accessible weapons, coupled with a complex cocktail of grievances make it easy for disgruntled entities to resort to violence.

3.6.3 Superpower Rivalry

During the Cold War, the two super-powers and their allies meddled in the affairs of African states, supporting factions with funding, military aid, troops and ideology perceived to be aligned with their interests. The end of the Cold War and the financial and military aid to allies and cronies produced “Cold War Orphans,” many of which imploded because they could not manage existing fault lines held in check by super-power support. This partly explains the surge in the frequency of conflicts in the immediate post-Cold War era.

3.6.4 Youth Bulge and Demographic Stresses

A “youth bulge” is a situation in which there is a large proportion of the youth population (in the 15–24 year age group) relative to the total adult population. Studies have shown that countries with youth bulges have a markedly higher risk of conflict onset¹². This result is consistent with the fact that violent conflict mainly involves young people. However, critics argue that the real issue is not the number of young people in society, but the extent to which they have opportunities, including employment opportunities.

3.7 Tertiary Drivers: Tertiary drivers of conflicts are remotely related to the primary cause of conflict but are key in understanding and unraveling latent factors in ongoing conflicts.

3.7.1 Neighborhood Effect

States do not operate in isolation, so they will certainly be affected by events in neighboring countries. The more extreme

the event, the more likely it will impact on its neighbors. Given the porosity of national borders, conflicts in one country can spill over neighboring countries notably through refugee flows. The risk is particularly high in cases of ethnic conflicts where similar ethnic groups span across borders of neighboring countries. If a state has weak institutions from the outset, and particularly where there are marked social divisions (compounded with minimal public participation in political processes), external shocks can trigger fragility. In the Mano River area of West Africa, the Horn of Africa, the Sahel region and the Great Lakes region the outbreak of national conflicts created regional security issues. Several factors explain the extent to which bad neighborhood fuels conflicts on the continent: The spill-over effect as a result of proximity; the existence and ease with which roving mercenaries move from one conflict to another; the proliferation of weapons in one conflict fueling others as a result of the porous borders in Africa and the interest of states in fuelling conflicts by supplying arms and providing havens for fighters.

Box 1 The Arab Spring Fragility in Middle Income Countries

The Arab spring is widely believed to have been instigated by dissatisfaction with the rule of governments, though some have speculated that wide gaps in income levels may have had a hand as well. Numerous factors led to the protests, including issues such as dictatorship or absolute monarchy, human rights violations, political corruption, economic decline, unemployment, extreme poverty, and a number of demographic structural factors, such as a large percentage of educated but dissatisfied youth within the population. Catalysts for the revolts in all Northern African countries have included the concentration of wealth in the hands of autocrats in power for decades, insufficient transparency of its redistribution, corruption, and especially the refusal of the youth to accept the status quo. In recent decades rising living standards and literacy rates, as well as the increased availability of higher education, have resulted in an improved Human Development Index in the affected countries. The tension between rising aspirations and a lack of government reform may have been a contributing factor in all of the protests.

Source: OECD (2013) “The changing face of fragility”, in *Fragile States: Resource Flows and Trends*.

4 | Global factors influencing conflict and fragility

4.1 Global factors such as international trade, migration flows, economic interdependencies and global economic shifts all weave their subtle influences in which states can become entangled or prosper¹³. Countries affected by fragility are particularly vulnerable to their negative effects because high le-

¹² Urdal (2005).

¹³ Summary of proceedings of Berlin policy forum “think global, act global – confronting global factors influencing conflict and fragility. 15-16 November 2012.

vels of poverty, inequality and violence, poor governance and low levels of economic development make them less resilient. Many of these states lack the voice, knowledge or capacity to engage productively with the opportunities of globalization.

4.2 Recent OECD multidisciplinary research identified eight key global factors that influence conflict and fragility¹⁴. These are:

- Transnational organized crime
- International markets in military goods and security services
- International engagement with non-state armed groups
- Economic liberalization policies and measures
- International barriers to exports
- The effect on aid on post-conflict growth
- The spread of radical extremism in parts of the Sahel region
- Migration from one fragile state to another

4.3 The Horn of Africa and the Sahel region provide compelling examples of how global factors such as organized crime, radical extremism and migration can have devastating effect on development.

4.3.1 The Sahel region is the most recent example of how the risks of global factors influence fragility against a backdrop of poor governance, pervasive corruption and a lack of representation. For example organized crime generates huge profits via illicit networks trading drugs in a very poor environment. Other factors include religious extremism and cross-border insecurity, such as the collapse of the Gaddafi regime and the unresolved issues to do with the political inclusion of the Tuaregs.

4.3.2 The Horn of Africa is a volatile region with several interrelated conflict “systems”, high levels of poverty but also opportunities for growth. Transnational conflict, wars by proxy, migration, non-state actors, access to arms, organized crime, religious extremism and drought are key global factors contributing to uneven development in this region. For example, terrorist networks such as Al-Shabab, have incited instability and religious extremism in the region. These groups have also encouraged alliances with other armed groups, such as the Ogaden National Liberation Front (ONLF) in Ethiopia’s resource-rich Ogaden region. External support to build regional conflict management capacity could mitigate the harmful effects of these global influences. One example would be to strengthen the Secretariat of the Intergovernmental Authority on Development (IGAD) to address regional issues such as nomadic-pastoral conflicts. Also essential is external support for regional infrastructure that improves trans-boundary networks and enables export-oriented investment. A good example is

the “Lamu Port and South Sudan-Ethiopia Transport Corridor” projects which will expand regional transport links, increase cross-border trade and promote socio-economic development along the corridor.

Box 2 Northern Mali Conflict

In January 2012, an armed conflict broke out in the Northern Mali, where Tuareg and Islamist rebels took control of vast northern territory and by April 2012, declared the secession of a new state Azawad. The conflict was complicated by a military coup that took place in March 2012, and the collapse of the central government and later fighting between Tuareg and Islamist rebels. These two episodes ushered Mali into an unprecedented crisis that also threatens regional political stability and security. Considered for twenty years a model of democratic progress in sub-Saharan Africa, Mali was on the brink of sheer dissolution. The main issue with the Malian conflict was the economic, social and political marginalization and exclusion of the nomadic Tuaregs. Since 1960 there has been six uprisings and three major rebellions in the North of Mali related to the Tuaregs. In response to Islamist territorial gains in the North of Mali, the French military launched Opération Serval in January 2013. A month later, Malian, Chadian and French forces recaptured most of the Northern territory driving out the Islamist from the major cities. Although the insurgency was put down with assistance by external military intervention led by France, it has raised questions about the stability of countries hitherto perceived to be stable on the African continent, and the Africa’s response to challenges in the various regions. The real need for Mali now is a strong political agreement based on more representative and capable governance of the country while reducing opportunities for violence. Following the transition, Mali held a Presidential election in July 2013 and a run-off vote in August 2013 which was judged by independent observers to be free, fair and peaceful. The elections were deemed crucial to restoring the country’s stability after more than a year of turmoil. Ibrahim Boubacar Keita, a former prime minister won the run off presidential vote and was sworn in as the President of Mali.

Source: <http://www.issafrica.org/regions/west>

Box 3 Political Crisis in Central African Republic (CAR)

The Central African Republic (CAR) has been unstable since its independence from France in 1960 and has had one peaceful transfer of power, in 1993. The legacy of coup and past conflict in the CAR are the root cause of the conflict in the country today. Some progress towards stabilizing the country was made between 2008 and 2012. However in March 2013 a coalition of rebel groups Seléka led a violent coup in CAR, ousting the former President François Bozizé from ten years in power and installing the new President Michel Djotodia. CAR is now in the midst of a deepening humanitarian and economic crisis compounded by violence and widespread human rights violation. Linked to the history of coup is the weakness of state capacity and authority in many core state functions. State authority is weak in many parts of CAR and especially in the northern regions and outside of the capital Bangui. Internal problems have been compounded by the destabilizing effects of regional politics. Given its history and geography (a landlocked country surrounded by several conflict affected countries), CAR is particularly vulnerable to fluctuating regional developments.

Source: <http://www.crisisgroup.org/en/regions/africa/central-africa/central-african-republic/203-central-african-republic-priorities-of-the-transition.aspx>

¹⁴ www.oecd.org/dac/conflictandfragility/globalfactors.htm.

Box 4 Somalia – Long Walk to Restoration of Peace

Somalia is an extremely fragile state, in a situation of prolonged crisis characterized by intermittent conflict and armed violence, structural and deep-rooted poverty and a high dependency on external humanitarian assistance and diaspora remittances. Somalia's eight-year transition ended in September 2012, with the peaceful handover of power from the leadership of the Transitional Federal Institutions to a new Federal Government. A Provisional Constitution, in place since August 2012, paves the way for the re-building and consolidation of new, representative federal institutions by the end of 2016, when popular elections are due. Against the backdrop of an improving yet fragile security situation, the new Federal Institutions of Somalia are tasked with establishing a viable federal state that will end years of transitional governance and usher in a permanent political order.

Somalia is now on a path to emerge from fragility. It is re-asserting its sovereignty and taking both ownership of and responsibility for its future. To do so, it has embarked on a political reconstruction process, guided by the New Deal principles for fragile states agreed in Busan in 2011. A key milestone of this process is the adoption of a Compact, which provides a new political, security and developmental architecture that will help frame the future relations between Somalia, its people and the international community. This is the beginning, not end, of Somalia's political and socio-economic reconstruction process. Somalia received a great deal of international attention, capped by two important high profile meetings, the London and the Istanbul Conference on Somalia, in February 2012 and June 2012 respectively that emphasized the need for reconstruction. The AfDB actively participated in these conferences and was represented at the highest level by the President of the Bank at these conferences. The Federal Government of Somalia led by President of the Federal Republic of Somalia H.E. Hassan Sheikh Mahamud and The European Union (EU) High Representative Vice President Catherine Ashton, co-hosted "The New Deal for Somalia Conference" in Brussels on 16 September 2013. The international conference endorsed the "New Deal Compact" that will commit the Somali people and their international partners to a set of key priorities and new support for the reconstruction of Somalia over the next 3 years. The Conference is set to build on the momentum of progress and change in Somalia, supported by the recent international conferences on the country. The "New Deal Compact" endorsed by Somalia and the international community in Brussels in September 2013 is a milestone in the "New Deal for fragile states" framework which commits national and international partners to jointly deliver on the most critical political, security and socio-economic priorities. The New Deal also includes a new financial architecture for Somalia based on mutual accountability and partnership. The AfDB re-engagement will support the government action plan for 2013-2016, concentrating on areas the Government of Somalia considers priority, such as the Horn of Africa drought resilience program, rebuilding infrastructure development and public financial management.

Source: <http://europa.eu/newsroom/calendar/event/452067/conference--a-new-deal-for-somalia>

5 | Why is fragility so hard to fix and how long does it take?

5.1 Fragile states pose special challenges by virtue of the sheer scale and range of their needs, ranging from restoring security and basic services for ordinary people; delivering "di-

vidends of peace", such as jobs, to prevent former rebels from going back to the bush; restoring roads and bridges; or giving people a voice in the new society that may be emerging - to restoring confidence in the structures of the state - everything is a priority. These challenges are in sharp contrast to an often limited capacity of the state to absorb and effectively utilize international aid. Other contributing factors includes, depleted human capital and "lost generations" resulting from years of disrupted education and poor health services, dysfunctional institutions, poor or outdated policies and sometimes difficult access to areas beyond the main cities¹⁵.

5.2 The persistence of fragility is deeply rooted in the political and institutional characteristics in a country and is also mirrored by governance performance and the inability to enforce the rule of law. Poor governance is a symptom and a parameter of state fragility. Fragile countries perform badly on governance indicators. Most are affected by high political instability, pervasive corruption and little confidence in the rule of law.

5.3 In fragile situations, the priority for institutional transformation and good governance is specifically to deliver citizen security, justice, and jobs. Without a basic level of citizen security there can be no enduring social and economic development; and without a sufficiently broad coalition based on confidence in improved justice and shared economic prospects, it is difficult to sustain the momentum for change.

5.4 Transforming institutions is particularly difficult in fragile situations. First in countries with a track record of violence and mistrust, expectations are either too low, so no government promises are believed, making cooperative action impossible, or too high, so that transitional moments produce expectations of rapid change that cannot be delivered by existing institutions. Second, many institutional changes that could produce greater long term resilience against fragility frequently carry short term risks. Any important shift – holding elections, dismantling patronage networks, giving new roles to security services, decentralizing decision making, empowering disadvantaged groups- create both winners and losers¹⁶. Losers are often well organized and resist change.

5.5 Creating legitimate institutions that can prevent conflict and fragility is a very slow process. A country's transition from a state of fragility to one of resilience involves a long process that may take 20 to 40 years. Country leadership, participation, and ownership in implementing reforms are crucial.

¹⁵ OECD (2010).

¹⁶ World Development Report 2011.

Table 1 shows the time it takes to acquire threshold institutional capability for countries classified as “fragile” to achieve “good enough” governance on a series of indicators of state and institutional capability. Even under the most optimistic institutional transformation pathway, it takes countries more than a decade to reach a level of “good enough” governance. It took the 20 fastest reforming countries in the 20th century between 15 and 30 years—a generation—to raise their institutional performance from very fragile to more resilient levels. Specifically, it took 17 years on average to reduce military interference in politics and 27 years to reduce corruption and for rules-based controls against corruption to be institutionalized.

5.6 The irony of addressing fragility in post-conflict cases, in particular, is that the relationships between high donor engagement, donor support inflow and the capacity of state institutions to effectively utilize resources are least taken into consideration. As such international support in terms of attention and resources rather taper out with time instead of tapering in according to the relative absorption capacity and improvement in governance structures of the state. This situation makes it easy for the emergence of either relapse into conflict or the perpetuation of fragility, in situations where full recovery is rather need or possible.

Table 1 Acquiring Threshold Institutional Capacity

Indicator	Years to threshold at pace of	
	Fastest 20	Fastest over the threshold
Bureaucratic quality (0-4)	20	12
Corruption (0-6)	27	14
Military in politics (0-6)	17	10
Government effectiveness	36	13
Control of corruption	27	16
Rule of law	41	17

Source: World Development Report (2011).

5.7 Fragile countries are unable to mobilize domestic resources and to draw substantial fiscal revenues from taxation. Government revenues excluding grants rarely account for more than 20% of GDP. Taxes range between 6 and 13% of

GDP, so that there is very limited room to provide public goods and services, hence the heavy reliance on development finance. The low public investment in human development is reflected in poorly functioning education and health care systems. Fragile countries have significantly poorer achievements for the broad set of MDGs in relation to other developing countries. Indeed, there is a strong negative correlation between fragility and MDG performance. Some fragile states are making slow but steady progress on some of the Millennium Development Goals (MDGs). It should be noted however, that the MDGs make no direct reference to citizen security, justice and governance, yet these are some of the key expectations of people and root causes of conflict in fragile and conflict affected states. Delivering effective and timely international assistance to fragile states which generates results (for donors and partner countries) means it has to be aligned with peace-building and state-building objectives not just at the national level but also in a regional context.

5.8 State-building is an endogenous process and is an inherently a long-term endeavor. As state-building is a deeply political process, knowledge of the local context and a bottom-up and incentive-compatible approach are crucial to increasing the chances of success for international engagements. In other words, state-building deals with building the legitimacy and capacity of state institutions to deliver basic services to citizens - security, justice and the rule of law, as well as schools, health, and water and sanitation – all meeting citizens’ expectations.

5.9 The OECD “Principles for Good International Engagement in Fragile States and Situations” provide a framework to guide international actors in achieving better results in the most challenging development contexts. In 2011, the Second Fragile States Principles Monitoring Survey was conducted in 13 countries: Burundi, Central African Republic (CAR), Chad, Comoros, Democratic Republic of Congo (DRC), Guinea-Bissau, Haiti, Liberia, Sierra Leone, Somalia, South Sudan, Timor-Leste and Togo. The results of the international performance against these principles, indicates that they are seriously off-track (Table 2). Overall, in the thirteen countries under review in 2011, international stakeholder engagement is partially or fully off-track for eight out of ten of the fragile states principles.

¹⁷ The column “fastest 20” shows the average number of years the fastest 20 reformers have taken to reach the threshold and the second column shows the time it took the fastest country to achieve threshold indicator score.

Table 2 2011 Fragile States Principles Barometer

Level of Implementation	Broadly On Track	6. Promote non-discrimination as a basis for inclusive and sustainable societies
	Partly On Track	7. Align with local priorities in different ways in different context
	Partly Off-Track	1. Take context as a starting point
		3. Focus on state-building as a central objective
		4. Prioritize prevention
		5. Recognize the links between political, security and development objectives
	Off-Track	2. Do no harm
		8. Agree on practical coordination mechanisms between international actors
		9. Act fast ... but stay engaged long enough to give success a chance
		10. Avoid pockets of exclusion
<p>Broadly on track: Good progress in implementing the fragile states principles Partly on track: Commitment and some progress in implementation Partly off-track: Commitment but implementation is insufficient Off track: Limited commitment and poor or non-existent implementation</p>		

Source: OECD (2011), International Engagement in Fragile States: Can't we do better.

5.10 The Principles for Good International Engagement in Fragile States and Situations seem to have stimulated relatively limited change in international engagement at the country level since their endorsement by the OECD Development Assistance Committee (DAC) member countries in 2007 and their validation by both development partners and partner countries in Accra in 2008 at the High Level Forum III, on Aid Effectiveness. According to the 2011 survey, development partner practice has not improved significantly to achieve better results in fragile states.

5.11 The application of the Fragile States Principles is seriously off-track in five of the thirteen countries reviewed (Comoros, CAR, Chad, Haiti and Somalia). In two, Sierra Leone and Timor-Leste, implementation is generally on-track. Of the remaining six countries — five of which took part in the survey for the first time in 2011 — development partners have made efforts to translate the Fragile States Principles into practice. Despite the mixed record, partner countries are increasingly demanding to see results and more effective development.

5.12 The key finding of the 2011 Survey is that most aid actors are neither set up to meet the specific challenges posed by fragile situations, nor systematically able to translate commitments made by their headquarters into country-level changes. While efforts have been made to deliver on agreed

commitments, these efforts appear not to have taken full account of the implications of the Fragile States Principles on the ground. This led to the development of the "New Deal for Engagement in Fragile States".

5.13 The findings of the survey challenged development partners to complement their focus on results, effectiveness and value for money with a focus on the field-level organizational and paradigm changes necessary for achieving better results. In addition, partner countries have underlined the need for stronger mutual accountability frameworks to guide and monitor joint efforts between them and their international counterparts. Such frameworks should be mutually agreed and results-oriented, reflecting the specific and changing needs and priorities of countries in situations of conflict and fragility.

6 | What is the New Deal and how does it relate to the model of "drivers of fragility" and "inclusive growth"?

6.1 The g7+ group of 18 fragile and conflict-affected states¹⁸ joined together to share experiences and promote a new development framework in what are the most difficult of circumstances. Supported by the International Dialogue on Peace-building and State-building, the group achieved a ma-

¹⁸ 13 RMCs that are members of the g7+:- Burundi, CAR, Chad, Comoros, Cote d'Ivoire, DRC, Guinea, Guinea Bissau, Liberia, Sierra Leone, Somalia, South Sudan and Togo.

major breakthrough at the Busan High Level Forum on Aid Effectiveness in November 2011, an agreement on a New Deal for Engagement in Fragile States. A major part of this is a new orientation to the relationship with donors.

6.2 The New Deal prioritizes what fragile states themselves think are the most important issues to building peaceful and prosperous societies by identifying five Peace-building and State-building Goals (PSGs):

6.2.1 Legitimate politics – *Foster inclusive political settlements and conflict resolution*

In fragile situations, trust in state institutions and among people tends to be weak. Peacefully resolving and managing conflict and (re)building the state require an increasingly inclusive political settlement, and committed and able leadership. It also requires political institutions that ensure accountability and provide opportunities for the participation of all key groups in society, including the most vulnerable and marginalized. An engaged public and civil society, which constructively monitors decision-making, is important to ensure accountability. Conflict legacies and the risk of future tensions make it critical to build capacities for reconciliation and conflict resolution at all levels.

6.2.2 Security – *Establish and strengthen people's security*

Without security for the people there can be little development. The challenge is to improve the behavior, effectiveness and accountability of the broad range of security actors, whether formal or informal, in response to people's rights and needs. Particular attention needs to be paid to vulnerable groups, especially women and children. The participation of communities and civil society groups can make security provision more effective and more accountable.

6.2.3 Justice – *Address injustices and increase people's access to justice*

Addressing grievances and deeply felt injustice is essential. Formal justice mechanisms must be accessible, affordable and seen as fair by citizens. Where feasible, traditional non-state and informal means for dispute resolution and adjudication should be strengthened and gradually aligned with international human rights standards.

6.2.4 Economic foundations – *Generate employment and improve livelihoods*

Employment gives people a sense of self-worth and the means to start shaping their future. Employment can reduce

participation in violence and conflict. The challenge is to generate meaningful income opportunities fast enough and to include previously marginalized groups and young people. Within fragile states, priority needs to be given to labor-intensive public and community works, increased agricultural productivity and domestic private sector development.

6.2.5 Revenues and services – *Manage revenue and build capacity for accountable and fair service delivery*

The ability to raise, prioritize and manage resources to finance and develop capacity for more equitable delivery of basic social services is critical in fragile countries. The state must gradually ensure fair access to these services to all key groups in society, including the most vulnerable and marginalized. It is important for the state to lead on setting the framework and coordinating the delivery of services, including by non-state providers. Gradually building a sound and transparent system of public financial management will be essential to instill confidence in citizens so they pay their taxes, in donors so they contribute aid, and in businesses so they invest. Of equal importance is donor transparency about their financial contributions. In countries where natural resource management is a particular challenge, it is critical that resource revenues do not (re)fuel conflict, and are managed transparently and significantly benefit society.

6.3 These five PSGs are meant to frame a country-led, inclusive way of setting national goals and establishing a national development plan. This, in turn, is meant to increase country-donor harmonization and donor co-ordination. More than 40 countries and institutions, including the AfDB have endorsed the New Deal, committing themselves to investing the required resources and political capital in more equal partnerships that will be more heavily driven by local needs and processes.

6.4 The substance of what the g7+ is articulating in the New Deal is not necessarily new¹⁹. After all, many of the same issues have come up before, such as in the World Bank's 2011 World Development Report. It has long been recognized that fragile states have unique structural problems caused by their sectarian divisions, weak governments, and histories of conflict that require special attention. Since the Paris Declaration on Aid Effectiveness, donors have committed at least in theory to many of the changes that the g7+ is advocating. Almost every report on improving the effectiveness of foreign aid nowadays calls on donors to customize their approaches to local context.

¹⁹ Kaplan 2013.

6.5 What is new is that it is the recipient countries themselves who are arguing for these things. The g7+ is, in essence, asking for a much stronger role in ensuring that the goals that they think are important are prioritized in a way that meets their needs. This would be a dramatic break from how things are done now despite all the rhetoric concerning country ownership and so on. The New Deal also brings the advantage of converging donor interests and recipient priorities in a common framework that easily serves as a roadmap for donor engagement in the respective beneficiary states.

6.6 Donor achievements in fragile states have been modest because their approaches have not been sufficiently attuned to local needs. Not only do they prioritize the wrong things, but also they often implement programs in ways that do not provide a mechanism for local leaders to adapt projects to meet what are complex, difficult, and context specific problems²⁰. The g7+ is not going to be a panacea, the problems are structural in nature and not easy to solve whoever is driving the process, but by providing a stronger role for local problem solving it does offer a better roadmap going forward.

6.7 The countries in the developing world with the best record of promoting inclusive growth by adopting policies that generate growth, empower the poor, and strengthen the capacity of the state are those whose elites are united behind an inclusive approach towards nation building. In this sense their rule is based on an implicit “social contract” between the ruling clique and the rest of the citizenry that allows the elite to remain in power as long as it continues to improve the standard of living of the citizens. The best example in Africa is the Botswana Democratic Party which has won every election since the country’s independence by delivering decades of rapid growth while promoting an inclusive non-ethnic citizenship and democracy.

6.8 Unfortunately elites in fragile states have no such inclusive ambitions. Their vision is restricted to a narrow tunnel of self-interest. But elites are not monolithic; they are made up of disparate actors and subgroups, each with their own world-views and interests. In the great majority of countries, at least some members of the wealthier, better educated and more powerful sectors of a population have a broader view, a forward looking vision of a state that can provide opportunity to all its members.

7 | A "toolkit" for Social Protection in fragile states

7.1 To meet the Peace-building and State-building Goal of Economic Foundations and to be able to respond to the levels of vulnerability, risk and deprivation that is characteristic of extreme poverty and deprivation, fragile and conflict affected countries will need social protection interventions. Social protection in fragile states can achieve twin objectives of addressing economic and social vulnerability given the extreme social inequalities and exclusion found in many fragile states contexts. Social protection is increasingly being recognized as an essential public service for the poor alongside health, education, water and sanitation. However, in common with services such as health and education, delivering social protection in fragile states is hugely difficult²¹. Government capacity is also likely to be even weaker in the social protection arena than it is in relation to services such as health where technical line ministries often retain some policy and implementation capacity.

7.2 There are extreme challenges facing the implementation of social protection in fragile states. What is missing are ways of delivering long-term social protection and basic services in the places where the state is unable or unwilling to. In these contexts there are often:

- A mixture of chronic and acute needs – high levels of poverty, food insecurity, malnutrition and mortality across wide areas.
- Different levels of state capacity and incapacity and different levels of donor willingness to engage with states.
- A range of non-governmental actors (donors, UN agencies, NGOs local and international, IFIs, private sector).
- Needs that are not currently being adequately met either by the state or the international aid system with only sporadic or patchy delivery of humanitarian aid.
- Different funding streams, which are often short-term.
- Funding gaps in post conflict transitions where humanitarian budget lines dry up but development financing is not yet available or fragile states have very limited absorptive capacity.

7.3 There are also key tensions, trade-offs and dilemmas in different options for delivering social protection. Supporting international aid agencies to provide immediate assistance

²⁰ Results of the fragile states principles survey 2011. OECD 2011.

²¹ Devereux’s Catch 22 of social protection, “the greater the need for social protection, the lower the capacity of the state to provide it” is particularly true in fragile states (Devereux 2000; 2005).

may be more effective in delivering concrete benefits in the short term but less effective in meeting state building objectives. There is also a need to reflect on the meaning of the term sustainability in relation to social protection in fragile state contexts²².

7.4 Safety net toolkit in fragile states needs to have four (4) instruments for transformative social protection for inclusive growth and a checklist might include the following instruments²³.

1. PROVISION: provide access to financial services (savings, credit) for the poor through social transfer delivery mechanisms
2. PREVENTION: encourage moderate risk taking, by devising innovative insurance instruments for the poor.
3. PROMOTION: pro-poor access to education and health services = long term investment in human capital formation.

4. TRANSFORMATION: reverse social exclusion and economic marginalization – e.g. no discrimination against HIV+ people

7.5 There are many aspects of the OECD Principles of Good International Engagement in Fragile States that complement social protection best practice. By addressing social exclusion, social protection can contribute directly to principles of non-discrimination and inclusion, indeed lessons from targeting of social protection could be valuable for other sectors when working in fragile states. Social protection may also be able to play a role in state building, by delivering concrete resources to citizens and it might in the broad sense help to revitalize political contracts. Also by enabling productive investments and generating labor opportunities, it may be able to contribute to other priorities for state building – strengthening economic growth and employment generation²⁴.

Table 3 Social Protection in Fragile States

Categories of social protection	Types of projects	Issues in Fragile States	Examples in Fragile states
Protection	Safety nets and social Assistance. Disability benefits. Single parent grants. Social pensions. Fee waivers on health and education. Child / orphan grants.	Long term safety nets rarely in place. Pre-crisis forms of social assistance may have collapsed but sometimes remain.	Food aid usually delivered by humanitarian actors often for many years but on the basis of year by year appeals so can't be planned long-term. Cash transfers just beginning to be seen as an alternative to food aid. Re-emerging interest in longer term safety nets (e.g. PSNP) growing practical experience (Ethiopia and Rwanda)
Preventive	Social insurance – contributory pensions, health insurance, unemployment benefits.	Vestiges of old systems may be in place but rarely survive fragility.	Interest in potential of insurance both at a micro level as a complement to micro-finance and at a national level through weather indexes and catastrophe bonds.
Promotive	Livelihood enhancing programs – microcredit, public works.	Lots of emergency examples – see next column but often small scale and with concerns over impact and effectiveness.	Seeds, tools and other input programs. Cash and food for work. Income generation programmes
Transformative	Advocacy, sensitization, rights campaigns	May be particularly important in fragile states where rights are more likely to be abused.	Advocacy around protection. Rights based approaches to programming. Human rights advocacy

Source: Harvey, Holmes, Slater and Martin (2007).

²² Harvey et al, 2007.

²³ Devereux 2010.

²⁴ Farrington et al 2007.

7.6 The emphasis on acting fast in the OECD principles presents both opportunities and risks. Social protection may present an opportunity to deliver on this principle by being a way of getting resources relatively quickly to people to provide a real perception of peace dividends in post conflict periods. However, the focus on speed may generate an emphasis on the protective aspects of social protection with a relative neglect on prevention, promotion and transformation. The principle of 'do no harm' creates significant pressure to get instruments right. This makes decisions about which instruments to use (for example food aid versus cash transfers) – decisions which are already very difficult and disputed between different agencies – harder still.

7.7 Cash grants can address deep seated poverty. Direct transfer payments to the poor are the most effective single measures to alleviate structural poverty resulting from long term conflict and fragility, while helping to establish the tax base and develop social compact. Development partners should work towards up-front wealth sharing agreements in fragile countries that are expecting to benefit from future oil and gas incomes. The aim should be to dispense large portion of additional revenues as taxable income directly to the poor using cell phones and biometric ID technologies.

8 | The AfDB's enhanced support to fragile states

8.1 For the AfDB, state fragility matters because around a third of African countries, home to some 200 million people can be classified as fragile and are home to a growing share of Africa's poor that are susceptible to instability with potential consequences beyond their borders²⁵. Conflict and fragility are among the most important constraints on Africa's development. In recognition of this, the AfDB has made a substantial commitment to scaling up and strengthening its support for fragile states. The Bank therefore places emphasis on its strategic engagement with fragile states and plays a major role in their economic recovery and rebuilding of institutions with the view to consolidating the peace, stabilizing their economies and laying the foundation for sustainable poverty-reduction and long-term economic growth.

8.2 In March 2008, the Board of Directors approved the Strategy for Enhanced Engagement for Fragile States. The Strategy established the Fragile States Facility (FSF) as an ope-

rationally autonomous financing entity. A new Bank Strategy on Fragile States is being finalized for approval by the Board in early 2014. The FSF has three grant support windows for financing the recovery process of eligible fragile and conflict affected countries. Pillar I the supplemental support window provides support over and above the PBA determined allocation to eligible countries to support their recovery efforts; Pillar II is the arrears clearance window to some eligible post conflict/crisis countries; and Pillar III is the targeted support window provide institutional and human capacity building, support service delivery through non-sovereigns, including private sector companies, and enhance knowledge building and management, with the view to using such knowledge to inform future operational activities of the Bank in fragile and conflict-affected countries.

8.3 In the ADF-11, ADF-12 and the recently concluded ADF-13 cycles (2008-2016), the Bank allocated a total of UA2.078 billion to Fragile States (Table 4). This additional resource is over and above what is already available to fragile states through the Bank's general allocation process. In nine years, 59.2 percent of the FSF resources was allocated for Pillar I operational support; 33.7 percent were allocated for arrears clearance (including set asides for Somalia, Sudan and Zimbabwe for ADF-12 cycle) and 7.1 percent were allocated to Pillar III for targeted support to 17 countries. The Bank has gained invaluable experience in the last decade and has proven to be a preferred financing partner for fragile states in Africa. However, due to the dynamic nature of conflict and crises on the continent, support to fragile states must also address the root causes and regional dimensions of fragility.

Table 4 FSF Resource Allocated to the FSF (UA Millions)

	ADF 11	ADF-12	ADF-13	Total
Pillar I	253.94	404.96	572.00	1230.88
Pillar II	308.46	362.29**	30.00	700.75
Pillar III	85.39*	1.48***	60.00****	146.87
Total	647.79	768.71	662.00	2078.50

* Includes UA 60.0 million from the 2010 ADB net income; ** Includes UA 3.19 million carried-over from ADF 11 cycle; *** An amount of UA 1.48 million was added to the Pillar III total of UA 85.39 million to support much needed technical assistance (TA) to South Sudan following its independence in 2011; **** of which 16 million shall be used for the African Legal Support Facility (ALSF).

Source: ORSF

²⁵ 17 Regional Member Countries classified as fragile states- Burundi, Central Africa Republic, Comoros, Congo, Cote d'Ivoire, Democratic Republic of Congo, Djibouti, Guinea, Guinea Bissau, Liberia, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, South Sudan, Togo and Zimbabwe.

8.4 The AfDB's Ten Year Strategy (TYS) 2013-2022, which is focused on the two overarching objectives to improve the quality of Africa's growth and the gradual transition to green growth, pays particular attention to fragile states through tailored support to diverse needs, built around dialogue, local ownership and the celebration of success.

8.5 To strengthen its engagement at the country level, the Bank has opened 11 offices in fragile states as part of its decentralization strategy. Some notable successes have been recorded in fragile states since the adoption of the FSF. The Bank provided financial assistance of USD2.5 billion, building 850 kilometers of feeder roads, rehabilitated 1,110 rural markets, improved 26,000 hectares of agricultural land, drilling and rehabilitating 3,000 boreholes and training 6,000 farmers, 60% of them women in agricultural technology and land use. Microfinance programs have helped create 120,000 microenterprises benefitting more than 2.7 million people in fragile states.

8.6 To operationalize a new revised Bank framework for engagement in fragile states, The President of the AfDB initiated together with Her Excellency President Ellen Johnson-Sirleaf a High Level Panel on Fragile States to advice the Bank and the broader international development community on principles and approaches for helping African countries escape fragility traps. The panel has been tasked to answer the following questions:

- How can we ensure that conflict becomes a thing of the past in Africa?
- How can we make peace more sustainable?
- How do we establish elements of sustainable inclusive growth which addresses the drivers of past conflict?
- What can we do to change our principles of engagement to ensure country ownership?

The answers to these questions will help provide advice to the Bank on expanding its engagement in fragile states and feed into the design of the new Bank strategy for fragile states.

8.7 Some operational recommendations – Addressing weak institutions

8.7.1 Weak institutions in fragile states need to be better tackled and the AfDB needs to address institution building more strategically. Programs that concentrate on financial management and accountability systems should be much broader and be part of a wider strategy to promote good governance and improved administrative capacity across a

state's civil service, with clear short and medium term goals but with the understanding that strengthening weak states is a long term engagement.

8.7.2 Budget support should look at providing funding for the electoral process that is embedded in a wider governance and state-building program.

8.7.3 Providing support to institutions like justice and police sectors, anti-corruption and decentralization that are designed to promote the rule of law, security and most importantly governance transparency and oversight of the control the executive.

8.7.4 Investing in research and capacity-building towards understanding the nature and dynamics of the drivers of conflict and causes of fragility on the continent so as to enable prioritization and sequencing of interventions.

8.7.5 Bank projects and programs undertaken in fragile states should seek to address the 10 principles for good international engagement in fragile states and aligned to the New Deal for engagement in fragile states in a systematic way. This calls for a paradigm shift in templates and procedures for addressing fragility in the Bank. This will be an innovative approach as well as a departure from past ways of addressing fragility.

Box 5 The African Union Policy Framework for Post Conflict Reconstruction and Development (PCRD)

The African Union (AU), as the continent wide custodian of peace and security, has a strategic political leadership role to play in consolidating peace and post conflict reconstruction in Africa. The AU and Regional Economic Communities have put ever greater effort into the facilitation of negotiation for peaceful resolution of existing conflicts and the effective implementation of peace agreements. The PCRD framework is a reference point for countries emerging from conflict. The PCRD addresses in a holistic way activities ranging from early warning, to conflict prevention, management and resolution, peace support operations, reconciliation and reconstruction. The PCRD framework is informed by lessons learned from past mistakes as well as best practices of the past, and offers a roadmap towards sustainable peace and development.

Source: AU- Draft policy framework for post conflict reconstruction and development.

9 | Conclusion

9.1 Africa remains one of the most fragile regions in the world. There are many different drivers of fragility at play in Africa, these includes the over-centralization of power, ethnic

exclusion and division, economic crises, unequal patterns of development and weak and unaccountable states. More worrying are the reinforcing dynamics associated with these primary drivers and the consequent emergence of more complex and systemic secondary and tertiary drivers in the regions of the continent. In countries where democratic norms are not yet fully established, elections can be a trigger for violence, as we have seen in both Kenya and Côte d'Ivoire in recent years. Climate change, land degradation and water scarcity are also drivers of conflict, particularly in the Horn of Africa.

9.2 There are special circumstances of fragile states that needs to be addressed such as sustainable and inclusive growth, which takes into account population dynamics that support job creation; ensure a healthy, skilled and educated workforce; promote greater fairness in access to natural resources; promote better equity among youth and women; reduce inequalities and increase social protection for the most vulnerable.

9.3 A broader understanding of the dynamics of state-building should focus on four critical aspects of state society relations that influence the resilience or fragility of states. The four dimensions are (i) political settlement which reflects the implicit or explicit agreement (among elites) on the "rules of the game", power distribution and the political processes through which state and society are connected; (ii) the capability and responsiveness of the state to effectively fulfill its principal functions and provide key services; and (iii) broad social expectations and perceptions about what the state should do, what the terms of the state-society relationship should be, and the ability of society to articulate demands that are "heard", (iv) the readiness of political actors to respect existing social contract between the state and citizens so as to sustain citizen participation and the political consensus towards the achievements of national development.

9.4 The African Development Bank recognizes the real threat to the post-2015 agenda and the achievements of the New Deal for Engagement in Fragile States. With the establishment of the High Level Panel on Fragile States, the Bank is looking for cutting edge, innovative solutions to address the issues that cause fragility, conflict and put at risk the post conflict state-building and peace-building process. This will build on the prize that was awarded by the United States Treasury to the Bank in recognition for its work in Cote D'Ivoire to address gender-based violence and promote urgently needed gender friendly activities to promote post conflict reintegration and economic growth in the north of the country.

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