



INTERNATIONAL **DIALOGUE**  
ON PEACEBUILDING & STATEBUILDING

# The New Deal as an Approach to Crisis Situations: A Note for the International Dialogue

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## NOTE - The New Deal as an approach to crisis situations (Draft 14 May 2015)

*This note outlines how the New Deal can and should be used to promote more effective international engagement in crisis contexts. It will be presented for discussion at the International Dialogue Implementation Working Group meeting on 22-23 May. A final draft will be presented at the International Dialogue Steering Group meeting on 25 May.*

### Key messages

- **Development actors must play a greater role in supporting countries undergoing crisis.** Pulling out as a crisis erupts and leaving the task to respond to humanitarian and security actors is neither sufficient nor effective. It goes against international commitments and best practice and does not help solving the structural causes of the crisis.
- **The New Deal, as the framework to guide effective engagement in fragile situations, provides a vehicle for doing so.** Whilst some of the New Deal commitments have been interpreted as more suitable for post-conflict peace and state-building situations, in reality, the New Deal provides a mandate and guidance for engaging and staying engaged even in the middle of a crisis.
- **Protracted and recurrent crisis affect several countries** of the G7+ group and beyond. In addition, violence has spread to new countries and regions.<sup>1</sup> Unless the structural causes of fragility in these situations are addressed through a combined political, development, and security response, developed and implemented jointly by national and international partners, progress towards peace and development is unlikely.
- There are **concrete ways in which the New Deal can and should be used to guide international engagement in crisis situations:**
  - Support political dialogue and the pursuit of an inclusive political solution to the crisis.
  - Provide critical support in key peace and state-building areas that are foundational to solve the crisis and create the conditions for a peace process, an effective peace agreement, and longer term peace- and state-building and development,
  - Stay engaged and do no harm.
  - Promote collaboration among political, development, humanitarian, and security actors.

### Background

The New Deal was designed to assist countries in crisis or emerging from crisis identify and implement effective strategies to transition from fragility and build resilient states and societies. Key drivers behind the New Deal were: first that international engagement in fragile situations had not been effective; second, a recognition that development goals will not be achieved without tackling the challenges of fragile states, where a high percentage of poor people will be concentrated; and third, and linked to the previous points, that an increasing percentage of aid will be directed to fragile situations in the future.

Countries in crisis are often the ones more in need of international support, and should be the primary beneficiaries of more effective engagement underscored by the principles and commitments of the New Deal. This has not happened. In countries undergoing crisis, like South Sudan and the Central African Republic, the process to catalyse more effective engagement through the New Deal has been put on hold instead of being used as a vehicle for more effective support to exit the crisis and re-start development.

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<sup>1</sup> According to the OECD's recently published State of Fragility Report 2015, by 2030 some two-thirds of the world's population will be living in environments affected different forms of conflict / fragility.

As crisis and multiple shocks resulting from rising levels of structural violence, recurring cycles of political conflict, shocks, and pandemics are a reality for many countries in fragile situations, the New Deal and the partners that have committed to implementing it must demonstrate that it can be a vehicle for more effective engagement in contexts marked by extreme crisis and major setbacks.

This note outlines ways in which the New Deal can and should be used for this purpose, with specific reference to South Sudan and the Central African Republic, based on five focus areas identified by the International Dialogue Steering Group (Freetown, June 2014). It suggests a few follow up steps to put the New Deal back on the agenda as a framework to guide better development cooperation and more broadly international engagement in crisis situations.

**What crisis situations are we looking at?** Crisis encompasses a range of situations, ranging from the resumption of violent conflict cycles, to exogenous shocks, including pandemics, and climate related natural disasters. A related IDPS work-stream is currently exploring how the New Deal can be made relevant in the context of the Ebola crisis. This note is particularly focused on crises related to the upsurge or recurrence of violent conflict.

### **The role of the New Deal in crisis situations: challenges and opportunities**

The International Dialogue Steering Group (Meeting in Freetown, Sierra Leone, June 2014) identified 5 different ways in which the international community could best apply the New Deal in crisis contexts:

- 1) Engage leaders and ensure inclusive dialogue;
- 2) Focus on peacebuilding and statebuilding;
- 3) Improve peace process by applying New Deal principles and draw from earlier INCAF work;
- 4) Do no harm yet stay engaged; and
- 5) Reach out to diplomatic and security sectors and ensure that they are aware of New Deal principles.

#### *The challenges*

Obstacles that prevent the use of the New Deal as a vehicle for engagement in crisis situations, and in the five areas identified above, include:

- The absence of senior level engagement by development partners, and the difficulties of ensuring inclusive dialogue although desirable, due to the complexity of engaging with political actors in country (e.g. issues of legitimacy, lack of clarity on whom to engage with, political sensitivities), a highly politicised or weak civil society, lack of senior presence of development actors on the ground, and weak investment in understanding of the context (on the part of international actors). The New Deal's PSG1 and commitment to political dialogue are meant to ensure the centrality of political dialogue even in crisis situations.
- Technocratic processes were set up around the New Deal (e.g. a technocratic approach to the fragility assessment ad compact) where political engagement is actually required and where promoting the negotiation of a "social contract" – an inherently political process – should be a priority. Where political engagement was pursued (e.g. peace negotiations, peace agreements) this was not linked to the New Deal principles and commitments and did not systematically involve development actors.
- Donor risk aversion, domestic agendas, the narrowness of the authorising environment (e.g. legal blockages to disburse development funds in crisis contexts), the weak presence on the ground,

and the perceived lack of local partners/capacities with which to engage, have limited the engagement by development actors. Consequences are the drying up of development aid, and the use of a humanitarian and security responses instead of one that includes a focus on peace- and state-building goals.

- The New Deal is not perceived as the right framework to address these obstacles. In reality, the PSGs and the New Deal principles and commitments (e.g. to conduct joint risk assessments as a vehicle to better manage risks, identify capacity development mechanisms tailored to the context, flexible and fast funding mechanisms) were designed to guide country transitions from crisis to sustainable peace, at whatever stage in a crisis or transition a country was. They have not been used as means to stay engaged. Development aid tends to drop off when it is most needed.
- A lack of clarity on how to prioritise peace- and state-building in crisis contexts and what the New Deal PSGs could contribute, and an over-emphasis on a vertical state-building approach have made it difficult to maintain the focus on peace- and state-building, although action in both areas may be a key step towards solving the crisis. The New Deal was built on the idea that an accountable and responsive state and a healthy state-society relationship were all necessary to build peace. This means that even in the middle of a crisis, a focus on peace- and state-building should be pursued through different means, in particular through much closer collaboration with political, security and humanitarian actors, and not left for some later stage.
- The New Deal has not helped change the dynamics on the ground partly because there has been no effort to use it that way. Neither the New Deal fragility assessment, nor the compact, and dialogue around these processes have been used to create greater opportunities for collaboration, and to engage senior level political dialogue, which they were intended to facilitate. The continued struggle of political, development, security, and humanitarian actors to work together, use shared tools, approaches, and funding, and build on each other's presence and added value is a major obstacle to international engagement in crisis situations. International partners have not followed through their commitments to implement more coherent responses and fragmentation of responses prevents an effective international response to crisis.

All these challenges can be observed in different ways in the international engagement in South Sudan, the CAR, and indirectly through the lack of engagement around the New Deal in Yemen.

#### *The opportunities*

Experiences in some g7+ countries, including the three mentioned in this paper, show that where there is political will on the side of both international and country partners, some of these obstacles can be overcome, international development engagement can be deployed in crisis situations, and the New Deal can serve as a guiding framework. The following are examples of what can be done:

1. Engage leaders and ensure inclusive dialogue

*Leadership from development partners must be enhanced at times of crisis to engage in the right type of inclusive dialogue as technocratic solutions will not solve political problems. The New Deal should provide a key opportunity for high level and inclusive political dialogue at the country level.*

- Senior level leadership from development actors, and in particular from development ministers, must be enhanced and lead international efforts to engage in high-level political dialogue in crisis contexts. Where bi-lateral engagement is unlikely due to domestic agendas and the profile of the

country of the crisis, the UN senior political and development actors should be the vehicle for engaging on political dialogue, including on development engagement, in line with the New Deal PSG1 and commitment on political dialogue.

- An additional effort to pursue an inclusive political dialogue should be made at times of crisis, when engaging with a greater variety of actors is key to addressing the causes of the crisis (e.g. civil society, religious leaders, political parties). Great efforts to supporting civil society actors, including religious and community leaders, is required and should be proactively supported by development actors.
- A greater investment in developing a deep and shared political understanding of the context among the international community, and greater collaboration between development and political actors on this is critical. This could be based on revised approaches to fragility assessments that are inclusive, use local knowledge and capacity, are iterative so that changes can be understood and action can be tailored, and are political.

#### *Lessons from countries*

An inclusive and more politically grounded fragility assessment undertaken in an iterative way in South Sudan could have provided pointers on how to engage with tensions before the crisis unfolded in 2013.

Enhancing high-level political engagement in the CAR, despite the transitional nature of the Governments, has been key to putting the CAR on the international agenda and creating space for dialogue on how to best support the transition.

## 2. Focus on peacebuilding and statebuilding

*Supporting key peacebuilding and statebuilding priorities is part of the solution to a crisis, not a task for later. The New Deal PSGs, principles, and commitments provide the mandate to, and guidance on how to focus on such priorities even in a crisis situation.*

- The PSGs should be used to help identify areas and actions that are more likely to help with ending the crisis and build the foundations for peace. In practice, this means that, in a given country and for each PSG, specific priorities which are more likely to help address the core causes of the crisis should be identified. In other words, the PSGs should be used to map the way out of a crisis and the role that different actors should play. PSGs indicators should be used to map progress in the various areas as this will be critical to consolidate gains (in security, political dialogue, etc.).
- Donors support and funding should be directed towards supporting these priorities, even at times of crisis, and by identifying the channels that would enable this. A range of different funding instruments are available and have been used to mobilise a mix of development, stabilisation, and humanitarian support in crisis and contexts where engaging with the national authorities was difficult (e.g. Somalia Norwegian stabilisation fund, LIFT trust fund in Myanmar). These, and not heavy, slow, complex, and risk averse funding mechanisms should be mobilised in crisis contexts. Experience shows that this is feasible, but it requires a clear political steer.
- A “social contract” approach to statebuilding, and not one that only focuses on the executive/central state, should be pursued in crisis contexts as the state may be part of the problem and other informal institutions and groups may be part of the solution. Such an approach would include support layers of state and society below the central level.
- The “compact” is a main vehicle proposed by the New Deal to support partnership around key priorities. Various modalities of compacts should be considered, including flexible, transitional, and light ones, to enable mobilising and appropriate response in crisis situations. This was the intention behind the New Deal compact commitment, which needs to be brought back.

*Lessons from countries*

A transitional compact could provide a platform for more effective engagement in the CAR even during the transitional period, aligning donors' support to the political process, enabling the building of core state capacities, and the delivery of assistance to violence affected communities.

Continued support to peace- and state-building goals in South Sudan, enhancing work with civil society and at the subnational level, and continuing to support the delivery of services where feasible may prevent the crisis from worsening, and may help maintain what had been achieved before the crisis.

The Somali compact identifies and builds a partnership approach around peacebuilding and statebuilding priorities, with working groups set up for each PSG, and an effort to align programmes and funding around them. The challenge will be to ensure an inclusive approach to statebuilding, which considers the needs to build the state-society relations at different levels is promoted.

**3. Peace process should apply New Deal principles and lessons developed so far.**

*Peace processes should be informed by the principles of the New Deal as a way to ensure focus on the right priorities (PSGs) and integrate best practices on how to support their implementation.*

- Peace processes and peace agreements should be linked to efforts to provide development support and should reflect the principles and commitments of the New Deal as these set the basic rules for effective cooperation and implementation of the peace agreements (e.g. PSGs, commitments on capacity development, transparency, use of compact as mechanisms for implementation, etc.).
- This would require development actors, and in particular development ministers, to be able to play a key role in peace processes and negotiations of peace agreements.
- South-South cooperation among countries that have successfully transitioned from crisis and countries in crisis should be supported, in particular with respect to experiences on peace processes, but more broadly for all the focus areas highlighted in this note.

*Lessons from countries*

Fragile-to-fragile cooperation is being promoted by the g7+ group. Timor-Leste for instance has played a proactive role, mobilising high-level political engagement in support to the Central African Republic and Guinea Bissau, among others. In addition on-going support is provided by the g7+ to its members through high level missions and events, technical workshops, and by facilitating information exchange, lessons learning, and partnership building.

**4. Do no harm yet stay engaged**

*Disengagement at times of crisis should be an option of last resort, not the first. There are means and ways for development partners to stay engaged and the New Deal outlines some.*

- The decision to stay engaged at times of crisis is a political, not a technical matter. Senior leadership within development partners (Development Ministers and heads of agencies) should continue to work closely with their political and defence/security counterparts and with the parliaments (in the case of bi-lateral donors) to find ways to stay engaged and prevent quick withdrawal, and when possible promoting greater mobilisation of development responses in

crisis contexts. For this to happen, cross-departmental cooperation, which is in place within some donors, should be strengthened.

- Risk is the main factor that needs to be understood and managed so as to enable continued engagement. This will require investing in risk assessments and management (a New Deal commitment) and re-allocating and channelling funds through mechanisms that enable development partners operate in high-risk environments (e.g. use of appropriate funding mechanisms). This is a clear commitment of the New Deal, which has not been implemented.

*Lessons from countries*

In South Sudan staying engaged would have done less harm than shifting from a development to a humanitarian alone mode, particular when and as humanitarian assistance ended up being used to address structural causes and consequences of fragility.

In CAR, stepping up development engagement and directing it to provide services to violence affected communities, and to support the transition (beyond the election) could create better conditions for the transition. A good example of such engagement is the support to the payment of salaries for functionaries, a key stabilisation measure.

5. Work with political, security, and humanitarian sectors on the basis of the New Deal principles.

*Effective collaboration among actors operating in crisis contexts is necessary to address the different needs and priorities at the different levels and ensure a coherent and effective response. The New Deal creates the space for such collaboration globally and at the country level.*

- A shared understanding, one vision and one plan are possible and should be the basis for international engagement also in crisis contexts. Country level political, development, security and humanitarian senior representatives should agree jointly, where and as possible with national partners, on common goals to respond to and assist a country transition from the crisis and how each community will contribute to achieve them both in terms of strategies, programmes, and funding. Common operating principles based on the New Deal could be developed and agreed by the political, security, and humanitarian missions.
- Joint senior level decision making mechanisms, task teams with representatives from the different communities, and funding mechanisms that can mobilise flexibly development and humanitarian resources should be the main modus operandi in crisis contexts.
- Areas where greater collaboration may be possible include:
  - Integrate the provision of basic services rapidly in a context of stabilisation and security operations and un-lock development funding to re-start providing services to those areas of the country that are reachable.
  - Work with the humanitarian community to see how New Deal principles can help it identify areas of capacity building for – and collaboration with – the government at the earliest stages of international engagement.

*Lessons from countries*

Somalia provides a promising example of an effort by national and international partners to agree on shared vision based on the PSGs and on a compact, as a way to work together to address identified priorities for each of the PSGs. More work is needed to promote an inclusive process around the compact and greater attention to the (sub)-national level “social pact”, and for humanitarian and security actors to be part of this joint approach. The Somalia compact should, however, be an opportunity to promote collaboration across communities.

### Next steps

Options to use the New Deal for enhancing development engagement in crisis contexts in the five areas outlined above, or others, will depend on the specific country situation.

Immediate next steps to use the New Deal to re-launch development engagement in South Sudan, CAR, and Yemen include the following:

#### South Sudan:

- Up-date the fragility assessment, ensuring it is inclusive of civil society voices, and make it an iterative process to continuously inform international partners' response. Use the up-dated assessment to re-launch a national political dialogue, ensuring broad participation and support to civil society organisations.
- Identify and set in place risk management and funding mechanisms to enable re-starting development interventions to provide service and capacity development at the sub-national level in areas that are within the reach of the international community. This may require joint work with humanitarian and security actors.
- Promote the integration of the New Deal principles and provisions for development support within the peace process ensuring, among others the involvement of senior development actors in the process.

#### The Central African Republic

- Broaden out the donor base, including by strengthening working relations between lead donors (France and EU) and the International Dialogue, and increase development funding to support also non-elections related transition needs, including rolling out the delivery of services and community based programmes to assist violence affected communities
- Support a nation-wide dialogue to develop a national vision and plan for peace and development as part of the transitional process.
- Agree on a transition compact as a key vehicle for more effective international engagement during the transition.

#### Next steps at global level through the International Dialogue include:

- A team of senior leaders from the International Dialogue membership should take the responsibility to lead an effort to identify specific country level strategies for an enhanced and more effective engagement by development actors and overall by the international community in the focus countries identified, using the New Deal as a guiding framework.
- Specific roadmaps for each of the identified focus countries should be developed under their leadership and senior leads for country focus work identified. This should include targets, responsibilities, and means of implementation.
- A guide, explaining in detail and with concrete examples how the New Deal goals, principles, and commitments can be used to lead better engagement in crisis contexts, could be developed jointly with political, humanitarian, and security actors.
- Step up support to South-South cooperation between countries that have successfully transitioned from crisis and countries in crisis situations on the model promoted by the g7+ (e.g. Timor-Leste-Guinea Bissau, Timor-Leste-CAR, broader collaboration among g7+ countries).