

Effective support for fragile and post-conflict least developed countries:

Fragility as a development challenge

OHRLLS

Introduction

Fragile and post-conflict states have attracted considerable and increased attention in the international development community in recent years. Understanding the concept of fragile states and how best to engage with them have emerged as a key priority in the international development community. This interest and the subsequent debates in relation to fragility have attempted to provide a better picture of the particular challenges facing fragile states. But above all, it has contributed to put the support to these countries on the agenda of international development assistance. More important and more encouraging at this stage is the recent international political commitment for a more effective international engagement in fragile and conflict-affected states.

Various global initiatives have been taken in this respect. The International Dialogue on Peacebuilding and Statebuilding (IDPS) was established in Accra, in response to the need for a better and more focused effort to address the challenges of conflict and fragility. It is the first forum to bring together countries affected by conflict and fragility and their international partners to identify, agree and realize more effective ways of supporting transitions out of fragility and building peaceful states. Members of the IDPS have agreed to a New Deal for engagement in fragile states in November 2011, which build on initiatives such as the Dili Declaration, the G7+ statement and on the Monrovia Roadmap. The Dili Declaration adopted in Dili, Timor-Leste on 9-10 April 2010, recognized the urgent need to address conflict and fragility by supporting country-led peacebuilding and statebuilding processes, including the development of an international Action Plan on peacebuilding and statebuilding. The New Deal for Engagement in Fragile States”, agreed at the Fourth High-Level Forum on Aid Effectiveness in Busan, South Korea, in November 2011, recognized that development cooperation in fragile states differs fundamentally from engagement with “normal developing countries”, and that success requires that aid donors and recipient alike “do things differently” – by designing aid interventions that reflect the unique context of fragility in each state. The final outcome of the United Nations Fourth Conference on the Least Developed Countries, held in 2011 in Istanbul, Turkey (Istanbul Programme of Action (IPoA), 2011) called for international support to the least developed countries, including those in conflict and in post-conflict situations. In February 2013, the international conference on the post-2015 development was held in Dili to discuss the specific situations of fragile and conflict-affected least developed countries in the context of the post-2015 agenda discussions.

The need for a coherent approach towards fragile states

In the aforementioned conferences and meetings, and in other related fora and discussions, it is apparent that the threat to global security, the fight against poverty, and the achievement of the MDGs are the

overriding considerations for a continuing interest in addressing the situation of fragile states. While a significant number of developing countries have made some progress in poverty reduction efforts over the last decade, those who are in fragile and conflict-affected situations, in particular LDCs have experienced repeated cycles of violence that undermined any little progress made so far. As the international community engages in robust and intersecting discussions on a transformative post-2015 development agenda, including in the context of the intergovernmental discussions on sustainable development goals, it becomes more pressing to have coherence in the international communities' understanding of and approaches to countries in fragile and conflict situations. Other pressing challenges and cross-cutting issues, including the lingering global financial and economic crisis, climate change and sustainable development, violence and its impact on women rights, gender equality and employment, including of women and the youth, are also key concerns with implications for the conflict-affected countries.

The complex reality of fragility

Much has been written on fragile and conflict-affected states in recent years. In an attempt to capture the reality of many countries that are suffering from fragility, categories of countries were introduced in some academic literature using specific criteria. Patrick (2007) discusses the criteria for defining fragile states, such as the weakness of states (e.g. Zambia), the endowment of natural resource-rich (e.g. Nigeria and Angola), their deteriorating situations (e.g. Zimbabwe), the persistence of political crisis (e.g. Nepal), the post-conflict situations (e.g. Mozambique and Uganda). Another typology found in academic literature tries to explain the situation of fragility and persistent poverty. Collier suggest four categories of traps that can explain the situation of fragility: (i) conflict trap, (ii) availability of natural resource trap, stemming from the tendency for a wealth of resources to undermine productive and other economic activities, (iii) the trap of being landlocked with poor neighbors, and (iv) the trap of bad governance in a small country. These typologies and other categorization fail to capture the diversity and complexity of fragile situations. In addition, they do not capture the complexities of factors that determine the dynamics of fragile situations.

This complex reality of fragility confirms that it is difficult to objectively define what fragility is. Thus, despite a wide range of literature on fragile states, a universally-agreed definition of fragile states remains wanting. Most often, fragile states are defined and identified by donor countries themselves in line with these countries' priorities and concerns, which in turn shape their proposed interventions in the states identified as fragile. The Organization for Economic and Development's Assistance Committee (OECD-DAC) and the World Bank currently classify forty-seven countries (out of 193 UN member states) as "fragile". These countries have a collective population of 1.5 billion, are diverse and range from Pakistan to Nigeria, Haiti to Yemen. But they all have critical deficits in institutional capacity and political legitimacy, leaving them susceptible to political instability and violent conflict. For those countries, the objectives are to achieve physical security for their citizens, the rule of law, stable markets, and social welfare.

Despite increased support, huge challenges remain for fragile states

In spite of the above "conceptual challenge" in categorizing or identifying conflict-affected and fragile states, over the past several years, donors' response to the challenges these countries face has been translated in increased aid to them. Between 2000 and 2010, ODA to fragile states has increased from 11.7 billion USD to 50.8 billion USD, and represented more than 30 % of ODA allocated to all

developing countries (OECD 2013). While these interventions have contributed to improving the situation of some fragile states, including with respect to peace and security, reconstruction and expansion of infrastructure and basic services, stabilization and recovery in their economies, huge challenges remain, especially for the least developed countries (LDCs). Foremost of these challenges is fighting poverty and its consequences. As global poverty levels fall driven by progress in more stable developing countries, the share of the world's poor living in fragile states, including low-income countries, has doubled from 20 percent in 2005 to 40 percent today. This has implications on the global commitment to meeting the Millennium Development Goals (MDGs). Moreover, lingering poverty and its associated socio-economic impacts, including unemployment, particularly for the youth, fuel further violence, insecurity and conflict – thus leading to a situation of cycles of poverty and conflict.

Pervasive fragility in the LDCs

Finally, it has to be recognized that it is a challenge to assist the least developed countries, in general, two third of them are in situation of fragility. The least developed countries represent the poorest and weakest segment of the international community. They are characterized by multiple and intersecting constraints such as low per capita income, low level of human development, severe infrastructure deficits, limited productive capacities, and economic and structural handicaps to growth that limit resilience to vulnerabilities. In addition, they are the most off-track in the achievement of the internationally agreed development goals, including the Millennium Development Goals, and are at the bottom of the Human Development Index rankings. Least developed countries' productive capacity is limited.

Then, there is the issue of how international engagement in fragile states has been conducted, including the delivery of ODA by donor countries and more generally the type of partnership between donor countries and recipient fragile states. Drawing from past experiences to fragile states, there is now a growing realization from both development partners and fragile states of the need to undertake a review of past practices and initiate needed reforms for a more responsive, stable and sustainable support to fragile states. Major initiatives in this regard include the International Dialogue on Peace and State-building (2008), and the three main Declarations aiming at guiding future relations between aid donors countries and recipients states -- The Dili Declaration (2010), the Monrovia Roadmap (2011), and the "New Deal for Engagement in Fragile States" (2011).

The objective of this report is to raise the problematic of fragile and conflict-affected states; attempt at a deeper reflection on the critique on current approaches towards these states; and make recommendations for a more effective and sustainable interventions in these states. The report is organized as follows. Section 1 presents and discusses some of the main approaches by donor countries in assisting fragile states. Section 2 examines trends and features of international aid from both developed and developing countries to fragile and conflict affected states and their impact on their development perspectives, including achievements of the Millennium Development Goals. Section 3 examines major international initiatives and agreements directed at improving collaboration among international aid donors and recipient countries to achieve better results in conflict-affected and fragile states. Section 4 provides some recommendations for a more effective and sustainable interventions in fragile and conflict-affected countries, and proposes a way forward for dealing with these states.

I. Aid to fragile states: international approaches/responses

A review of thinking and approaches by donor countries in providing aid to fragile and conflict-affected states reveal stark differences. While some countries address the issue of fragile states as a combined security and military problem, others view it as a development issue (poverty and economic development). In recent years, discussions have shifted to broadening interventions beyond addressing security and development to cover more comprehensively conflict-prevention, state-building and peace-building. This development has implications on donors' approach in their engagement in fragile and conflict-affected states. By way of review, a number of approaches by donors are discussed to demonstrate how international responses - bilateral donors and multilateral organizations' instruments of interventions - were linked to their specific motives and interest towards fragile states.

The Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD/DAC) has played a lead role in bringing together interested bilateral and multilateral donors, including the United Nations and World Bank, to develop better policies and responses to fragile states. While at an institutional level, the OECD does not have an active programming role in fragile states; it has acted as a leader in terms of policy guidance and the collection of good practices for international engagement.

The role of OECD in fragile states can be illustrated by the following milestones: (i) the formation of the OECD-DAC Fragile states Group (FSG) in 2003 to enable donors to share their experience and research on assistance to fragile states; (ii) the decision taken in Berlin in 1999 to take into consideration the issue of prevention in fragile states. Within OECD-DAC, donors are encouraged to include the issue of conflict prevention and resolution in their actions directed towards conflict and fragile states, noting the impact of conflict on development and on the humanitarian situation of fragile countries; (iii) the adoption in 2007 by DAC members of the Policy Commitment and Principles for Good International Engagement in Fragile States and Situations. The Principles for Good International Engagement are a guide for improved aid management and engagement beyond aid.

OECD's work on conflict and crisis-affected states is guided by its understanding of peacebuilding, state building, and the drivers of fragility and resilience. The OECD stresses the importance of the political settlement as the heart of stabilization in fragile states, emphasizing that donors have a limited role in an endogenous political process. However, fragile state engagement remains a high priority for OECD-DAC member states, several of which have developed new strategies and institutional arrangements to strengthen their bilateral and multilateral engagement in these environments. Within the OECD donor community, a clear consensus has emerged around the necessity to respond more effectively to fragile states. Doing so requires donors to better understand what is required to arrest negative trends, the limits of absorptive capacity, and the necessity of harmonizing policies and sequencing interventions.

More recently, the OECD engaged in a number of activities designed to enhance South-South cooperation and its own engagement with emerging powers, which have relevance with the engagement in fragile states. This includes the Task Team on South-South Cooperation, which was launched in September 2009 as a mechanism for "mapping, documenting, analyzing and discussing evidence on the synergies between the principles of aid effectiveness and the practice of South-South Cooperation." In this regard, emphasis is made in bringing the diverse actors together, particularly in the context of triangular cooperation, which presents opportunities to learn from existing risks, such as transaction costs and fragile recipient ownership.

For the United States, security constitutes the major factor that determines aid allocation to fragile states. USAID defined a strategic approach which sets out a vision for USAID's response to fragile states, including those in post-conflict situations where conditions do not provide sufficient foundation for long-term development. This strategy calls for a better understanding of the sources of fragility and for setting priorities—stability, security, reform, and capacity—appropriate to the realities of fragile states. It calls for early action when fragile states show vulnerability. It also calls for a focused response with programs strategically oriented to the sources and symptoms of fragility. Also, the strategy offers an operational approach—a fragile states business model—that provides for rational strategic planning, budgetary flexibility, responsive administrative systems, and greater staff expertise. Finally, the strategy provides a roadmap for USAID, as part of a broader U.S. Government effort, to respond more effectively to the enormous challenges posed by fragile states (USAID, 2005).

Since its inception USAID has worked in fragile states. The end of the cold war has increased its interventions in fragile states (USAID, 2005). Thus in 2013, excluding Iraq, almost one-fifth of USAID's overall resources was spent in support of fragile and conflict-affected states. Examples of USAID projects include support to Indonesia, Peru, Sudan, Afghanistan and Iraq, Sudan, El Salvador, and Sierra Leone. Vulnerable states like Indonesia, Afghanistan, Macedonia, and Serbia-Montenegro also benefited from its interventions.

The United Kingdom Department for International Development (DFID), in its policy paper, *Why We Need to Work More Effectively in Fragile States* (DFID 2005), announced what will be its aid policy for fragile states. Under DFID's definition, fragile states are those countries that lack the capacity or the will to fulfill functions that are indispensable to their populations, including insuring security, economic management and the delivery of basic services. For DFID, the issue of security is integrated into an extensive development agenda. Poverty reduction and the achievement of the Millennium Development Goals (MDGs) constitute the key factors for the United Kingdom development assistance to fragile states.

Strategically, DFID's engagement in fragile states seeks to (i) address the causes and effects of conflict and fragility, and build conflict resolution mechanisms; (ii) understand the context and give full consideration to conflict prevention, while developing capacities for peace, including through education;; (iii) develop core and essential functions such as security, law and justice, economic management; (iv) assist states in job creation and economic growth, delivery of basic services (security and justice), human rights and democratic process.

For Australia, fragile states are countries that face particularly stark poverty and development challenges and are vulnerable to further decline – or even state failure. Weak governance, failed institutions, instability or conflict result in dismal growth prospects. The state fails to deliver critical services to the broader population, with a particular impact on the poor. Fragile states that are not assisted have little prospect of overcoming their problems and are likely to experience ongoing fragility and stagnation for generations. Another important consideration is the regional dimension of fragility, with possible economic and non-economic spillover effects (violence, crime, refugees, etc...) on neighboring countries.

Australia's approach underlines the importance of addressing the development, economic, security, and political aspects of fragility in an integrated way through a coherent whole of government and donor approach. Engagement strategies must be country specific. In partnership with defense, policing, economic and diplomatic efforts, aid has a particular role to play in fragile states to strengthen political

governance and target corruption, build sustainable government institutions. The Australian Government assistance to fragile states remains highly focused in the Asia-Pacific region.

Japan does not have any explicit policy for engaging with fragile states. Its approach vis-à-vis aid to fragile states is guided by considerations related to governance and peace-building. The overriding objective of Japan's engagement in fragile states is to pursue an aid approach that improves the recipient state's capacity to handle challenges over the long-term, with consideration of risk factors and fragility that have the potential to destabilize the economy, politics and the society.

The two major pillars of its basic ODA policies are: (1) supporting self-help efforts of developing countries and (2) the human security agenda. Japan has also given a greater emphasis on partnership-based state-building efforts. Japan essentially has no aid policy that selects recipients based on any specifically defined criteria. It has accumulated experience in assistance to Cambodia, Afghanistan, and to African and other conflict affected countries, and also in assistance to the capacity development of developing countries.

Emerging countries including China, India, Brazil or South Africa have considerably expanded their engagement on development and security issues, both in crisis- and conflict-affected states and through multilateral institutions. They are playing a greater role operationally in crisis-affected and post-conflict environments alongside traditional western development and security actors. The emerging powers' own relatively recent experiences with political transformation, economic development, and violence reductions may have important lessons relevant for states currently confronting transition away from conflict (Sherman, J., Gleason, M., Sidhu, W.P.S., and Jones, B., 2011).

Steps towards applying a formal differentiated approach to fragile states assistance efforts were first undertaken by the World Bank in 2001, with the establishment of the Low-Income Countries under Stress (LICUS) Task Force and its approach paper for improving donor engagement in fragile states. The LICUS Initiative was subsequently launched in October 2002. The LICUS approach was rearticulated in 2005 to focus on the following priority objectives: (i) building state capacity and accountability, (ii) pursuit of an interlinked strategy between peace-building and development objectives, (iii) development of strong international partnerships and (iv) the adoption of a strong and flexible institutional response. This updated directive emphasized stronger efforts for state-building, peace-building and capacity development than seen in the 2002 document.

For the World Bank, fragile states are states characterized by a combination of weak governance, policies and institutions which undermine the state's capacity to deliver services, control corruption and provide for voice and accountability. They are also states at risk of conflict and instability (World Bank 2005). In recent years, in parallel with increasingly active discussions about fragile states, the World Bank assistance strategy for fragile states has expanded with emphasis being placed on state-building and peace building in conflict-affected countries. In terms of financial contribution, the World Bank through the International Development Association (IDA) has provided since 2000, over USD11.2 billion in post-conflict reconstruction assistance to fragile and conflict-affected situations, which include countries, and regions within countries, affected by conflict (World Bank, 2011).

The Bank has substantially increased its engagement with countries affected by conflict and fragility; both in terms of policy and financial support, through for example, development of expertise on fragile states, more targeted operational strategies and the adoption of new tools and approaches. The Bank has also developed a range of strategic and operational frameworks and financing arrangements that seek to

address the unique challenges faced by fragile states. In 2006 the World Bank undertook several policy changes to improve the flexibility, speed, and effectiveness of its engagement with fragile situations, as well as to build stronger knowledge and operational links between the Bank's work in fragile and conflict-affected environments and to enhance the links between the Bank's work and that of its key international partners in peace building, state building and governance agendas.

Regional banks have taken bold initiatives and recently expanded their engagement in fragile states of their regions. For instance, the Asian Development Bank (ADB) specific involvement in the international fragile situations agenda began in 2004 with the circulation of ADB's Approach to Weakly-Performing Developing Member Countries (WPDMCs) at the ADF IX Donor's Meeting in Lisbon. The Asian Development Bank (ADB) adopted its Approach to Weakly Performing Countries (which it now refers to as fragile and conflict-affected situations or FCAS countries) in 2007, along with a framework for identifying fragile and conflict-affected countries, planning and implementing appropriate interventions. For the ADB fragile states and situations are defined using the World Bank Indicator of fragility, i.e. the level of the Country Policy and Institutional Assessment (CPIA). Thus, countries with an average Country Policy and Institutional Assessment rating of 3.2 or less are considered fragile countries. The presence of UN and regional peacekeeping or peacebuilding missions during the past 3 years provides also an indicator of fragile states or fragile situations.

ADB's 2007 approach paper identified five key factors which highlight fragility: (i) weak policy, policy formulation and management capacity, (ii) small isolated market conditions, (iii) physical and social disruption linked to violent conflict, (iv) meager public sector resources and (v) volatility and unpredictability of aid.

In the Regional Capacity Development Technical Assistance for Supporting ADB Engagement in Fragile Situations (April 2009), ADB preferred the terminology fragile and conflict affected situations or fragile situations from weakly performing countries in reference to this typology. The 2007 approach paper for FCAS, and Strategy 2020 argued for a differentiated approach for fragile situations, based on the premise that these countries, or some parts of their territories, deserve special attention since normal operations may no longer be effective. Among low income countries, the FCAS are characterized to have more pronounced problems in governance, public administration, service delivery mechanisms, and are likely to be in situations of civil unrest.

The ADB's classification of developing member countries as fragile or conflict-affected is intended to draw attention to the challenges the country faces, and is therefore aimed at improving the effectiveness of ADB's assistance in providing access to resources and support, and achieving development objectives. Fragile and conflict-affected countries require a significantly different and long-term engagement given apparently intractable problems for which a short-term response is insufficient. They also require cooperative strategies among the main development partners pooling and sharing their human and financial resources to work toward common plans, goals, and results.

In 2008, the African Development Bank scaled up its support to fragile states with a strategy for enhanced support to fragile states and the creation of a dedicated Fragile States Facility. The facility was designed to enable the Bank to respond quickly and flexibly to the needs of fragile states. Its three-pronged approach provides supplemental support, arrears clearance, and technical assistance and capacity building. Twenty African states are considered fragile and are home to more than 200 million people, approximately 20% of the continent's population. Despite positive growth that Africa has enjoyed in the

last few years, the risk of diminishing growth remains ever present due to fragility and conflict. State fragility remains a major constraint to Africa’s development, and addressing that constraint is a top priority for the Bank.

Due to the dynamic nature of conflict and crises on the continent, the Bank has decided to address the roots and regional dimensions of fragility. To this end, it has established the High Level Panel to advise the institution. The Panel’s eminent members have extensive experience with state fragility and its impact on development. Looking beyond purely financial assistance, the panel will guide the Bank in leveraging its assistance for long-term statebuilding and peacebuilding.

Table 1 summarizes the variety of interventions and approaches in fragile states by countries and international and regional organizations. It starts with the terminology used by these actors in fragile states. It also indicates the objectives of engagement in fragile states, namely economic and development concerns and issues, and security-related concerns.

Table 1: A summary of various development agencies' approaches to engaging FCAS.

Organization	Asian Development Bank	African Development Bank	World Bank	OECD-DAC	USAID	Aus. AID (Australia)
Terminology	Fragile and conflict affected situations	Fragile states	Low-income countries under stress (LICUS): fragile and conflict-affected countries	Fragile states and situations	Fragile states	Fragile states
Objective of engagement	Improve aid effectiveness	Address prevention issues; address political, economic, and development issues	Statebuilding, peacebuilding and capacity development	Statebuilding	Strengthen US national security, improve development outcomes and enhance aid effectiveness	Address development, economic, security and political issues in a comprehensive and sequenced way
Year	2007	2008	2002	2005	2005	2006

Source: adapted from: Asian Development Bank, 2010, Asian Development Bank’s Support to Fragile and Conflict-Affected Situations.

The above discussion points to an engagement by donors to a select and limited number of fragile countries, guided by the priorities outlined in their development cooperation. For example, for the United States whose priority is on national and global security, directed most of its aid to Afghanistan, Sudan, Yemen, which constitutes a small number of the fragile and conflict affected countries, as per OECD-DAC definition. Compounding the issue of donors' priorities and selectivity in donor recipients, there is also an absence of a universally-accepted definition of fragile states. For OECD-DAC engagement in fragile states, donors have adopted a working consensus definition that has emerged among bilateral donors around the OECD's Principles, which proclaim that, 'States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations' (OECD 2007). Despite this accepted definition within OECD, some criticism remains that such definition is not comprehensive enough to embrace the whole problem of state fragility and does not distinguish between the particular conditions of fragility and the general conditions of economic underdevelopment. The recent global initiatives to be discussed in Section III attempts to address these gaps and provide an improved framework for a more effective engagement by donors in fragile states, in particular, the LDCs.

II. International support to fragile states: trends and features of financial resources to fragile and conflict-affected states

There remain economic and institutional challenges to furthering socio-economic development and structural transformation in fragile states. Among the key challenges in support for fragile states, it is to be noted that a majority of fragile states suffer from a lack of policy formulation capacity, underdeveloped administrative institutions, lack of administrative capacity, low capacity of financial management and lack of policy transparency and accountability. Some other challenges are: partnership and alignment of aid, to ensure effective partnership practices, alignment of programs with country-led state building and peacebuilding strategies, orientation of programs to address the roots of fragility through inclusive growth strategies, the regional dimension of conflict and potential conflict in the approach to development, the lack of program coherently focused on conflict issues, the mechanism and modalities of financing, including the lack of decentralization and of local capacities, the lack of appropriate decision-making with proper accountability to make enhance aid effectiveness aid.

A. Financial resources to fragile states: some statistics

Typically, three categories of financial flows are directed to the financing of their development activities. International aid provided by developed and developing countries, remittances flow from Diasporas of the fragile states, foreign direct investment, and the resources drawn from their foreign trade transactions. On the basis of the data provided by the OECD DAC, the present section provides a general feature of financial flows to fragile states over the period 2000-2010 (OECD, 2013).

Over the past several years, fragile states have benefited from a substantial amount of official development assistance (ODA), which constitutes the biggest financial inflow. Net ODA to fragile states increased from \$11.38 billion in 2000 to \$50.04 billion in 2010. ODA to fragile states represented 38 % of total ODA, in 2010. ease is attributable to the growing ODA from DAC countries, an increasing engagement of emerging economies, and increasing contributions from philanthropic organizations such as foundations, corporations, private and voluntary organizations (PVOs), universities, and religious organizations, contributions from US philanthropic giving to all countries increased to USD 39 billion in

2010 from USD 37.5 billion in 2009. Fourteen DAC donors allocate 30% or more of their bilateral aid to fragile states, the top being the United States (49%) and the United Kingdom (39%). Emerging donors contribute an estimated USD 12-15 billion in development aid (to both fragile and non-fragile countries), equivalent to 10-15% of the amount provided by OECD donors (World Bank 2011).

Aid volumes are very concentrated. Half of ODA to fragile states goes to only eight countries. Aid to fragile states remains fragmented and concentrated. In 2010, for example, half (49%) of total ODA to fragile states went to only 7 recipients (out of 47 countries): Afghanistan, Ethiopia, the Democratic Republic of Congo, Haiti, the West Bank and Gaza, and Iraq... About 20 countries can be considered under-aided.

Fragile states experience aid volatility continues and fragile states experience much higher rates of volatility and much lower rates of predictability than other developing countries. Two-thirds of aid shocks (a difference of more than 15% of aid per capita from one year to another) between 1970 and 2006 occurred in fragile states, just where country systems are the weakest and the risks of instability highest. Such volatility is estimated to shave 15% off the value of ODA. Central African Republic, Guinea-Bissau, Haiti, Liberia and Sierra Leone have experienced such volatility.

The sectoral allocation of ODA to fragile states is largely dominated by social and economic infrastructure and services (more than 50 % in 2009), followed by state building, peacebuilding and security (36%), and social sectors such as health and education and humanitarian aid. Production sector's allocation remains very small (6%). As such, the sectoral composition of financial resources from donors does not necessarily build the capacity and structural transformation of fragile and conflict-affected countries, and therefore constitute one of the weaknesses of their intervention. This is particularly true for LDCs in fragile and conflict-affected situations and therefore much in need of interventions that would contribute to building their productive capacities, and promote their structural transformation.

Efforts by DAC countries have been supplemented by non-traditional donors from the emerging countries. Development assistance from non-DAC donors (China, India, Brazil, South Africa, and the Gulf States) and new EU member is estimated to be equivalent to 10 % of ODA from ODA donors. China has played and will most likely continue to play an increasing role in fragile and conflict affected states as part of a growing focus on least developed countries, in particular in Africa. India, with an estimate budget of USD 15 billion for 2010-2017 for fragile states, will also likely continue to play an increasing role in fragile states, mostly in Africa between 2010 and 2012. Furthermore, emerging countries powers have established wider cooperation with fragile states, including in economic areas covering trade relations and opportunities, investment in extractive industries and in manufactures, and development finance. This new cooperation will not only increase financial resources in these countries, but also will bring more diversity in resources having diverse impact on structural changes in these countries (UNCTAD, 2011).

Foreign direct investment (FDI) represents on average a marginal inflow to fragile state. Although it has increased between 2000 and 2010, it remains below the level of ODA. The distribution of FDI is extremely concentrated in a small number of countries. In 2010, three-quarters went to only seven countries, all middle income and/or resource-rich: the Democratic Republic of Congo, Iran, Iraq, Nigeria, Pakistan, the Republic of Congo and Sudan.

International trade do not contribute to development financing in fragile states, as these countries as a group have run large trade deficits, especially since the 2008 crises. This can be explained by factors such as infrastructure and institutional gaps that are detrimental to exports, as well as quality and positioning

factors. This is typical of the least developed countries which suffer from chronic trade deficits and are increasingly locked out of international trade, with the exception of resource-rich countries. LDCs export a limited range of products to a few markets, and they have been affected by the global crisis of 2008.

Remittances increased following the financial crisis of 2008. The continuous rise of remittances has benefitted almost all developing countries, but has been especially marked in a number of fragile states with large diaspora, such as Eritrea, Haiti and Somalia.

To summarize, official development aid to fragile and conflict-affected states has been growing since 2000, benefitting from ODA from DAC donors, acceleration of contributions from emerging powers through development aid, trade and investments, and growth in philanthropic giving from developed and developing countries. Despite this positive evolution, financial support to fragile and conflict-affected states suffers from high concentration around a limited number of countries. It also suffers from a lack of coordination among a large number of donors. Finally, aid to fragile states remains volatile, many fragile states having experience at least one shock in the past 10 years.

B. International assistance and progress out of fragility/ Brief assessment of the performance of fragile and conflict-affected states

Overall, some fragile states have made some progress in their attempts to ensure sustainable growth and development, but the performance is mixed. The following success are to be noted: Angola, Nigeria, Ethiopia and Rwanda have experienced one of the fastest economic growth rates, allowing countries like Angola and Nigeria to graduate to middle-income status. A number of fragile states, including least developed countries, have shown some signs of progress (World Bank, 2013). According to the 2013 Global Monitoring Report, 20 fragile and conflict-affected states have recently met one or more targets under the MDGs. Eight fragile and conflict-affected states- including Guinea, Nepal, Bosnia and Herzegovina, and Timor-Leste -have already met the target to halve extreme poverty- the number of people living on less than \$1.25 a day. Nepal is one of the least developed country that stand-out as fragile states with the most success in meeting MDGs targets. Some other least developed countries are among countries that have experienced some success with respect to the MDGs, although these successes remain very limited in scope. Ethiopia increased access to improved water from 13 percent of the population in 1990 to 66 percent in 2009-10. Mozambique more than tripled its primary completion rate in just eight years, from 14 percent in 1999 to 46 percent in 2007, and Rwanda cut the prevalence of under nutrition from 56 percent of the population in 1997 to 40 percent in 2005. Afghanistan has met the improved water target and is on track to meet the target on maternal mortality. Afghanistan is on track to meet two of the MDG targets. Despite some progress in the achievements of the Millennium Development Goals, fragile and conflict-affected countries are still lagging behind.

International assistance to fragile states, however, did not deliver much to establish the necessary foundations (economic, infrastructures, institutions, etc.) to allow these countries to move towards a sustainable development path. In the particular case of the least developed countries, these interventions did not help them to achieve their main development goal, namely to overcome the structural challenges in order to eradicate poverty, achieve the MDGs and enable graduation from the LDCs category, one of the key objective contained in the Istanbul Programme of Action. Most of fragile states seem to have lost economic ground over the past 10 years compared to other developing countries. Poverty is increasingly

concentrated in fragile states. Extreme poverty doubled in fragile states between 2005 and 2010. While over a third of total ODA goes to fragile states, only a handful of countries—including three LDCs, Mozambique, Sierra Leone and Timor-Leste—seem to be exiting the cycle of extreme poverty and poor governance that characterize fragile situations. While the vast majority of non-fragile countries have enjoyed some improvements in their Human Development Index (HDI) since 2000, the HDI in fragile states has varied considerably with very modest progress as a group. Fragile states continue to lag behind in education.

Explanations of these failures essentially rely on how aid has been provided to fragile states. In recent years, many bilateral donors have examined the effectiveness of their foreign assistance. Their findings were not encouraging. They have failed to make a difference in fragile and conflict-affected states, despite a 430.4 billion in aid expenditures between 2000 and 2010. The failure was attributed to a variety of factors. Aid to fragile states is badly timed. Donors tend not to deliver substantial aid to fragile states until there is a crisis. Moreover, in post-conflict states they tend to decrease aid precisely when it could become more effective. Aid flows to fragile states are more volatile, mainly because donors make ‘stop-start’ funding decisions based on short-term government performance. This has a significant impact on governments’ ability to implement projects and manage citizens’ expectations about public service delivery. Volatility and uncertainty about aid flows also inhibit growth. Aid is delivered in ineffective ways. Much aid in fragile states is delivered through short-term, uncoordinated projects which are not part of a broader development strategy. Humanitarian assistance constitutes the biggest portion of assistance to fragile states. But humanitarian assistance is not effective in laying the foundations for longer-term development. It can also undermine state capacity by, for example, leaching scarce skilled personnel away from the domestic public sector. Fragile states cannot meet donor terms and conditions. Experience across all developing countries shows that donor terms and conditions that fail to mirror national priorities do not result in more effective aid. In fragile states, there are seldom effective mechanisms for setting national priorities in the first place. Fragile states have difficulty absorbing large amounts of aid the ability of fragile states to use aid effectively for development can be very low (DFID, 2005).

Despite these problems, there is a new optimism that international support can help promote development if past mistakes are remedied. For the fragile states, the imperative of international support are stronger now than ever before, given the challenge of increasing poverty and its concentration in fragile states, and the necessity of making progress toward the MDGs in these countries and globally. The international community has recognized that the current ways of working in fragile and conflict-affected states needs serious improvement. The recent initiatives in establishing the International Dialogue on Peacebuilding and Statebuilding and the 2011 New Deal for Engagement in Fragile States commit fragile states and international partners to “do things differently”. The next section seeks to provide some insights which might contribute to the understanding and the discussions on how to respond effectively to the quest of fragile states to improve their socio-economic performance and for their progress out of fragility.

III. Global initiatives to assist fragile states

After several years of assistance, concerns were raised regarding international assistance to fragile states, as many of them were not able to ensure basic human needs, including making progress towards the MDGs and poverty reduction more general. They were not also in a position to correct the major weaknesses, such as social and political exclusion. Factors explaining this situation include the lack of

leadership and ownership, as well as the lack of harmonization with the national and local contexts. The subsequent efforts to correct the way such assistance, mainly in the context of international discussions on Aid Effectiveness, the MDGs, and the poverty reduction process, have resulted in a number of initiatives, through successive steps such as the establishment of the Fragile States Group (2003), the Paris Declaration on Aid Effectiveness (2005), the OECD's "Principles for Good International Engagement in Fragile States" (2007), the Accra Agenda for Action (2008), and the and the establishment of the International Dialogue on Peacebuilding and Statebuilding (2008), the establishment of the International Network on fragility and Conflict (2009). In November 2011, the Fourth High-Level Forum on Aid Effectiveness (HLF4) produced the New Deal on Fragile States, preceded by the Dili Declaration on fragile states in 2010. This section presents and discusses some of the most recent and significant initiatives in order to improve how international aid is provided with the objective of accelerating the overall performance of fragile and conflict-affected states.

The International Dialogue on Peacebuilding and Statebuilding (IDPS)

The International Dialogue on Peacebuilding and Statebuilding (IDPS) was established in December 2008 as an outcome of the Third High Level Forum on Aid Effectiveness in Accra (Ghana). It originated and inscribed itself in a wider dialogue on "aid effectiveness", and constitutes a major step in this effort to correct the way assistance has been provided to fragile and conflict-affected states and for more effective international partnerships necessary to "pull fragile states out of low-development-high-conflict traps" (UNU-Wider, 2012). It is also an ongoing series of discussions that engages stakeholders in an open discussion about improving peacebuilding and statebuilding efforts in fragile and conflict-affected situations.

The first International Dialogue on Peacebuilding and Statebuilding in Dili framed the need to more effectively address conflict and fragility in terms of achieving the MDGs. It provides the first articulation of "Peacebuilding and Statebuilding Goals (PSG) and identified challenges to their achievement. It set out action plan for work within the framework of the IDPS, and identified four focus areas which will become thematic "working groups": political dialogue, planning processes, aid instruments, and capacity development. The Dili conference was a step toward building a sense of collective, if loose, identity among fragile states. It is to be noted the role played by the g7+, a group of 18 fragile states - most of which are also LDCs - advocating the placement of peacebuilding and statebuilding at the core of international development. The g7+ provides a united global voice for fragile states, calls for a better partnerships and ownership in development co-operation, and provides policy advice to fragile and conflict-affected states.

The g7+ intends to work together as a coalition and to develop national strategies within their own countries for addressing crucial governance, economic, social development, and security priorities. The goals of the Dili Declaration will serve as a foundation for future Dialogue meetings, including the following meeting which was held in Monrovia, Liberia in June 2011.

Through a number of achievements, the International Dialogue on Peacebuilding and Statebuilding has contributed to the improvement of the process for international support to fragile states. Thus, the Dialogue has contributed to generate a certain momentum among aid donors and aid recipient governments with respect to the treatment of fragility and resilience in fragile and conflict-affected countries. The IDPS has formulated a set of international peacebuilding and statebuilding goals to guide

national and international partners. As such the IDPS has drawn the attention of the development community about the link between violence, conflict and peace and development. Mainstreaming conflict prevention into national development frameworks and those development priorities constitute a useful tool to ensure that sectoral policies and programmes are conflict-sensitive and maximize their potential to prevent conflict.

Three important international initiatives were taken in the framework of the IDPS, in order to promote a political dialogue on how to help more effectively fragile and conflict affected countries: the Dili Declaration, the Monrovia Roadmap, and the New Deal for Engagement in Fragile States

Despite those achievements, more recent criticisms have pointed out a number of shortcomings. First, the IDPS so far has largely concentrated on “better aid” in fragile and conflict-affected countries, rather than a dialogue about “peacebuilding and statebuilding”. The main actors in the IDPS for the g+7 are from Ministries of Finance, Economic Affairs and/or Planning and from “aid coordination” units. These are indeed core interlocutors for discussions about aid. Second, another question left unexamined by the IDPS so far is the relationship between “statebuilding and peacebuilding”. The IDPS tend to focus more on “statebuilding” than on “peacebuilding”. Third, the IDPS did not pay attention on properly assessing “fragility”, by simply working on the basis of definitions and classifications provide in the context of the OECD. Other issues such as why countries slide into fragility and large scale violence, has not been fully discussed in the context of the IDPS.

Dili

Following its establishment, the IDPS held its first meeting in Dili, Timor-Leste in April 2010. The conference framed the need for more effectively address conflict and fragility in terms of achieving the MDGs. The Dili International Dialogue identified 7 peacebuilding and statebuilding goals as stepping stones to achieving the Millennium Development Goals in conflict-affected and fragile states.

1. Foster inclusive political settlements and processes, and inclusive political dialogue.
2. Establish and strengthen basic safety and security
3. Achieve peaceful resolution of conflicts and access to justice
4. Develop effective and accountable government institutions to facilitate service delivery
5. Create the foundations for inclusive economic development, including sustainable livelihoods, employment and effective management of natural resources.
6. Develop social capacities for reconciliation and peaceful coexistence
7. Foster regional stability and cooperation

Dili led to the creation of the g7+ of fragile states, whose members include: Afghanistan, Burundi, Central African Republic, Chad, Cote d’Ivoire, The Democratic Republic of Congo, Ethiopia, Guinea, Guinea Bissau, Haiti, Liberia, Nepal, Papua New Guinea, Sierra Leone, The Solomon Islands, Somalia, South Sudan, Timor-Leste and Congo. The g7+ provides a country-owned and country-led platform to draw attention to the unique challenges faced by fragile and conflict-affected states. The g7+ is now recognized as representing the voice of fragile and conflict-affected states international. Its formation raises high expectations on how this group will be contributing to the international development debates following the examples of the least developed countries (LDCs) or the Small Island Developing States (SIDS).

One of its great achievements was that the Dili Declaration committed donors and fragile states alike to work together to develop an international Action Plan on Peacebuilding and State building to present in Busan. The plan was delivered at the 4th High Level Forum on Aid Effectiveness in South Korea in November 2011.

Monrovia Roadmap

Following Dili, the International Dialogue on Peacebuilding and Statebuilding process moved from consultations at the national level to a series of regular dialogues on thematic issues (capacity development, and aid instruments). The second meeting of the dialogue took place in Monrovia, Liberia in June 2011. It adopted the Monrovia Roadmap, which reflected the broad consensus reached. The Monrovia Roadmap outlines five peacebuilding and statebuilding objectives, summarizes key high-level commitments and suggests further work to develop them. With respect to the objectives, the Monrovia Roadmap includes five interim peacebuilding and statebuilding goals (PSGs) as preconditions for working towards the MDGs in fragile and conflict-affected countries: legitimate politics, security, economic foundations, justice, and revenues and services. Attainment of these objectives is held to be necessary to reduce and prevent conflict and human suffering and to reach the MDGs in situations of conflict and fragility.

The conference also defines set of indicators to measure the results achieved against the above objectives at the global and country level. With respect to commitments, and in preparation for the Fourth High-Level Forum on Aid Effectiveness in Busan, the g7+ agreed to present a focused set of commitments to improve development effectiveness in fragile states. The conference also agreed that the International Dialogue calls for a greater participation of other partners, including emerging countries that have made promising progress in addressing conflict, regional organizations and the private sector.

The so-called Monrovia Roadmap was a product of national dialogue that included a broad array of domestic actors and thematic dialogues between donors and aid recipient governments. The New Deal, in turn, was born from the Monrovia Roadmap.

The New Deal for Engagement in Fragile States

The New Deal for Engagement in Fragile States is a product of the International Dialogue for Peace building and State building, a partnership between members of the G7+ (a group of 19 world's most fragile states), engaged DAC donors and representatives from international civil society, for a new global direction for engagement in fragile states. Donor countries, international organizations, and recipient fragile and conflict-affected states commit to focus on new ways of engaging to support inclusive country-led and country-owned transitions out of fragility. The New Deal puts Peacebuilding and Statebuilding at the centre of international engagement and the aid effectiveness agenda. For the international community, by adopting the New Deal for Engagement in Fragile States, the fourth high-level forum recognized that development cooperation in fragile states differs fundamentally from engagement with “ normal developing countries”, and that success requires that aid donors and recipient alike “do things differently- by designing aid interventions that reflect the unique context of fragility in each state. The New Deal challenges the development community to support peace- and state-building goals that are essential prerequisites for achieving sustainable poverty reduction and growth and calls for

a new approach to delivering assistance with a strong emphasis on country ownership, strengthening country systems, and coordinating donor support around a country-led fragility assessment to define a pathway out of fragility. In the New Deal it was agreed among donor countries, international organizations and fragile states to (i) set goals and indicators for peacebuilding and statebuilding; (ii) establish country-led and country-owned plans based on joint fragility assessments and participatory political dialogue; in the context of the International Dialogue on Peacebuilding and Statebuilding, fragility assessments should diagnosis levels of fragility in each country context under five broad headings: legitimate politics, people's security, people's justice, economic foundations and revenues/fair service delivery; (iii) strengthen the partnership between fragile states and donors, emphasizing accountability by states and better risk management of aid by donors.

The New Deal establishes five Peacebuilding and Statebuilding goals (PSGs), to guide priorities and engagements in fragile states. These are:

- legitimate politics- fostering inclusive political settlements and conflict resolution;
- security- establishing and strengthening people's security;
- justice- addressing injustices and increasing people's access to justice;
- economic foundations- generating employment and improving livelihoods;
- Revenues and services- managing revenue and building capacity for accountable and fair service delivery.

The New Deal puts fragile states in the lead in terms of monitoring their own fragility, commits participating actors to mutual trust and transparency and encourages effective ownership and alignment. The New Deal provides a greater opportunity for a greater involvement of emerging developing countries in the international effort to support fragile states. This will offer an increased potential for improving coordination among donors.

The success of this New Deal will be based on how its commitments are implemented, and by whether it can bring about more fundamental changes in the way fragility is perceived by the international community. The New Deal will be implemented in a trial period between 2012 and 2015. It will be piloted in self-nominating countries, and by self-nominating donor partners in these countries. On the ground, seven countries have been implementing the New Deal on the ground, including the realization of the so-called fragility assessments. These countries are: Afghanistan, Central African Republic, Democratic republic of Congo, Liberia, Sierra Leone, South Sudan, and Timor-Leste. Working groups have worked on indicators, including indicators for focus and trust, for peacebuilding and statebuilding goals.

On the positive side, some donors have changed their views on fragile states. Contrary to the past years, they have accepted the need to engage fragile states. And they are doing it through state institutions and are strengthening them to deliver social contract between the state and its people. Donors are also rethinking their approach to security and development with concrete steps taken on funding security related issues.

More encouraging is that the New Deal and this agenda are becoming broadly shared, and engagements in applying the principles of the New Deal are taking off. Thus, the first compacts have been signed. The compact document establishes an approach based on mutual commitments of the government and international community to help a fragile state achieve its development and governance goals. In this

context, the Tokyo Mutual Accountability Framework (TMAF) was signed, which is a compact between the development community and Afghanistan. The TMAF establishes an approach based on mutual commitments of the Government and the international community to help Afghanistan achieve its development and governance goals. The international community pledged to improve aid effectiveness and provide 416 billion in development assistance through 2015 to respond to Afghanistan's predicted budget shortfall following military transition. For its part, the government of Afghanistan committed to important economic and governance reforms, including holding credible elections, tackling corruption, improving financial transparency and promoting human rights, including the rights of women and girls.

The New Deal produced more transparency and it has helped to produce more focus on how donor countries engage in fragile states. Donors have changed their behavior and are working more and more aligned to national priorities, supporting national leadership, working through national institutions, and through the states. But donors are still limited in their engagements, including their unwillingness to work through some state institutions and governments in fragile states (which they consider "too risky"). Also, the role of emerging donors remains a real concern for the New Deal process. Although China and Brazil are nominally members of the International Dialogue, they have not engaged in any meaningful way in the discussions. The increasing role of large developing countries in global trade, finance, investment and governance, coupled with their economic growth, should be taken on board to promote economic progress in fragile states. Then there is also the insistence on the promotion of a "whole of government approach" to implementation of the New Deal (which has not gained much traction). The implementation of the New Deal should not remain in the ministries or institutions handling donor engagement. Other ministries that have domestic responsibility for the areas of New Deal prioritization must also be actively engaged. Both donors and fragile states should promote a multi-stakeholder approach to take into consideration the needs of the whole gamut of the society. It remains an aspiration for the international community to adopt and the much-sought for common definition of fragility at the international level. As discussed earlier in this report, donor countries have changed the debate on fragility by defining it in their own terms, based on their reading of their own context, and ensuring that conversations about development in fragile states also focus on the importance of security, justice, and legitimate political processes. Other areas of improvement include: enhanced predictability of aid flows, a renewed focus on governance support, increased targeted support for capacity building and the adoption of coordinated country-led fragility assessments.

Fragile and conflict-affected states and the post-2015 development agenda

As mentioned earlier in this report, it has been acknowledged that the fragile states will not meet any of the MDGs. The reason why they have not been able to achieve the MDGs was mainly due to the lack of peace which then limited the achievement of concrete results in other areas. The weakness of the institutions (or in some, the absence of government) did not allow them to deliver services to the people. The MDGs did not recognize the fundamental barriers that fragile states face. Most importantly, conflict and fragility are not reflected in the MDGs when these have been fundamental obstacles to their achievements in fragile states. The post-2015 agenda must take into consideration the fact that conflict is a barrier to development and set explicitly state-building and peacebuilding targets to tackle this. As articulated by the G7+ countries, the MDGs cannot be achieved in small, landlocked or conflict affected states in the absence of peace, stability and the rule of the law. The Dili consensus indicated four major areas not adequately treated in the MDGs, to be reflected in the post-2015 development agenda. These

are: inclusive economic growth, peacebuilding and statebuilding, climate change, and environmental management. It should also be added that gender equality and women's rights issues in conflict situations have not been addressed at all, but should inevitably be.

In addition, regional, sub-regional and cross-regional cooperation, especially South-South cooperation will be a key driver for change, and their contribution to conflict and fragile states have to be tapped, including in the development of national development strategies and the new global framework.

IV. Policy approaches to fragile states: General considerations and specific recommendations

As elaborated in the preceding discussions, the continuing and increased interest in supporting fragile and conflict-affected states have, to some extent, translated into increased resources to these countries. While official development assistance to fragile and conflict-affected states have been increasing, some concerns remain regarding the overall effectiveness of the assistance provided to these countries given the absence of a universally-accepted and standard definition of these group of states nor any standard and coherent approach to dealing with them. Thus, in most cases, donor priorities define where the assistance will go to and in which sector/area, resulting in the exclusion of some countries equally in dire need of resources as beneficiaries. A holistic strategy to address their multiple and intersecting challenges, which at the same time takes account of the myriad of crises that further compounds their plight is also wanting. It is encouraging that attention and interest to engage with these countries and contribute to addressing their concerns remain and continue to be high in the agenda of donors. Also encouraging is the current consensus on the best way forward, through the New Deal for Engagement in Fragile States. Therefore, to make this international support more effective depends on how the donor's community (DAC countries, International organization, emerging countries and philanthropic organizations) will proceed to some significant reforms and/or implement the reforms that have been agreed upon over the past years. The discussion below elaborates on the various recommendations that have already been articulated in various fora, academic literature, and reports by various stakeholders and the UN System, among others. Some suggestions on the approaches for the way forward are presented.

Need for a common understanding of fragility

As discussed earlier, a variety of definitions and opinions characterized the debate on fragile states and that the international development community should make an effort towards a better understanding of fragility. As resources continue to pour in countries "in need" and made state-building a legitimate object of international support, common definitions and understanding of 'state fragility', which guide resource allocation and programme design, is all the more wanting. Among the questions to be addressed include: why are some poor countries unstable and particularly subject to violence and warfare, while others have achieved long periods of peace even in conditions of poverty and low economic growth? The diversity within the group of fragile states should also be taken into consideration. Prioritization in the allocation of aid should be made in favor of the least developed countries among the fragile states. Above all, donors should emphasize the importance of tackling the structural causes of fragility, rather than the consequences, such as terrorism, civil conflict and humanitarian emergencies. This has a considerable importance for the least-developed countries in situation of fragility.

Put forward the importance of prevention and mainstream conflict prevention and resolution into development programs and international support aid

Mainstreaming conflict prevention and resolution into development programmes, at all stages of programming, implementation and evaluation can contribute not only to decreasing levels of violent conflict or the potential for violent conflict, but also increase the effectiveness (and long-term impacts) of development cooperation. Some donors have already put in place a policy of conflict-sensitizing in their development programs. For example, according to the UK, this conflict-sensitizing approach reduced the potential harm of development assistance and makes the most of potential benefits. A number of least developed countries (Ethiopia, Burundi) have attempted successfully to mainstream conflict prevention into their development programmes, by integrating and institutionalizing conflict sensitivity principles and conflict analysis into existing and new policies and existing and new mechanisms/tools such as Country and Regional Strategy Papers and the different financial instruments.

Ensure a complementarity between assistance provided by OECD_DAC donors and donors from the emerging countries.

The role of new actors in international development (such as the BRICs) should be taken into consideration, so as to strengthen the contribution of international support to transition out of fragility. As the emerging powers are playing a greater role operationally in crisis-affected and post-conflict environments alongside traditional western development and security actors, thereby increasing the challenge of coherence in policy support to national governments. There is no forum where traditional donors and the emerging powers can discuss and debate all issues related to their engagement in fragile states, including trilateral partnerships (between a recipient country and two providing institutions and states). Trilateral cooperation poses advantages for the scope and sustainability of engagement.

Understand and take into consideration the regional context

Fragile states international support and policies are generally directed towards individual states, and too often ignore the regional context. But as the experiences of Africa and the Balkans and Afghanistan have amply demonstrated, conflict and state-failure usually have very strong regional dynamics. Thus responses intended to strengthen or rebuild fragile states but fail to address regional dynamics will probably turn any peacekeeping assistance or development assistance package to failure.

Address the overlooked issues in the New Deal such as women's rights and roles, climate change and the specificity of the least developed countries in the group of fragile states

These issues need to be addressed for a comprehensive response to countries in situations of conflict and fragile states. Often overlooked because of the overwhelming situation of these countries, the situation of women and children, and the role of women as contributors to advancing peace should be part of a genuine action plan by both donors and countries concerned, and by the international community as a whole. Literature abounds on the atrocities faced by women and children in situations of conflict.

In 2000, the Security Council discussed for the first time the impact of armed conflict on women and girls. The discussion resulted in the historic resolution 1325 on women, peace and security which stressed the role of women's participation in all stages of peacebuilding. In recent years, additional resolutions were adopted, including on sexual violence in armed conflict. In 2013, the normative framework has been further strengthened by two new resolutions. Resolution 2106 focuses on addressing impunity and further operationalizing guidance on the issue of sexual violence in conflict. Resolution 2122 calls for more

determination in ensuring women's involvement in conflict prevention, resolution and peacebuilding; it requests that all reports and briefings to the Council address the impact of conflict on women and efforts being made to increase women's participation. The resolution encourages prevention and response efforts, in particular in relation to transitional justice and rule of law, to address the full range of violations women experience during conflict and the gender differentiated impacts of these violations.

Climate change and the impacts of extreme weather events – such as flooding, soil erosion and land degradation, drought, on communities in conflict situations, should also be factored in the international community's support to these countries. The impacts of these extreme weather events on communities already in conflict exacerbate their situation, in particular, the women and children in these communities, and must therefore be consciously dealt with in an integrated and holistic manner.

Finally, the situation of least developed countries, with their own peculiarities and own set of particular circumstances and challenges, should be better understood and given particularly attention too, in designing responses and aid allocation to these countries. While categorized as one, they have differing sets of priorities and needs, which must be understood for a more targeted, effective, comprehensive and long-lasting response.

Address the concerns of fragile states in the post-2015 Development Agenda

The post -2015 agenda should reflect the link between peace and security, and sustainable development. Most of the fragile states will not meet any of the MDGs because fragile states lack peace and security and effective institutions to deliver services to people. For all these reasons, the peacebuilding and statebuilding goals should be given consideration in the post-2015 development agenda, while incorporating the crucial vision embodied in the New Deal- peacebuilding and statebuilding. The g7+ has set forth a foundation for resilience architecture in the New Deal for Engagement in Fragile States. The New Deal has the potential to adapt post-2015 development goals to different fragility contexts through a variety of strategic instruments. These include country-specific fragility assessments, and shared development plans and compacts to promote coordinated national and international cooperation for sustainable development and statebuilding and peacebuilding goals.

Adopt a more holistic approach to assistance to fragile states

There has been legitimate concern in development circles about the focus on fragile states and the potential 'securitization' of aid. It is vital to ensure that poverty reduction and conflict prevention are the core objectives of development assistance in these environments. ODA should not be diverted to short-term security issues such as the 'war on terror' or weapons of mass destruction. However, if security is an obstacle to development in a fragile state then funds should be targeted to address this, as part of a poverty reduction strategy. This particularly true for the fragile least developed countries, which need programme of assistance which can address long-term and structural issues of building their domestic productive capacities, their structural transformation, which in the long run will impact on poverty reduction, creation of employment, in particular for the youngest segment of their population, and create the real conditions for a transition out of fragility.

The role of the United Nations

The United Nations has a role in New Deal implementation through its peacekeeping or peacebuilding mission in nearly every pilot country. Although the General Assembly has not formally endorsed the New Deal for Engagement in Fragile States, individual U.N. agencies have been vocal and active about supporting this agreement, the Department of Peacekeeping Operations, Department of Field Support, and the U.N. Development Program are involved in the implementation of the New Deal.

Conclusion

The recognition of the special conditions of fragile states has given rise to considerable international support to these countries for their transition out of fragility. Increased and improved financial assistance and global initiatives taken in the context of the various reforms aiming at aid effectiveness -IDPS, Dili Consensus, Monrovia Roadmap, and more importantly the New Deal for Engagement in Fragile States- all of which have the great potential to contribute to poverty reduction, peacebuilding and statebuilding. The challenge is how to implement and manage all these initiatives for better development results, more specifically how to increase the development impact of such initiatives and assistance in favor of fragile and conflict-affected countries, including the least developed countries. This requires a clear consensus on the concept of fragility, profound changes in the behavior of both donors, and to take into consideration the specific needs of fragile and conflict-affected states in the post-2015 development agenda. The role of the United Nations in support to fragile states remains essential at the intergovernmental level, policy level, and country level.

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