Foreword

These working papers were produced for the International Dialogue on Peacebuilding and Statebuilding (“Dialogue”) to help foster discussion at the four Working Groups that met between November 2010 and May 2011.

Created after the first global “Dialogue” meeting held in Dili, Timor Leste in April 2010, the Working Groups were to explore and provide recommendations for addressing four priority challenges to effective cooperation in conflict affected and fragile states, as identified in the Dili Declaration. These were: capacity development, aid instruments, planning processes and political dialogue.

Each group was co-chaired by a conflict affected or fragile country and a development partner and included representatives of member countries and civil society.

**The “Dialogue” Working Groups were tasked to produce recommendations on:**

<table>
<thead>
<tr>
<th>Capacity development</th>
<th>Aid instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-chaired by the Democratic Republic of Congo and Japan</td>
<td>Co-chaired by Afghanistan and Sweden</td>
</tr>
<tr>
<td>How to improve and harmonise support to capacity development, with special emphasis on South-South co-operation.</td>
<td>How to improve aid delivery methods to ensure timely and flexible support through the use of country systems.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning processes</th>
<th>Political dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-chaired by Sierra Leone and the United Kingdom</td>
<td>Co-chaired by Liberia and the United Nations</td>
</tr>
<tr>
<td>How to strengthen planning processes to ensure both that peacebuilding and statebuilding priorities are integrated into national development frameworks and development partners align to these.</td>
<td>How to improve political dialogue and communication between a state and its citizens and between developing countries and development partners as a foundation for peacebuilding and statebuilding.</td>
</tr>
</tbody>
</table>

The recommendations produced from these working papers and the discussions during the Working Groups meetings were used to produce the New Deal for Engagement in Fragile States (the “New Deal”), the ground-breaking agreement endorsed on 30 November by the g7+ group of fragile states and their development partners at the Fourth High Level Forum on Aid Effectiveness in Busan, Korea.

These working papers are a valuable resource for all those interested in understanding the origins of the “New Deal” and provide useful inputs to help implementing the “New Deal” commitments.
# TABLE OF CONTENTS

**WORKING PAPER 1 – THE ROLE OF POLITICAL DIALOGUE IN PEACEBUILDING AND STATEBUILDING: AN INTERPRETATION OF CURRENT EXPERIENCE** .............................................. 4

Acknowledgements ........................................................................................................................................ 4
Executive summary ........................................................................................................................................ 5
1. Introduction ............................................................................................................................................. 8
2. Types of political dialogue .................................................................................................................... 10
3. Infrastructures for peace ....................................................................................................................... 22
4. Political dialogue and planning ............................................................................................................. 25
5. The implementation of political dialogue .............................................................................................. 26
6. Institutionalisation of dialogue support ................................................................................................. 28
7. In-country dialogue and the international community ........................................................................... 30
8. Conclusions .......................................................................................................................................... 32

**WORKING PAPER 2 – STRATEGIC PLANNING PROCESSES** ................................................................. 38

Acknowledgements ...................................................................................................................................... 38
1. Introduction ........................................................................................................................................... 39
2. National Planning Fundamentals .......................................................................................................... 40
3. Planning processes: evidence and analysis .............................................................................................. 41
4. Draft Recommendations: Strategic Planning ........................................................................................ 45

**WORKING PAPER 3 – IMPROVING EXTERNAL ASSISTANCE TO CAPACITY DEVELOPMENT IN FRAGILE SITUATIONS** .................................................................................... 53

1. Introduction ........................................................................................................................................... 53
2. Problem statement ................................................................................................................................ 54
3. Conceptual understanding of support to capacity development in fragile situations............................ 55
4. Experiences with external support to peacebuilding and statebuilding ................................................ 57
5. General lessons from support to capacity development in fragile contexts ........................................... 64
6. Recommendations ................................................................................................................................ 65

**WORKING PAPER 4 – THE USE OF INNOVATIVE AID INSTRUMENTS IN SUPPORT OF PEACEBUILDING AND STATEBUILDING** ............................................................................. 69

Acknowledgements ...................................................................................................................................... 69
1. Introduction ........................................................................................................................................... 70
2. Evidence and Analysis .......................................................................................................................... 71
3. Country context and the mix of aid instruments .................................................................................... 73
4. Specialised aid practices for all fragile states .......................................................................................... 74
5. Speed and flexibility of aid .................................................................................................................... 75
6. Good practices for using government systems – with safeguards if required .......................................... 76
7. Good practices when not using government systems – aligning aid to the budget ................................. 78
8. The need for predictable, sustained financing

9. Transparency, results, accountability and value for money

10. Recommendations and proposed actions

Boxes

Box 2.1. Examples of Track Two initiatives

Box 2.2. Planning and dialogue in Cyprus

Box 2.3. Multi-level dialogue in somaliland

Box 2.4. The Burundi Leadership Training Program

Box 3.1. Election monitoring in Sierra Leone

Box 5.1. Implementation of the results of political dialogue “Kenyan style”

Box 6.1. The Common Space Initiative (CSI) in Lebanon

Box 3.1. International understanding of capacity, capacity development and support to capacity development

Box 3.2. Puntland (Northeast Somalia): influencing budget allocations

Box 4.1. Kenya: violence and political settlement

Box 4.2. Project implementation units: the risk of creating a parallel public sector

Box 4.3. Accompanying the creation of ownership in the Education Sector Working Group: Mozambique

Box 4.4. Kosovo: mobilising urgent short-term and longer-term expertise through a Capacity Building Facility

Box 4.5. Tanzania salary enhancement rates

Figures

Figure 3.1. Mapping tensions between peacebuilding, statebuilding and development objectives

Figure 3.2. Planning hierarchy: deciding what is possible

Tables

Table 4.1. A selection of country and donor comments

Table 2.1. Aid instrument expenditure, use of country systems and Paris principles

Table 7.1. Schematic of using government systems compared to shadow alignment
ACKNOWLEDGEMENTS

This report has been written by Andries Odendaal, an independent consultant from South-Africa. He also serves on the Mediation Roster of the UN DPA Mediation Support Unit, as well as on the Expert Roster of the Bureau for Crisis Prevention and Recovery of UNDP.

The report has benefited from the following inputs:

- Brief reports summarise the experiences of the members of the International Dialogue working group with subject matter from Burundi, Central African Republic, Liberia, Timor-Leste, Togo and the West Africa Network for Peacebuilding (Ghana).

- Inputs were received from United Nations staff who support political dialogue processes in Nepal, the Maldives, Guyana, Cyprus, Kyrgyzstan, Kenya, Ghana, Nigeria and Democratic Dialogue in Latin America and the Caribbean and Afghanistan.

- Adrian Leftwich (Director of Research, Developmental Leadership Programme, and Department of Politics, University of York), Sarah Boddington (Leadership Program, Governance and leadership Branch, AusAid), Katia Papagianni (Center for Humanitarian Dialogue) and Steve McDonald (Woodrow Wilson Center) were consulted in their capacity as subject matter experts.

- The University of Birmingham provided a desktop analysis of leadership styles in political dialogue processes. Columbia University provided input on the basis of their emerging case study on Togo.

- Existing analysis and literature has been used according to the report’s references.
EXECUTIVE SUMMARY

Political dialogue refers to a wide range of activities, from high-level negotiations to mediation to community attempts at reconciliation. These processes of political dialogue are complementary and normally run in parallel. In this report political dialogue will be used in a flexible manner, but the parameters are that the dialogue must be political in nature and aimed at addressing threats in a society which can cause a lapse or relapse into violent conflict. The objective of political dialogue is to achieve practical and peaceful solutions to problems. At a deeper level, the aim is to address drivers of conflict and foster reconciliation, build a greater national consensus and social cohesion and define a shared vision of the future. In many cases regular state institutions are not functioning properly because they have been compromised by political bias, corruption, and inefficiency. The role of political dialogue in such contexts is to strengthen the legitimacy of institutions by building consensus on and trust in their proper functioning. As a result, political dialogue in all its forms plays an indispensable role in efforts by national actors and the international community to respond to violent conflict and to build national vision in fragile contexts. It takes place among national actors at all levels of society: among international actors and between the international community and national actors. The focus of this report is political dialogue within conflict-affected countries, but within the context of international support.

The report reviews experiences with political dialogue in a broad range of countries. Based on this experience it identifies four main types of dialogue, presents preconditions for successful dialogue and proposes key strategic elements of interventions to support effective political dialogue.

TYPES OF POLITICAL DIALOGUE

Political dialogue takes place in many forms, is initiated and facilitated by a variety of actors and takes place at various levels of society. Four main types of dialogue have been identified: (i) High-level or summit dialogues involving the top leadership of contending sections of the population. These dialogues are often initiated or mediated by the international community. These are high-risk events, with much at stake. (ii) Track Two interventions by civil society organisations that provide discreet and relatively low-risk opportunities to explore options, and build trust and skill in the process of dialogue. (iii) Political dialogue that takes place as an indispensable aspect of planning for peacebuilding, statebuilding and development. It is increasingly, but not yet sufficiently, understood that such planning has to be driven by political dialogue. (iv) Multi-level dialogue, where dialogue takes place at various levels of society in an effort to engage citizens in building sufficient national consensus on critical challenges. These four approaches are not mutually exclusive, but rather complementary. Each type has its advantages and limitations. It is often advisable to pursue different types of dialogue in parallel, on the condition that they pursue the same overall objectives and are not contradictory.

PRECONDITIONS FOR SUCCESSFUL DIALOGUE

Political dialogue is a complex political and psychological process. For its success it relies on specific preconditions and professional attention. An under-estimation of its complexity contributes to failure. Moreover, pursuing dialogue in inappropriate ways and at inappropriate times may do harm because of the way it reduces confidence, increases cynicism and contributes to what has become known as "dialogue fatigue". The preconditions for successful dialogue are:
Adequate preparation:

- Conducting an objective, reliable analysis of the conflict and parties’ interests and fears.
- Learning lessons from past experiences, particularly the reasons for past failures.
- Designing an appropriate process; clarifying and allocating roles of different support actors.
- Setting up a support structure to deal with funding, logistical arrangements and financial management.
- Pre-mediation consultation to ensure sufficient buy-in of all parties into the process.
- Planning an appropriate communication strategy with the press.

Credible facilitation. It is crucial to have a skilled facilitator that all parties accept and feel comfortable with in order to make the process as fair and even-handed as possible.

Sufficient political commitment. Political will is important for the dialogue to reach inclusive agreements; and for effective implementation. Political commitment is influenced by internal and external political pressure; but is strongest when participating parties enjoy a sense of ownership of the dialogue process.

Collective leadership capability. A critical factor determining the success of dialogue is the capability of leaders to form coalitions across political and social divides in order to implement decisions that have been made through the dialogue process. Where the capability to form such coalitions does not exist, little can be expected from dialogue in terms of lasting results.

Adequate inclusion. The aspect of inclusion is of critical importance because exclusion is often a major cause of conflict. It is in most cases a contentious issue; and in reality it is difficult to satisfy all. It is, however, necessary to be “inclusive enough” to safeguard the legitimacy of decisions. The inclusion of women is crucial as the political dialogue process can be a window of opportunity for addressing structural inequalities. The inclusion of youth is also highly important given the demographic realities of many societies.

STRATEGIES FOR DIALOGUE

It is possible to improve the effectiveness of political dialogue through well-designed interventions. The five strategies that hold most promise are:

1. Leadership and coalition formation. The improvement of the knowledge, attitudes and skills of the collective leadership of a society with regards to participative leadership and dialogue holds much promise.

2. Infrastructures for peace. Establishing or supporting existing councils or committees at every level of society that are made responsible for implementing dialogue as a first response to escalating tensions – supported by expert facilitation capacity. The approach relies on existing institutions (government, civil society and traditional), providing effective linkage and co-ordination between them. The approach has also shown promising results when used in the context of potentially violent elections.

3. Planning processes as political dialogue. In a context where planning for development has immediate consequences for either a return to violence or constructive peacebuilding, planning cannot be conducted as a purely bureaucratic procedure. There is increasing use of PRSP, UNDAF or similar planning processes as opportunities to achieve consensus on developmental priorities at various levels of society. These processes also provide
opportunities for dialogue with donors. The understanding is that planning should not outpace political consensus, but should be aligned to political reality and conducted as political dialogue. All the preconditions for successful dialogue therefore apply to these processes.

4. **Implementation of agreements.** It is normal that the implementation of agreements resulting from dialogue will be troubled by recurring doubts, ongoing intra-party and inter-party tensions, and new challenges. It is therefore necessary to pay specific and serious attention to measures to support the implementation process. Measures to be considered in this regard include the validation of dialogue results through as broad a public process as is possible. Civil society institutions have a critical role to play in monitoring agreements and holding parties to account. Conducting planning as ongoing political dialogue, as discussed above, will also contribute to constructive implementation. On the whole it means that the dialogue process does not end with the signing of agreements, but has to continue with a focus on implementation. Agreements should therefore include provision for procedures or institutions to monitor implementation and facilitate ongoing dialogue.

5. **Institutionalisation of dialogue support.** Given the need for expert support to mediation and facilitation processes, it is in the interest of individual societies and the international community to invest in and support institutions that focus on deepening knowledge through research, that improve facilitation skills through training, and that have the capacity to provide technical support to dialogue processes. Such institutions exist at international level (e.g. the UN’s Mediation Support Unit), and at regional, sub-regional and national levels – including CSOs that specialise in this area.

**POLITICAL DIALOGUE AND THE INTERNATIONAL COMMUNITY**

Complex socio-political conflicts are not solved through one-off dialogue events, but through ongoing, multi-faceted and multi-level dialogue processes. Building sufficient social cohesion and functional democratic institutions in societies that have been ravaged by violent conflict is a process that takes decades rather than years. Political dialogue, in other words, has to be sustained across all the levels of society for a prolonged period of time. It is therefore necessary for the countries involved, and donors as well, to invest long-term in the capacity of a society to conduct political dialogue. The short-term perspective, that still holds in some circles of the international community and that sees the first post-crisis democratic elections as the end of the crisis, has to change.

The international community has played a substantive role in initiating, facilitating and supporting political dialogue in conflict-affected societies. Yet, its role is not without its controversies and dilemmas. A substantive dialogue between g7+ countries and the international community has to be initiated on how to find a “best fit” solution, i.e. institutions and procedures that address context-specific conditions. This report offers a number of building blocks for such a dialogue.
1. **INTRODUCTION**

The International Dialogue on Peacebuilding and Statebuilding (ID) is an initiative that connects countries experiencing conflict and fragility and international partners in a dialogue to “…jointly shape and guide international assistance to support peacebuilding and statebuilding.” The ID aims to create a set of critical peacebuilding and statebuilding objectives as a framework for (inter)national engagement, as well as an action plan containing key commitments on what countries experiencing conflict and fragility, and international partners, need to change in their focus, interventions and ways of working together to achieve better results. At its Dili conference in 2010, political dialogue was identified as one of four areas that need urgent attention. The aim of this report is to inform the discussions and recommendations of the working group on political dialogue of the ID.

Political dialogue in all its forms is an indispensable instrument in the quest for peace and stability in the world of today. The importance of political dialogue has grown as the world went through a dramatic period of change in the nature of armed conflict and political crisis over the last two decades. Since the ending of the Cold War intra-state conflict has surpassed inter-state war as by far the dominant form of violent conflict. The dynamics of the intra-state conflicts of today differ sharply from those of inter-state wars. They are seemingly intractable, where “violent conflict exacerbates the conditions that gave rise to it in the first place” (Human Security Report, 2005) and affect entire populations, with civilians bearing the bulk of casualties and humanitarian crises. They do substantial damage to the social fabric of a society by deepening levels of distrust and resentment among its constituent sections. In addition, intra-state conflict often results in a serious reduction in governance capability with harm done not only to the efficiency of public institutions, but also to their political legitimacy.

As a consequence the response to violent intra-state conflict has to entail much more than keeping the peace and forging a national peace agreement. It requires processes of reconciliation at all levels of society, the re-building of confidence in democratic institutions, and facilitating a sufficiently coherent national vision to drive development. For all these tasks political dialogue is an indispensable tool.

While the main objectives of political dialogue are pursued through intra-country processes, they often take place in a context shaped by the engagement and support of the international community. The role of the international community in responding to intra-state violent conflict is, in fact, substantial. It provides a normative framework for the settlement of disputes through the various protocols and human rights regimes of the United Nations and regional organisations. Moreover, it provides practical and logistic support to a wide spectrum of interventions aimed at restoring peace and returning order to a society. The United Nations, in partnership with regional and sub-regional actors, are increasingly called upon to mandate, manage and finance multi-dimensional peacekeeping operations, political missions and mediation efforts, while at the same time dealing with the various humanitarian crises. It amounts to a considerable engagement that, by its sheer weight, impacts on and shapes the environment in which political dialogue has to take place. This fact points to the need for and importance of political dialogue not only between international actors, but more importantly between international and national actors. They have to address issues of mutual trust, reach consensus on the objectives to be achieved jointly and decide on the best strategies to follow.

The focus of this report is therefore on in-country political dialogue, as it is the primary context where political dialogue has to take place, but in the context of international support. This focus is based on the assumption that the ultimate aim of internal and external responses to violent conflict
is the promotion of an internal political culture where political and social tensions and contradictions are managed constructively through processes of inclusive political dialogue. Consequently the objective of this report is twofold: first, to survey and interpret experience with in-country political dialogue as a mechanism for conflict prevention, peacemaking and peacebuilding in order to recommend strategies for its improvement. Political dialogue is not a panacea that is appropriate for all conditions and effective under all circumstances. It is important to identify the preconditions for successful dialogue. Second, the report will begin to show that political dialogue is increasingly, but not sufficiently, driving national and international decision-making on the allocation of international assistance and aid.

Defining what is meant by political dialogue is problematic. Concepts such as mediation, facilitation, preventive diplomacy and political dialogue are used fairly interchangeably in the field. Consequently political dialogue may refer to a wide range of activities, from high-level negotiations to mediation to community attempts at reconciliation. In this report political dialogue will be used in a similarly flexible manner, but the parameters are that the dialogue must be political in nature and aimed at addressing threats in a society which can cause a lapse or relapse into violent conflict. The objective of political dialogue is to achieve practical and peaceful solutions to problems, and, at a deeper level, to address conflict drivers and reconciliation, build a greater national consensus or cohesion, and a shared vision of the future. The discussion is also underpinned by the assumption that political dialogue is an essential mechanism for promoting a peaceful democracy. Inclusive political dialogue is, by its nature, a democratic activity. Peaceful political dialogue therefore is an expression of democracy. When properly implemented it also contributes to the promotion of democratic practices by allowing the voices of all sections of society to be heard. Political dialogue is not in opposition to institution-building. However, in many cases state institutions are not functioning properly because they have been compromised by political bias, corruption and inefficiency. The role of political dialogue in such contexts is to strengthen the legitimacy of institutions by building consensus on and trust in their proper functioning. Extraordinary processes of dialogue are at times necessary to achieve this purpose.

The report first provides an overview of the various strategies to stimulate and support intra-state political dialogue. It classifies these efforts into four categories: summit dialogues that involve the top leadership of a country; Track Two dialogues initiated by civil society; dialogues that are implicit in planning and governance activities; and multi-level dialogues that seek to involve all levels of the society. Following the typology, the report discusses the preconditions for successful dialogue in light of recent collective experience, namely adequate preparation, credible facilitation, sufficient political commitment, collective leadership capability and adequate levels of inclusion. It then proceeds to discuss strategies to promote and support political dialogue on the basis of best practices that have been identified. It pays specific attention to strategies to promote a culture of political dialogue, with reference to the stimulation of and support to leadership coalition formation; the establishment of infrastructures for peace; grounding development and other planning in political dialogue; attention to the implementation of agreements; and support for institutions that specialise in dialogue support. The report also discusses the role of the international community and donors, and suggests areas that call for improvement. It ends with a set of conclusions.
2. TYPES OF POLITICAL DIALOGUE

In what follows, four types of (or approaches to) political dialogue will be distinguished, namely (i) summit dialogue, (ii) Track Two dialogue, (iii) dialogue that is part of planning processes and (iv) multi-level dialogue. The purpose of the distinction is not to provide an exhaustive typology, but rather to demonstrate the multi-faceted nature of political dialogue and to highlight the specific advantages and limitations of each approach. These approaches are not mutually exclusive. In fact, it is often advisable to pursue parallel processes, on the condition that they pursue the same overall objectives and are not contradictory.

2.1. SUMMIT DIALOGUE

Summit dialogue refers to high-level political negotiations that are mostly aimed at defusing a national political crisis, facilitate a transition from authoritarian rule or end a civil war. They are attended by the leadership of contending parties and, in some cases, representatives of secondary stakeholders, civil society and observers. They often take place in a context where international actors (the UN, regional organisations and bilateral partners) have a preventive diplomacy or mediation role, and often substantial interests in the process. Some international actors may exert some form of pressure, provide assistance, and either facilitate or observe proceedings.

Summit dialogues may be initiated and driven by either external or internal actors. International mediation plays an increasingly important role in this respect. In Africa alone the following countries have in the recent past used mediation by the UN, AU or other regional bodies to deal with internal conflict: Burundi, Chad, the Comoros, the Democratic Republic of Congo (DRC), Guinea, Côte d'Ivoire, Kenya, Lesotho, Liberia, Mauritania, Madagascar, Sierra Leone, Somalia, Sudan and Zimbabwe (Nathan, 2009). A forthcoming study of five cases of international mediation and dialogue concludes that in almost every case the process was able to move actors towards compromise, with successful conclusion in some. The study also highlights the complex task of achieving collaboration between international structures (the UN, regional and sub-regional organisations), and points out the benefits of successful collaboration as well as the detrimental impact when it fails (Call, 2011, draft).

There are examples of summit dialogues initiated by incumbent presidents or governments as tentative efforts to move towards increased political representation and liberalisation, or to manage transitional periods (Papagianni, 2006). The success of such dialogues depends critically on the role played by the incumbent government, its willingness to act evenhandedly and transparently and its commitment to change. Examples are summits that took place in Togo, Benin, Niger, the Central African Republic and Iraq.

When successful, summit dialogues result in formal agreements that capture the commitment of the various actors to implement those measures that will ensure peace or a successful transition. However, they are often high-risk events where success is elusive, especially when an immediate and overwhelming goal of the dialogue may be to stop fighting, address emergency humanitarian needs, prevent further large-scale population displacement and disarm fighters. Attention to the conditions that influence success (that will be discussed in the next section) should alleviate the risk to some extent.

The importance of summit dialogues cannot be underestimated. The agreements forged in this way provide the mandate and set parameters for all subsequent peacebuilding processes. They can contribute substantially to ending wars, and kick-start conditions conducive to internal stability and peace. Their failure, however, can have as dramatic an impact. Failure further undermines
political legitimacy, diminishes trust and heightens levels of cynicism about the motivations and agendas of opponents.

### BOX 2.1. EXAMPLES OF TRACK TWO INITIATIVES

In Timor-Leste dialogue between President Ramos-Horta and the army chief Major Reinado in August 2007 was facilitated by the Centre for Humanitarian Dialogue. In Togo the first meeting between President Gnassingbé and the main opposition leader was facilitated by the Sant’ Egidio Community in Rome in 2005; while in South Africa in 1991 church and business leaders jointly facilitated talks that resulted in the National Peace Accord. An example of a Track Two attempt dealing with a bi-national conflict was the intervention by the Carter Center, in collaboration with UNDP’s Democratic Dialogue Regional Project, in the conflict between Ecuador and Colombia (2007-2009). In Mozambique (1993-1994) the Sant’ Egidio Community initiated contact between the Frelimo government and the rebel movement Renamo, and ended up being the official mediators. They were also instrumental in facilitating the first contact between Burundi’s belligerents.

### 2.2. TRACK TWO DIALOGUE

Track Two dialogue refers to initiatives that do not have official status and are mostly initiated by civil society organisations or individuals. They often take place in a discreet manner. The major advantage of Track Two initiatives is that they present low-risk opportunities to parties in conflict to jointly explore the possibilities of collaboration, before or after a peace process. They can be used to build confidence to get to and frame the parameters of an agreement, or to develop a common understanding of a process of implementation. They often facilitate the first contact between belligerents; enable the establishment of more reliable channels of communication between the groups; the development of some trust; and greater clarity on preparatory steps that have to be taken to initiate a peace process. They also enable the exploration of options in a context where no decisions have to be made. In addition, Track Two facilitators are able to engage actors that may have been excluded from the main process, and those with an interest in subverting the process – something that is not always possible through official channels. However, the very advantage of Track Two dialogues – its informality – may become its disadvantage if the discussions take place in a manner that is too disconnected from political reality. When, for example, the participants are too distant from the centres of power, the dialogue may end up being a futile “talk shop”.

The range of Track Two initiatives runs from community-level interventions to interventions in multinational conflict. The dialogues may take many forms: think tanks, workshops, discussion groups, seminars or conferences where participants are representative of the conflict spectrum. Facilitators may act on the basis of their personal stature in a society and on their own initiative, but more commonly they represent religious, academic or business institutions or specialist organisations.
2.2. PLANNING AND DIALOGUE IN CYPRUS

The use of technical committees in Cyprus is a somewhat different example of the infusion of practical planning processes with political dialogue. These committees were assembled during the preparatory phase that led to the beginning of full-fledged negotiations between the Greek Cypriot and the Turkish Cypriot sides in 2008. Their objective was to explore possible areas of technical co-operation between the two polarised communities – in the absence of an official peace agreement – and to enhance confidence in the ability of the two communities to co-operate and improve the conditions of their citizens. They therefore discussed practical issues at a semi-official level and in the process demonstrated the potential, but also the complexity, of co-operation. Between them they produced 23 confidence-building measures. The general view of those who observed or were involved in the committees is that they contributed to a more positive, constructive environment that allowed the launch of official negotiations between the two leaders in July 2008.

2.3. DIALOGUE THAT IS IMPLICIT IN PLANNING PROCESSES

This type of political dialogue informs developmental planning processes. Its importance, however, is not yet sufficiently recognised. Examples of developmental planning processes that should be informed by political dialogue are the United Nation’s Development Assistance Framework (UNDAF) or the Poverty Reduction Strategy Paper (PRSP) processes of the IMF and the World Bank. These processes are used to set development priorities, for instance in the short or medium-term aftermath of violent conflict or political crisis. Development is not an apolitical matter, especially not in the context of polarised communities where levels of trust and collaboration are low. Development planning has a direct impact on peacebuilding and should therefore be informed by political dialogue. Furthermore, planning processes provide opportunities for dialogue to take place at different levels of society that may contribute to a shared vision of the future. The dialogue takes place not only between stakeholders, but also with donors. Such processes have much potential value as dialogue opportunities. It is important that these processes are sufficiently inclusive of the political spectrum, and of civil society and women’s organisations. They also rely for their success on a well-structured design and skilled facilitation. Because the relevance of political dialogue for planning is undervalued at the moment, it is often dealt with in a bureaucratic manner.

In Liberia the Poverty Reduction Strategy conducted in 2008 followed a multi-level design underpinned by the use of dialogue. One hundred and thirty-four district consultations took place, 15 county consultations, and three regional consultations. These fed into a national stakeholders’ validation conference, attended by 300 participants and chaired by the president. The manner in which national development objectives have thus been identified contributed to greater social cohesion and the emergence of a shared national vision.

2.4. MULTI-LEVEL DIALOGUE

There are examples of dialogue processes that have the objective to address a specific national challenge, but that are structured to take place at various levels of society. Typically dialogues would take place at the local level, which would then feed into higher level processes that may culminate in a summit meeting. An alternative approach is to bring people from various levels of society or from different sectors into a dialogue process to stimulate better communication across the levels or sectors. The objective, therefore, is to involve broader society in a dialogue -- as opposed to exclusive elite-driven processes. This often relies on the capacity of civil society to facilitate such processes. The advantage of this approach is that it has the potential to address.
issues of horizontal polarisation (between different identity and political groups) and vertical polarisation (between citizens and the political elite). It risks raising expectations among the population that are subsequently disappointed. A multi-level process also assumes that sufficient capacity exists to facilitate and support the broad array of processes.

In Timor-Leste, following the crisis of 2006, the president and prime minister promoted the need for dialogue. The participation of all sections of society was deliberately pursued and it resulted in numerous dialogue initiatives by both government and civil society. Dialogue processes took place at national and local levels, and within specific sectors (such as the security sector and the youth sector). Opinion on the success of the process is divided. An assessment carried out in 2008 was pessimistic, stating that the political leadership as an elite group failed to effectively engage with society (Von Kaltenborn-Stachau, 2008. A recent assessment by UNDP, however, concluded that the dialogues have successfully shed light on many of the divisions within Timorese society, and that the maintenance of the dialogues has played a large role in laying the foundations for developing the society’s capacity to address them. The government made it clear that, three years into the process, they valued the dialogues, in particular those that fed directly into the work plan of a specific institution and delivered a clear plan of action.

While multi-level dialogue processes therefore address both horizontal and vertical legitimacy, its strongest contribution is in the area of vertical legitimacy – the confidence of citizens in state institutions. The greatest challenge, though, is to ensure that there is linkage and coherence between the processes, that they feed into and build on each other and that they succeed in addressing the political reality.

2.5. THE PRECONDITIONS FOR SUCCESSFUL DIALOGUE

The idea that dialogue is some miraculous medicine that will easily remove the deep structural causes of conflict and decades of strife and trauma purely by the fact that belligerents are brought into the same room and invited to talk, is clearly false. Dialogue is a deeply complex political and psychological process. It has to deal with those issues that have caused violence and the breakdown of order. Moreover, it has to deal with strong emotions (like deep distrust, anger, hatred, fear and guilt) that participants bring to the dialogue and that might have built up over generations. These emotions have to be managed properly in order to make progress. It is not surprising that there are many examples of failed dialogues. Moreover, dialogue may do harm. If it is pursued with ulterior motives such as to buy time or to impress external actors, its inevitable failure contributes to deepening levels of distrust and cynicism, and the growth of “dialogue fatigue” – the condition of distrust in dialogue itself.
One of the most remarkable multi-level dialogue processes took place in Somaliland, the self-declared independent state that broke away from Somalia. In the absence of effective functioning state institutions in Somalia following the fall of the Barre regime in 1991, the process of statebuilding in the region of Somaliland is noteworthy for the extent of dialogue that preceded and informed it. The process consisted, first, of peace conferences at the local level sub-clans. The peace conferences brought contiguous and interdependent sub-clans together under the leadership of the elders of each sub-clan. These local conferences, which depended heavily on the customary authority of the elders and involved lengthy discussions that took months in some cases, resulted in agreements that clarified issues of responsibility and leadership and that dealt effectively with the high levels of violence. Following the local conferences, peace conferences were conducted at increasingly higher levels until, eventually, they culminated in the Grand Borama Peace Conference in 1991 that was attended by more than 500 elders and lasted for more than six months. One of its outcomes was the decision to secede from Somalia and seek international recognition as an independent state – an objective not yet achieved (Lederach, 1997; Paffenholz, 2003; Bruton, 2009; Van Brabant, 2011).

The frequent failure of dialogues means that much care should be taken to ensure that the conditions for dialogue are favourable. The experiences reviewed for this report point to the following preconditions for successful dialogue: adequate preparation, credible facilitation, sufficient political commitment, collective leadership capability and adequate levels of inclusion.11

What follows is a brief overview of the preconditions. It will be followed by a discussion on strategies to enhance the impact of political dialogue.

2.6. ADEQUATE PREPARATION

Sloppy preparation does harm. In his description of the protracted mediation in Burundi, Wolpe mentioned how the lack of adequate preparation hindered the process (Wolpe, 2011, p 46, p 50). Little thought had been given in advance to how negotiations would be structured; little preparation was done for individual meetings; with little follow-up between meetings. Every negotiation session effectively began from scratch, and it was often difficult to pick up the threads.

The responsibility for preparation rests with the facilitation team, but they have to negotiate every step of the process with all the prospective partners. Reigning conditions will determine what is possible, but ideally the facilitation team should work with a group of people representative of the main participants to ensure that the concerns of all parties regarding the process are addressed. The preparation process is therefore a dialogue about the dialogue. The participation and transparency achieved in this way are important for building confidence in the process.

Conditions may, of course, not always be favourable for proper preparations, especially in crisis situations where time pressures or physical conditions prevent proper planning. Unfortunately, where this is the case, the dialogue process will suffer proportionally.

Adequate preparation depends on the following:

- An objective, reliable analysis that includes a study of the causes of the conflict, the identification of actors or parties that have to be included in order to find a sustainable outcome and the needs, interests, fears and options of the different parties.
• Learning lessons from past experiences. In many cases there have been previous attempts to facilitate dialogue. It is important to learn lessons from these experiences: what worked in the past and what not, and why? It is particularly important to understand what the reasons were for failure and how the new process will address those matters.

• The design of an appropriate process. The collective wisdom of the facilitation field is that the nature of the process determines, to a large extent, the outcome. Included in the process design is the clarification and allocation of roles and the co-ordination of collaboration. This is particularly important in a context where a range of actors, external and internal, seek to support the facilitation process.

• Setting up a support structure to deal with funding, logistical arrangements and financial management.

• Sufficient pre-mediation consultation with the different parties to clarify the process, manage expectations, ensure that concerns about the process are addressed and establish a relationship of trust with the party.

• Deciding on and planning for an appropriate communication strategy with the press.

2.7. CREDIBLE FACILITATION

The decision of who to appoint as facilitator or mediator is critical. Some observers of the Burundi mediation felt that the deep distrust between the Burundian President Buyoya and the mediator, Tanzania’s President Nyerere, had a very negative impact on the process (Nathan, 1999; Wolpe, 2011). A summit that was organised by Nigeria’s government to address the Niger Delta conflict in 2008 failed to materialise because of a dispute over the facilitator who was unilaterally appointed by the government. In Togo, opposition parties threatened to boycott the second round of summit talks in 2006 because the president did not honour an undertaking to appoint a neutral, international mediator. In Afghanistan President Karzai’s appointments on the High Peace Council that has to facilitate dialogue and reconciliation, similarly threatens to undo his initiative because of perceptions of bias.

In any dialogue between deeply distrustful parties, the facilitator is the guarantor of trust and of fair, equal treatment. Without a shared trust in the facilitator, constructive dialogue becomes extremely difficult. It is therefore critically important that all parties agree to the appointment of the facilitator.

A second aspect of the credibility of the facilitator is the level of professionalism and expertise displayed. The facilitation of an encounter between people that come to the table with deep levels of distrust, anger, fear and even hatred, is a highly skillful undertaking. In addition, there is inevitably a power asymmetry between participating parties that has to be skillfully facilitated. The facilitator has to ensure a “level playing field”. There is a growing body of knowledge and techniques regarding mediation or facilitation. There is similarly a growth in the establishment of professional institutions such as the UN’s Mediation Support Unit or regional support units, and independent institutions specialising in the field. Ignorance of or disregard for the accumulated wisdom and expertise of the field is therefore not only harmful to the process, but also irresponsible (Nathan, 2009).

2.8. SUFFICIENT POLITICAL COMMITMENT

In 2003 the Swazi king called a national dialogue to discuss political reform. However, he clearly had no intention of liberalising his autocratic rule. In July 1991, when the Togolese national conference stripped president Eyadema of most of his powers and established an interim
government and legislature, Eyadema surrounded it with troops. He subsequently allowed the conference to proceed to a ceremonial ending, but used the army to harass his political opponents and maintain his grip on power (Papagianni, 2006, p. 318). In Iraq the National Conference of August 2004, organised by the Coalition Provisional Authority and the US-appointed Iraqi Governing Council, was a failure because the organisers exercised such one-sided control over the process that it pre-empted meaningful, inclusive dialogue (Papagianni, 2006).

The list of summit dialogues that failed because one of the parties, often the ruling party, lacked the political will to agree to and implement measures that would go against their perceived interests, is quite long. There are three main factors that have an impact on the political commitment to embrace change. The first has to do with pressure that comes both from the state of internal conditions in the country, and from the international community (Zartman, 2001). The second has to do with the level of ownership, i.e. the extent to which a dialogue process is embraced by participants, or imposed on them without their consent. It makes a dramatic difference whether participants join a dialogue of their own free will, or whether at the figurative point of a gun. The third factor is the ability of the process of facilitation to instill confidence. Nathan (2009) provides a distinction between power-based and confidence-based mediation. Expert facilitation is no magic wand that removes intransigence and obstinacy in a second, but the process that is pursued is not without consequence. The main task of the facilitator is to enhance the confidence of participants in dialogue as a credible and productive way to deal with the impasse and to ensure that the interests and fears of the different parties are taken seriously. Good facilitation cannot ensure success and cannot create sufficient political will out of nothing, but it can create a climate of trust that enables participants to explore what was previously unthinkable. Bad facilitation, on the other hand, certainly contributes to the hardening of attitudes and positions.

Some of the facilitative steps that can be taken to enhance political commitment are to ensure that the details of the dialogue process (including agenda, venue, participants and the procedural rules that will apply) are negotiated beforehand with all the parties, and that a reasonable consensus exists regarding the objective with the dialogue. If the expectations are too divergent in nature, it is perhaps better to narrow them down through Track Two processes or bi-lateral consultations, rather than to risk the failure of a summit event.

### 2.9. COLLECTIVE LEADERSHIP CAPABILITY

Leadership is undoubtedly a critical factor determining the success of political dialogue. The case studies demonstrate a range of leadership styles regarding the conduct of dialogue. What is clear is that the characteristics and approach of individual leaders have an important bearing on the outcome of political dialogue processes. However, they have never been able to achieve much on their own. Their capacity to mobilise inclusive and wider coalitions of other leaders and organisations is what ensures that their vision is pursued and achieved. These networks include not only political leaders, but importantly also leaders representing other spheres of society.

Research carried out on countries that have been successful in dealing with the challenges of deeply polarised communities and severe poverty illustrate this fact. The ability of leaders to be effective in forming coalitions has been a decisive factor in their success. By coalitions is meant formal or informal groups which come together to achieve goals they could not achieve on their own. Therefore, leadership coalitions may not only refer to formal coalitions between political parties, but rather to the fact that leaders with different initial interests and representing different sectors and levels of society agree to work collectively and co-operatively, whether in formal structures or informally, for longer or shorter periods of time. The successful formation of coalitions, however, requires enough effective and able leaders from a variety of fields to be able to see and reach beyond their immediate interests to a wider encompassing interest. They require leaders that
are capable of negotiating, taking, abiding by and implementing key decisions. It means that leaders should have the education, skills and experience that will enable them to devise and agree the rules of the game (i.e. create institutions) that will organise and mediate political and economic relationships (Leftwich and Hogg; 2007; Leftwich, 2009).

2.10. ADEQUATE INCLUSION

The last precondition to effective political dialogue discussed here, is the issue of inclusion. It presents a serious dilemma. The absence of Jean Bosco Ndayikengurukiye’s CNDD-FDD from the Burundi mediation in Arusha was detrimental to the process, while the inclusion of Foday Sanko’s RUF in a peace arrangement for Sierra Leone was very controversial. There are further questions that complicate the issue: is inclusion not a reward for the undemocratic, violent behaviour of violent parties? Does their inclusion not undermine the long-term objective of establishing a peaceful, democratic state? How do you exclude those pursuing politics with criminal intent? And who should make the decisions on inclusion and exclusion? Should the international community or other interested states, for example, be allowed to determine who are the legitimate participants and who are “terrorists”?

The World Bank has formulated the concept “inclusive enough” on the basis of research that indicated that transitions from violence have in most cases been achieved by talks that have been sufficiently, but not fully inclusive. They formulated three key lessons on inclusiveness: (i) groups may legitimately be excluded where there is an evolving belief among the population that they have sacrificed their right to participate due to past abuses; (ii) there can be trade-offs between wide inclusiveness and efficiency of subsequent state decision making; and (iii) inclusion strategies can change over time as it becomes possible to marginalise consistently abusive groups or include a larger set of stakeholders (World Bank, 2010).

The ideal, though, is that participants in a dialogue should be a representative microcosm of the complete conflict system (Pruitt and Thomas, 2007). It means that all those who participate in the conflict and who suffer its consequences have to be included. Indications are that excluded groups return to violent tactics to a greater extent (Gurr, 2000, quoted in Jarstad and Sisk, 2008). Moreover, if exclusion, particularly on the basis of identity, is a main cause of violent conflict, it follows logically that the success of a dialogue process will be determined by the extent of the inclusion it achieves. Inclusion of civil society has the advantage that it may moderate the hard-line positions of politicians and, in particular, armed groups. They also introduce views that highlight different societal concerns than those pursued by political or armed groups.

Therefore, the decision on who to include or exclude is key to the success of the process, but is in itself often controversial and a source of tension, not only between participants, but also between the international community and local actors. In principle the decision on who should participate in dialogue belongs to the participants, those who should own the process. It is not a decision that should be imposed by external actors or the facilitator. However, given the fact that the success of a dialogue is determined by its level of inclusiveness, facilitators should ensure that decisions regarding inclusion have been informed by relevant and valid concerns and principles. It is an area that may be in need of substantial dialogue on its own. What is, however, not acceptable is that issues of inclusion and exclusion in internal dialogues are determined by the political agendas of external actors.

The inclusion of women is a topic of particular importance. Conflict and war are not gender-neutral. Because men, women, boys and girls engage in and experience conflict and war in different ways, they require different security, peacebuilding, humanitarian and development responses. Women often find themselves in situations where, on the one hand, their responsibilities to support children
and families increase as their access to opportunities and resources decrease. On the other hand, they are extremely vulnerable to conflict-related sexual violence with its physical and psycho-emotional damage, including the spread of sexually transmitted diseases, particularly HIV/AIDS, and unwanted pregnancies. Addressing the impact of conflict on women, therefore, requires concerted efforts to ensure women’s and girls’ access to health services, justice and reparations, DDR packages, land, resources, income generation and employment. Specific attention to women's needs and priorities in conflict and post-conflict contexts also requires addressing a range of historic and systemic gender gaps, and unequal policies and structures of discrimination that have disadvantaged women and distorted overall development (Torry, Rana and Bhadra, 2010).

While armed conflict and crisis situations can radically affect social and cultural relations, they can also provide a window of opportunity for addressing structural inequalities. It is imperative that this window of opportunity be seized early on, and that women and women’s needs and concerns are included at the outset of peace negotiations and accords, donor conferences and other post-conflict planning processes. Yet, in conflict and in post-conflict situations, women and women’s needs, priorities and perspectives are largely absent from peace processes, donor conferences and in early recovery and peacebuilding (Torry, Rana and Bhadra, 2010).

Since 1992 women have constituted less than 8% of negotiating delegations in United Nations mediated peace processes, and are less than 3% of peace agreement signatories. There are ample grounds for concluding that women’s underrepresentation in peace talks has contributed to the relative neglect of women’s priorities in the texts of peace agreements and, subsequently in post-conflict planning and financing frameworks. A study of 585 peace agreements concluded between 1990 and 2010 found that just 16% contained references to women. Many mention women – along with children, the disabled and refugees – merely as a group requiring special assistance. They are, therefore, simply victims. Another study found that, globally, in only eight cases was sexual violence included among the “prohibited acts” that would constitute a ceasefire violation.15

The inclusion of women in peace processes may present challenges in cultural settings and religious contexts where the role of women is impacted by age-old traditions. It is a dilemma that must be recognised. However, the principle of women’s inclusion should be pursued as constructively as possible.

The inclusion of youth is similarly important for two reasons. Firstly, in many conflict-affected countries the so-called youth bulge is very real, meaning that youth constitute the majority of the population. They are often unemployed and destitute and therefore easily manipulated into violent activities (World Development Report 2011). Secondly, since many young men and women have been socialised into violent behaviour during the war, it is important to engage them in processes of reconciliation as well as opportunities to acquire dialogue skills and attitudes. This is particularly true of youth leadership.

It may not be feasible to include youth formations in high-level dialogue, but it is certainly necessary to involve them in other dialogue processes and in training opportunities.

2.11. Promoting a Culture of Dialogue

The overarching objective of political dialogue is to promote a political culture where inclusive dialogue is an integral part of conflict prevention, peacebuilding and, for that matter, democratic governance processes. One of the key lessons that stand out from the analysis of current experiences is that the use of political dialogue is too sporadic and one-off in nature. Political dialogue is often just used as a tool during peacemaking processes or periods of dramatic instability. Its contribution to conflict prevention, post-conflict peacebuilding and statebuilding is
undervalued. In fact, one of the reasons for the frequent failure of peace agreements may well be that post-conflict reconstruction and peacebuilding are not sufficiently rooted in long-term, ongoing political dialogue.

It has to be clarified, though, that political dialogue is not in opposition to institution-building. There is a concern that dialogue processes may undermine the task of strengthening state institutions if dialogue is facilitated by non-state actors or the international community in a manner that discredits or by-passes existing institutions. Well-functioning state institutions are increasingly seen as a necessary precondition for peace and stability. In fact, the central conclusion of the World Development Report 2011 is the need for strengthening legitimate institutions and governance (in particular to provide citizen security, justice and jobs). Dialogue processes that replace the role of these institutions potentially do harm in the long term. Those institutions that have been mandated by the constitution to peacefully manage conflict and political contests (such as parliament, registered political parties, electoral commissions and other ad hoc commissions such as those responsible for human rights and anti-corruption measures) should benefit from political dialogue. Ideally, political dialogue should take place under their auspices.

However, in many cases state institutions are not functioning properly because they have been compromised by political bias, corruption and inefficiency. They therefore lack broad-based legitimacy. The role of political dialogue in such contexts is precisely to strengthen the legitimacy of institutions by building consensus on and trust in their proper functioning. In other words, extraordinary processes of dialogue are at times necessary in order to build or strengthen the legitimacy of institutions. In addition, such processes of building credible and efficient institutions are long-term in nature – between 15 and 30 years (World Development Report 2011). During this time societies should have ongoing access to the option of conducting extraordinary dialogue processes, but with the objective to strengthen the legitimacy of institutions.

In addition, in a context where state institutions are not yet fully functional and where society is experiencing extraordinary levels of tension and stress, it is a matter of urgent necessity to strengthen the capacity of that society to deal with tensions through facilitated dialogue processes, whether (preferably) under the auspices of state institutions, or as extraordinary measures.

What is clear is that it is necessary to develop a long-term perspective on the need for support to political dialogue. The emergence since 1999 of UN political missions configured as integrated peacebuilding offices with broader mandates and subsequently the establishment of the UN Peacebuilding Commission, have, inter alia, signaled that such a long-term view is necessary. There is an assumption, though, which still holds in some quarters that, once a peace agreement has been signed and the first elections concluded to legitimise a new executive and legislature, the task of peacebuilding is complete. But in societies that are often highly diverse, deeply polarised through war, where much trauma has taken place, where distrust runs deep, and where the struggle for survival is often stark and harsh, political dialogue cannot be seen as a one-off activity limited to times of national crisis or transition. The use of inclusive dialogue to deal with potentially divisive problems has to become normal – the default option, whether at the local or national level.

This section considers five strategies that may contribute to achieving this ideal: support to enhancing the dialogue capabilities of the collective leadership; the establishment of “infrastructures for peace”; strengthening the interdependence between planning processes and political dialogue; attention to the problem of implementing results of political dialogue processes; and support to specialist institutions.
2.12. LEADERSHIP AND COALITION FORMATION

In light of the importance of leadership coalition formations as a precondition for successful dialogue,21 discussed above, the question that remains to be answered is whether this is an area that will benefit from focused interventions.

There is no quick-fix solution to the development of the leadership qualities of individuals. Leadership is nurtured by upbringing and quality education (De Ver and Kennedy, 2011). However, dialogue and coalition-forming is the process by which leaders learn to work together. This process can be stimulated through dedicated interventions to strengthen the dialogue skills of leaders, as well as their capability to form productive coalitions.

There are examples of projects that have the above objective. The Woodrow Wilson International Center for Scholars has developed an innovative approach, first in Burundi (between 2002 and 2008) and subsequently in other countries such as Liberia (Wolpe et al., 2004; Wolpe and McDonald, 2006). The motivation for the project was informed by an analysis of the post-civil war context in Burundi. It concluded that reconstruction and peacebuilding were hampered by the weak capacity of its collective leadership to overcome zero-sum, aggressive negotiation styles. There was no recognition of interdependence and common interests among the different groups, nor recognition that their objectives could be more effectively advanced through collaboration and inclusive political processes. The Burundi Leadership Training Program was developed as a response (See Box 2.4).

---

**BOX 2.4. THE BURUNDI LEADERSHIP TRAINING PROGRAM**

One After months of consultations with a cross-section of Burundian leaders from across all political and social sectors, representing ethnic, regional, functional and gender diversity, 95 Burundian leaders who reflected that diversity were strategically selected to take part in an 18-month-long capacity-building initiative, with follow-up workshops every 2-3 months until 2008. The objective was to build a cohesive, sustainable network of leaders who could work together across all ethnic and political divides in order to advance Burundi’s reconstruction. The principal instrument that was used in the process was experiential learning. A variety of simulations and other interactive exercises were used to open up discussions on the nature of interdependence and the value of finding inclusive solutions to problems.

The impact of the project surprised many (see Sommers, 2005). It led to levels of social cohesion and collaboration among the political class that were unprecedented. This does not mean that final reconciliation has been achieved, or that all instability has been dealt with. The 2010 elections provided sufficient reasons for ongoing concern, but it is interesting that the tensions of 2010 were not inter-ethnic in nature, but rather intra-ethnic. A further indicator of its impact was that requests kept coming in for its implementation in specific sectors, such as the military. A similar process was followed for the top command of the army and the armed rebellions that made a substantial contribution to the fact that the integrated Burundian army has emerged as a professional and cohesive organisation, contributing not only to Burundi’s immediate security, but also to the challenging Somalia peacekeeping effort (Wolpe, 2011, p 61).

---

There are more examples. The World Bank initiated a fairly similar approach in Timor-Leste in 2007, called the Leadership and Communication Capacity for National Renewal (LCCNR) Programme. Of interest is the analysis that informed the project, namely that the leadership and communication style of political leaders reflected the long years of clandestine existence that necessitated secretive behaviour. These leadership styles did not suit the post-conflict
peacebuilding context where open communication, confidence-building and productive leadership coalitions were necessary. The Ramos-Horta government, however, took the step of addressing these issues by agreeing to the World Bank programme. The programme targeted formal and non-formal national leaders (political leaders, as well as civil society, business leaders, senior media people, the church, senior judiciary, senior military and police) (World Bank, 2007). Also, in Nepal a project is currently being implemented by UNDP that seeks to develop the dialogue and networking capacity of an inclusive group of leaders. It is, however, too early to assess the impact of these projects, but their design accurately reflects the objective to facilitate the formation of leadership coalitions by enhancing dialogue skills and attitudes. What also stands out about all these projects is the longer-term perspective of their planning. The projects are not short-term and one-off events; but rather a fairly sustained intervention.

In conclusion:

- Interventions such as the above that are aimed at strengthening the appreciation for and skill in the formation of productive leadership coalitions, show much potential. This is an area where ongoing experimentation should be considered positively.

- It is important to base such projects on solid analysis, substantive consultation and sufficient evidence of political ownership.
3. INFRASTRUCTURES FOR PEACE

"Infrastructures for peace" is a strategy that relies on existing capacity in a society. It depends on a political mandate for the use of inclusive dialogue to address problems, effective linkage between existing structures (government institutions, civil society organisations, traditional institutions and political parties) at all levels of society and the availability of facilitation expertise.

Ghana provides an interesting example in this respect. The process to establish such an infrastructure came out of a realisation that there were shortcomings to the normal “law and order” approach to dealing with violent community conflicts. Some of these conflicts were sufficiently serious to constitute a threat to national stability. In 2004, for example, a state of emergency was declared in the Northern Region because of the Dagbon conflict – a conflict on succession issues in one of the most important kingdoms of the region. The conflict erupted some months before national elections were to be conducted, leading to fears that it could be politicised for electoral purposes. Previous law and order approaches to similar disruptions had not fully resolved such conflicts. Following an initiative by civil society that later received substantial UNDP/DPA collaboration and support (at the request of government), an alternative approach was followed. The approach relied on the use of widely inclusive dialogue and consensus building that was professionally facilitated by independent professionals and, in some cases, UN staff, and that enjoyed the support and engagement of government and an inclusive range of traditional and civil society structures.

As a consequence of the proven appropriateness of this approach, the decision was made to move forward with the institutionalisation of an infrastructure for peace. The infrastructure consists of councils of representatives of relevant stakeholders as well as individual Ghanaians who enjoy high levels of trust and respect within society. These councils exist at national, regional and district level with the mandate to facilitate dialogue, problem-solving and reconciliation processes at their levels of jurisdiction. They are served by a body of full-time, professional Peace Promotion Officers connected to the 10 Regional Peace Advisory Councils. Furthermore, a Peace Building Support Unit was established within the Ministry of the Interior to co-ordinate support and collaboration from government agencies.

The National Peace Council was established in 2006 even though enabling legislation was not in place at the time. In fact, legislation was only approved in 2011. However, the council was able to defuse a number of potentially violent conflicts, most importantly the escalation of tension during presidential and parliamentary elections in 2008. When tensions threatened to explode into open violence during the period when the election results were anticipated, the National Peace Council stepped in and facilitated discussions between the leaders. It contributed to the joint and public commitment by the leaders of the two contending parties to respect the official outcome.

"Infrastructures for peace" is an approach that is finding increasing application (Odendaal, forthcoming). It has been used, in one form or another in, for example, Nicaragua (1987), South Africa (1991-1994), and Northern Ireland (1996 – with a specific focus on policing). In FYR Macedonia and Serbia the Committees for Inter-Community Relations institutionalise ethnic dialogue at district level. Of particular relevance may be its application in the contexts of elections, as in Sierra Leone (see Box 3.1).

The key elements of a potentially successful infrastructure for peace are: (i) the infrastructure legitimises the use of dialogue and consensus-seeking approaches to conflict at all levels of society; (ii) it allocates responsibility for violence prevention and peacebuilding to a specific collection of persons at various levels and locations; (iii) it ensures that sufficient linkage takes place between relevant stakeholders (government, political parties and civil society) and resources.
at the different levels; (iv) it ensures that a measure of expert support in facilitating dialogue is available to support dialogue processes.

A particular attraction of an infrastructure for peace is that it is relatively inexpensive because, apart from the full-time technical and administrative staff, it relies on existing capability in society. Furthermore, the reliance on existing government, civil society and traditional structures means that there is no need for elaborate institution-building; the focus is rather on allocating responsibility, establishing effective linkages and utilizing dialogue in skillful manners.

---

**BOX 3.1. ELECTION MONITORING IN SIERRA LEONE**

In 2007 the Sierra Leone National Electoral Commission conducted its third post-conflict elections since the end of the 10-year civil war and the 1999 Lomé Peace Accord. These were completed with limited support from the international community as the peacekeeping operation UNAMSIL had handed over to a smaller integrated political office, UNIOSIL. A key change was the formation of the independent Political Parties Registration Commission (PPRC), a body provided for in the 1991 Constitution and 2002 Political Parties Act, with a Judge, the Chief of the Electoral Commission, a legal practitioner, and a member nominated by the Sierra Leone Labour Congress. Not only does the commission register and regulate the functioning of political parties, it was also given a conflict mediation role. In this context it facilitated negotiations between political parties on a voluntary code of conduct, in itself a major achievement.

In order to facilitate the monitoring of the code of conduct, committees were also established at national, regional and local levels that consisted of representatives of all political parties participating in the elections, civil society organisations, the police and the electoral commission. These committees, co-ordinating with the Sierra Leone Police Force, effectively dealt with the tensions and conflict associated with the elections process, and thereby contributing substantially to its successful and largely peaceful conclusion. Following the 2007 elections, the next political mission UNIPSIL, in collaboration with the PPRC, also facilitated a series of inter-party dialogues involving Sierra Leone’s major political parties to promote confidence and mutual trust among them and to prevent violence. This dialogue created a platform for resolving tensions around 2009 election-related violence that resulted in the Joint Communiqué referred to above (see Footnote 9 above). As the country now prepares for the 2012 national elections, inter-party dialogue remains an important mechanism for conflict prevention and promoting peaceful elections.

In conclusion:

- An infrastructure for peace is a cost-effective mechanism that relies exclusively on dialogue and is relevant for conflict prevention and for the post-agreement management of ongoing tensions and conflict.

- It functions at all levels of society and has the capacity to address problems at the level where they arise.

- The reliance on dialogue as the instrument to deal with ongoing post-agreement social and political tensions has strong benefits for reconciliation and peacebuilding.
• The reliance on existing capacity, coupled with the strengthening of that capacity, through access to facilitation expertise and training, is important for local ownership and development.

• However, the process of establishing an infrastructure in Ghana took eight years (2003-2011) and is not yet complete. The establishment of such infrastructures should not take place on the basis of hasty, superficial considerations. Its specific design should follow the contours of the country and not that of a template developed elsewhere. Joint political ownership is critical. It is, in other words, a process that must be home-grown, but that will benefit from learning from experiences elsewhere.
4. POLITICAL DIALOGUE AND PLANNING

Reference has been made above to the potential of using planning and technical processes (such as PRSPs) as opportunities for inclusive political dialogue, and, conversely, that political dialogue informs policy and planning. It is an area in need of much further thought and experimentation. It is also the subject of a parallel report by the working group of the International Dialogue on planning and is treated there in much more detail.

Planning, in a context of distrust and lingering polarisation may contribute either to more conflict or to peacebuilding. Planning regards the distribution and utilisation of resources, and determines priorities in this respect. It is a deeply political matter. In any development strategy there are relative winners and losers, and shifts in the power balance of a society. In the context of divided communities, the conflict potential of planning and development processes is therefore high. Much institution-building and development work has been undone because of a basic lack of sufficient social cohesion and consensus. Conversely, when informed by dialogue and consensus, the peacebuilding potential improves considerably.

It also means that planning cycles or frameworks should not extend beyond the political cycle or the lifetime of the political agreement in place, but should be realistically aligned to the political reality. Planning should not try to pre-empt political developments and should rather focus on what is do-able within the reality of the current situation.

From a facilitation perspective, all the preconditions for successful dialogue apply equally to these processes. It is therefore important to ensure that the facilitation of such processes is done professionally. It cannot be done in a bureaucratic manner.
5. THE IMPLEMENTATION OF POLITICAL DIALOGUE

Most of the case studies report on the problem that the results of political dialogue are not implemented as expected. It is a serious matter because of the very negative impact it has on confidence, not only in government or those responsible for implementation, but in the agreement and the value of dialogue itself. Failure in implementation also indicates that the dialogue process did not deliver sustainable results.

Non-implementation may point to a lack of political will and the cynical misuse of dialogue. However, complex social systems are rarely transformed through one-off events, but are subject to the ongoing push and pull of counteracting or reinforcing loops (Ropers, 2008). In other words, once an agreement has been reached, the agreement remains subject to forces that will resist its implementation and forces that want its implementation. The failure in implementation is therefore not necessarily a matter of political mischief, but may be an indication of a fairly normal post-agreement struggle that takes place intra-party and between parties. The point is not to condone failure of implementation, though, but rather to emphasise that there should be no complacency once agreements have been signed, and to sustain attention on implementation. It is a reasonable expectation that renewed conflict may emerge during the implementation process. As reflected in the Secretary-General's 2009 mediation report, it is as important to achieve agreements that facilitate implementation as to ensure that professional capacities for mediation are sustained throughout implementation.25

There are a number of pointers in the direction of a better approach to implementation. First, accept and plan for the inevitability of implementation challenges. All actors in the peace process – belligerent parties, facilitators, the international community, donors and the general public – have to appreciate this reality. It implies, inter alia, continued reliance on political dialogue to find collaborative solutions to the new challenges. The emphasis on dialogue may well shift towards the “how” of building peace, but the process will be as subject to the preconditions for successful dialogue as the initial negotiations.

Second, when external actors apply pressure on political leaders to sign agreements without allowing them sufficient time to get the buy-in of their constituencies, they contribute to implementation failures. This is particularly the case when leadership of the party is weak and the party divided. Negotiators then fall victim to hard-liners in their own party for making unpopular concessions. The resulting tensions between negotiators and hardliners within parties paralyse decision making. When intra-party consensus on the details of the agreement is therefore weak, implementation will suffer.

Third, potentially the strongest force to support implementation is the citizenry. It is important, therefore, to provide adequate information to citizens regarding the contents of the agreement, and to engage them as much as possible in ongoing dialogue regarding implementation. It is also important to ensure, where appropriate, that the results of political dialogue are validated as broadly as possible (e.g. by parliaments, referendums or opinion polls). An active civil society that is monitoring implementation and staying engaged in the ongoing dialogue can make an important contribution.

Fourth, as discussed above, it is important to see post-agreement planning processes as an extension of the core process of political dialogue. When planning is driven by political dialogue, it has the potential to contribute to more successful implementation.

Last, it is important to design specific processes and, in some cases, establish institutions to monitor and guide implementation. In Zimbabwe, for example, SADC has an ongoing mandate to
monitor and guide the deeply troubled implementation of the Global Political Agreement. In Kenya a specific institution was created to assist implementation (see Box 5.1).  

**BOX 5.1. IMPLEMENTATION OF THE RESULTS OF POLITICAL DIALOGUE “KENYAN STYLE”**

In Kenya, following the signing of the agreement in 2008 as mediated by the AU panel led by Kofi Annan, the Kenyan parties, the AU, the UN and their national and international partners agreed on the need to ensure the effective implementation of the National Dialogue agreements in order to consolidate the peace process and address the country’s long-standing challenges and the underlying causes of the violence. An AU Coordination and Liaison Office (CLO) was consequently established to support and facilitate the timely and effective implementation of the agreements. It was financed through a basket fund supported by fourteen donors. The CLO also had personnel seconded from the UN Department of Political Affairs (DPA). One of the objectives was to maintain political dialogue between political actors. The CLO worked with a dialogue team, comprising representatives of the two parties in conflict, which had together formed a coalition government in accordance with the negotiated power-sharing settlement. However, the CLO at times found it difficult to engage the dialogue team, partly due to tensions between the parties. Nevertheless, there can be no doubt that much progress has been made in Kenya, as demonstrated by the successful conclusion of negotiations on a new constitution, ratified in 2010.
6. INSTITUTIONALISATION OF DIALOGUE SUPPORT

The last strategy considered here for promoting in-country political dialogue is that of the institutionalisation of dialogue support. There is a need for organisations that specialise in research, training and providing specialist support to complex mediation or facilitation processes. It is important that these institutions are located close to the locus of contemporary conflict with a specific focus on the experiences and challenges of their context. Moreover, these institutions should not be mere carbon copies of western institutions, but should be appropriate for the cultural contexts and the specific needs of societies. When establishing institutions to support dialogue, careful attention should therefore be given to indigenous conflict management capacities in societies, and ways to achieve the “best fit” between these indigenous capacities and the body of knowledge and skills that has been developed across the world.

The rationale for such institutions is the fact, as discussed above, that mediation and the facilitation of dialogue are complex matters that require high levels of knowledge and skill. The quality of facilitation has an impact on the process. Given the importance of political dialogue, it is in the interest of specific countries and the international community as a whole to invest in the promotion of higher levels of knowledge and skill and in the capacity to provide expert facilitation support.

There are three general categories of institutions. The first is institutions that serve international organisations such as the UN, regional, or sub-regional institutions, in their efforts to maintain international peace and security. The UN Mediation Support Unit, and other UN Secretariat and political mission support to the development of regional and national mediation capacities are good examples. Another is the Democratic Dialogue Regional Project of the UNDP Regional Bureau for Latin America and the Caribbean (RBLAC). Since 2003, it has provided active support to dialogue initiatives promoted by UN country offices of Latin America and the Caribbean.28

A particularly relevant development in this respect is the establishment of panels of eminent persons with the mandate to mediate or facilitate dialogue. This practice is growing particularly in Africa where the AU, most of the sub-regional bodies and individual countries have established or are considering the establishment of such panels. The mediation effort in Kenya in 2008 was, in fact, the first major intervention by the AU’s Panel of the Wise. Connected to this development is the intention to establish specialist support units to provide expert assistance to the eminent persons’ interventions. It is work in progress, and certainly a development worth supporting.

The second category is country-specific. It is intended and designed to serve the specific needs of a country and has a national mandate to perform this service. The “Common Space Initiative for Shared Knowledge and Consensus Building” (CSI) in Lebanon is an example (see Box 6.1). It is the product of a collaborative effort between the UN and leading national institutions: the presidency, ministries, universities, civil society organisations and political parties across the political spectrum. Because of the formal nature of its mandate, it enjoys open access to formal institutions and political parties.
The CSI is, on the one hand, a physical space. It is an office complex with meeting rooms, conference facilities and a library. Its core responsibility, however, is to support the National Dialogue, a meeting of the leadership of all political parties under the chairmanship of the president. The National Dialogue provides an alternative and discreet opportunity to the collective leadership to discuss serious issues in a context where public institutions often struggle to address the main reasons behind the crisis in the country.

The CSI further seeks to support dialogue in the country by stimulating impartial research. It produces research papers, mapping documents, reports and policy briefs. The policy briefs aim to collectively define existing political discourses, support constructive debates, and develop new collective thinking on future options. In addition the CSI supports dialogue processes at various levels of society on a range of important issues.

The third category of institutions is independent institutions or CSOs that specialise in political dialogue, but that do not operate with a formal national mandate. The disadvantage is that, at times, they find it difficult to have access to or work with formal institutions. Their informality, as noted above, may however also be an advantage, because it enables them to operate discreetly and provide low-risk opportunities. As with CSOs in general, the quality of their inputs may vary considerably from institution to institution, but a professional, well-organised institution of this nature adds considerable value to internal dialogue and the empowerment of local leaders in dialogue capacity.30 CSOs are also instrumental in providing training in dialogue skills to various audiences.
7. IN-COUNTRY DIALOGUE AND THE INTERNATIONAL COMMUNITY

The role of the international community in internal dialogue processes has been substantive. Most of the mediation processes took place under the auspices of the international community, often as joint efforts between the UN and regional or sub-regional institutions. The international community, and donors in particular, have also provided substantive support to all the other types of dialogue in the form of funding, capacity building and expert assistance.

However, international assistance is not without its controversies and dilemmas. From the case studies the following issues have emerged as areas where the role of the international community in supporting internal dialogue may need further attention.

Co-ordination: Much progress has been made in enhancing collaboration within the international community. A recent study commented positively on the ability of the UN and the AU, the EU, the OSCE and ECOWAS to work collaboratively and effectively in mediation efforts (Call, 2011, draft). The intervention in Kenya in 2008 to support the AU-led mediation is a fine example of AU, UN and donor collaboration (Kofi Annan Foundation, 2009. While this is a cause for celebration, there is still evidence of the negative impact of a lack of co-ordination.

The problem of short-termism: Too many dialogue initiatives are conducted as one-off initiatives. Such initiatives are not without value. They may break an impasse and infuse new energy into efforts to deal with a crisis. However, as discussed, peacebuilding requires a long-term view, while the attention span of the donor community is too short. Too much of the attention of the donor community may be on dealing with a humanitarian crisis, achieving a political agreement and, thereafter, the conduct of the first elections. Once the elections have been completed, the assumption is that political legitimacy and stability have been restored, which, in most cases, is not really true. While attention to short-term tasks is necessary, the thrust of financial and technical support to the promotion of political dialogue should have a long-term focus. It should enter much earlier than at the point of the outbreak of violence, with a strong focus on violence prevention; and stay beyond the first elections to assist the process of consolidating and implementing peace agreements.

Better analysis: There is a disconcerting refrain that comes from the case studies and the literature: the assumption that western concepts, institutions and solutions are automatically appropriate for countries that have completely different histories, cultures and challenges. This is false. The persistence of this assumption points, among other things, to insufficient analysis. International organisations and donors make a greater effort to understand not only the surface conditions of conflict, polarisation and poverty, but the deeper trends and root causes (Leftwich, 2009), and develop a better appreciation of the applicability or not of their own models. In fact, the real challenge, which is a joint challenge to both the international community and fragile states, is to determine the “best fit”. In other words, the challenge is to find solutions and build institutions that will best fit the specific conditions and challenges that exist. The debate about whether institutions should have a western or indigenous orientation is largely academic. What is important is whether the best practical response to the existing reality has been found. Moreover, the analysis should not only understand the causes of polarisation, but also the resources that exist in a society that may support dialogue processes and peacebuilding. Failure to identify and enhance such resources is an opportunity lost.

Prevention is better than cure: Coupled with the problem of a short-term focus on recovery and early elections, is the neglect of a conflict-prevention focus. It has two aspects. The cost effectiveness of mediation, preventive diplomacy and other forms of dialogue over recovery efforts has been well established. Yet it still does not attract the investment in research, capacity
building and institutionalisation within conflict-prone countries that it deserves. The second aspect is that situations that have experienced violence attract massive concentrations of funding to deal with the crisis, while states that do not experience violent conflict but that face similar complex challenges are neglected. A strategy of conflict prevention would require that states where conflict prevention is still a feasible option receive sufficient attention.34

**Legitimate institution-building:** The building or strengthening of efficient and credible public institutions is a key strategy in the quest for successful, prosperous states. Yet, too much institution-building is unbalanced because of a focus on technical capacity rather than political legitimacy and contextual relevance.35 The WDR 2011 has remarked on the slow progress in changing donor behaviour, particularly regarding the focus on form rather than the function of change, and the reluctance to move away from headquarter prescriptions to “best fit” solutions. At heart is the risk involved in moving from “safe” investments (such as funding ballot boxes, model procurement laws and anti-corruption and human rights commissions) to more risky investments in “best fit” practices.

These matters are urgent topics for dialogue between the international community and the g7+.
8. CONCLUSIONS

1. The contribution of political dialogue to post-violence reconstruction and reducing fragility is its role in facilitating consensus, strengthening legitimacy, building trust, promoting reconciliation and enabling productive coalitions between important actors. Dialogue plays a necessary role in violence prevention, peacemaking and peacebuilding. It is also indispensable in institution building because of its contribution to strengthening the legitimacy of institutions and in ensuring “best fit” solutions.

2. Political dialogue takes many forms, with each approach having specific advantages and disadvantages. It means that care has to be taken in designing a dialogue process. Success is not guaranteed, and failure may do harm because of reduced confidence and dialogue fatigue. However, there is sufficient evidence that the impact of political dialogue can be strengthened and improved through well-designed interventions.

3. It is evident that a specific dialogue process is not able to address all the variables that cause conflict. There is a need for multiple interventions that complement each other and that operate at different levels of society.

4. Political dialogue is a complex undertaking that relies on specific preconditions and that benefits from professional attention. The preconditions are adequate preparation, credible facilitation, sufficient political commitment, the collective leadership capability to form productive coalitions and sufficient inclusion.

5. Complex political problems and deeply embedded patterns of distrust and hostility cannot be solved through a one-off dialogue event. The process of building sufficient social cohesion and functional institutions in a society that has been ravaged by violent conflict is a long-term process of two to three decades. The focus therefore has to be on strengthening procedures or institutions that have the capacity to sustain dialogue processes. Ultimately the objective has to be a political culture that resorts to dialogue as the first response to rising tensions.

6. It is in the interest of affected societies and the international community to invest in procedures or institutions that assume responsibility for ongoing dialogue and that enhance the potential for success with dialogue. These include institutions that specialise in dialogue support, “infrastructures for peace” and projects that provide opportunities for the strengthening of leadership capabilities.

7. Planning for peacebuilding and development has to be driven by political dialogue. These are political matters with the potential to either contribute to further violence or to peace, and should not be pursued in a purely technical or bureaucratic manner. It is important to ensure that the political dialogue that should underpin these processes is conducted with full awareness of the preconditions for success.

The implementation of dialogue results is an area that needs particular attention, particularly in terms of strengthening procedures or institutions to assist the implementation process. What is clear is that the need for dialogue does not end when an agreement is signed. Political dialogue remains necessary throughout the implementation process.

Political dialogue between g7+ countries and the international community has to focus on “best fit” solutions; and the constraints and risks that inhibit such a quest.
1 Dili Declaration 2010. For more information: wwwpbsbdialogue.org

2 More civil wars today are ended through a negotiated agreement than through military victory (Toft 2006; Jarstad and Sisk 2008), which indicates the increasing reliance on dialogue as a peacemaking mechanism. However, these agreements are often fragile, with approximately 50% of cases relapsing into violence within 5 years (Fortna 2008). It underscores the need to build peace in an ongoing manner through multiple and multifaceted interventions.


4 The report won’t address transitional justice measures such as Truth and Reconciliation Commissions, which may also seek to address issues of truth, reparations and post-conflict reconciliation. See Report of the Secretary-General, The rule of law and transitional justice in conflict and post-conflict societies, S/2004/616.

5 For descriptions of mediation processes, see Wolpe 2011 (regarding Burundi), and Call 2011 – Draft (Kenya, Mauritania, Guinea, Kyrgyzstan and Madagascar).

6 Following violence in a Sierra Leone by-election that produced a political compact between the two main political parties in the form of the 2 April 2009 Joint Communiqué, the second PRSP “An Agenda for Change” was used as a vehicle for broader consultation on gaining consensus on the measures necessary to build durable peace and development a decade after the end of their civil war. Both the Burundian government and the government of the Central African Republic voiced their intention to make better use of the PRSP process as an opportunity for dialogue and building a nationally owned vision. See www.oecd.org/dataoecd/62/59/45122645.pdf.

7 The PAPEP strategy developed by the UNDP Regional Bureau for Latin America and the Caribbean is another example. It utilises scenario development, followed by the discussion of findings in “dialogue spaces” attended by national political and civil society actors. It also makes use of opinion polls. This approach was, for example, followed in Bolivia in 2008-2009. In Bolivia it contributed to the successful negotiation of a new constitution. In Kyrgyzstan UNDP implemented a Peace and Development Analysis process in 2010 based on the understanding that planning should be informed by political dialogue.

8 See Van Brabant (2011), p 12 for an example of inter-sectoral policy-dialogue on “democratic security” in Guatemala that has been taking place since 2000.

9 See Van Brabant (2011), p 10-11 for the various complementary dialogue processes implemented by civil society in Burundi, pointing to the need for “…a multiplicity of potentially complementary efforts that – over significant amounts of time – hopefully will begin to show cumulative effect”.

10 In Guyana, in a joint DPA/UNDP initiative, a programme was launched in 2003 that stimulated local and national dialogues – called “conversations to explore” because dialogue, by that time, had acquired a negative connotation. The primary objective was to ensure violence-free elections in 2006. A range of inclusive local level dialogues was conducted, capturing the aspirations of the communities for their society, which fed into a two-day national conversation. An independent assessment concluded that these conversations contributed to the fact that the 2006 elections were the first to be peaceful (Lund and Myers, 2007). There are indications that ethnic tensions have subsequently subsided to some degree.

11 These findings largely agree with the general consensus in the community of facilitation practitioners. See, for example, Pruitt and Thomas (2007).

12 Much scholarly debate has been devoted to the question of whether animosities are the product of vast impersonal forces in human history, or a more instrumentalist understanding of the role of elites in
exploiting differences for political purposes. Increasingly, however, the importance of human agency is recognised. Brown (quoted in Ramsbotham et al (2005), p 104, for example, has calculated that almost 70% of major active conflicts at the time were triggered by “bad leadership”. Current developments regarding the indictment by international tribunals and the International Criminal Court of national leaders confirm that leaders are increasingly being held accountable for the manner in which violence has been used to pursue domestic agendas (see Lutz and Reiger, 2009). However, the most effective prophylaxis for bad leadership is strong democratic institutions. The emphasis on leadership should therefore be read with the need for institution-building and not as an alternative to it, and with the understanding that especially during transition periods quality leadership networks are needed to build and sustain effective local institutions.

13 See the website of the Developmental Leadership Program (DPL) (http://www.dlprog.org/); Leftwich and Hogg (2007); Leftwich (2009).

14 The World Development Report of the World Bank (2011) stated: “...the state cannot address complex stresses and violent challenges on its own but must build momentum through coalitions that are sufficiently inclusive, at both national and local levels, to generate broad support”.

15 See the Report of the Secretary-General, S/2010/466.


17 See Chopra (2009) for a discussion of the role of local peace committees in Kenya’s pastoral communities. They are effective in managing conflict associated with cattle rustling through their reliance on dialogue, but are in danger of replacing the role of the police and judiciary, thereby compromising the constitution of the country.

18 See Van Brabant (2011) pp 19-21 for the views of citizens of their political institutions.

19 In Guinea-Bissau, the first political mission (UNOGGIS) was created sui generis in 1999 without a prior peacekeeping operation (S/RES/1233 (1999), although it was briefly accompanied by ECOMOG forces). In its first years it had only two mandate tasks: to facilitate the political process, and to co-ordinate UN activities in the country. But since 2004 the Security Council has regularly expanded its mandate, eventually to 17 areas with the establishment of the integrated office, UNIOGBIS (S/RES/1580 (2004). Other current examples include the UN political missions in Sierra Leone (UNIPSIL), Burundi (BNUB) and Central African Republic (BINUCA). See www.un.org/en/sc/repertoire/subsidiary_organs/peace_offices.shtml.

20 In his justification for the establishment of the UN Peacebuilding Commission, the UN Secretary-General has stated: “The end of conflict does not necessarily mean the arrival of peace: a lack of political consensus and trust often remains and the root causes of the conflict may persist.” Secretary-General (2009). S/2009/304.


22 However, in order to be truly effective, the building of leadership skills has to be matched by a corresponding demand from society for participatory leadership approaches. It is a demand that can be stimulated, to some extent, through civic education. See Von Kaltenborn-Stachau (2008); Van Brabant (2011), pp 21-23.

23 The decision was also informed by a resolution of African leaders at the Standing Conference on Stability, Security and Development in Africa in Durban, South Africa, in 2002. The resolution called for African countries to establish a national framework for the prevention, management and resolution of conflict by December 2004.

24 See also Van Brabant (2011), pp 25-26 for examples from Rwanda and Guinea-Bissau.

26 In the Central African Republic, following the Inclusive National Dialogue of 2008, a recommendation monitoring body was established that combined representatives of the national participating bodies, as well as the international community. The mandate of this body included the specific task to ensure that funding commitments to the peacebuilding process were honoured.


28 The Regional Bureau provides services in three areas. First, it aims at building the capacity of political and social leaders, dialogue facilitators and UN staff to use dialogue effectively as an instrument to respond to complex and multi-layered challenges. Second, it provides technical assistance to dialogue processes, which includes conflict analysis, process design, logistics, and assessment. Third, it develops knowledge products for use by facilitators and UN staff.

29 Examples of countries where panels of eminent persons have been established or are in the process of formation are Malawi and Uganda.

30 See Van Brabant (2011) for a detailed discussion of the role of CSOs in facilitating political dialogue.

31 See Michailof 2010 for a critical discussion of the impact that the lack of a joint strategic focus and co-ordination among donors had on peace and stability in Afghanistan. See also Call (2011) – Draft for the case study on Madagascar.


33 See Report of the Secretary-General on enhancing mediation, S/2009/189, par. 8. See also forthcoming report of the Secretary-General on Preventive Diplomacy, requested by the Security Council, to make recommendations on how best to optimise the use of preventive diplomacy tools within the United Nations system and in co-operation with regional and sub-regional organisations and other actors (S/PRST/2010/14)

34 The WDR 2011 concluded that the policy debate has been fairly narrowly focused on post-conflict transition, rather than considering the broader question of how societies struggling to prevent situations of rising conflict risk can be assisted. They conclude: “post-conflict trumps prevention” (WDR, 2011, p 27).

REFERENCES

Bruton, B. (2009), "In the Quicksands of Somalia", *Foreign Affairs* Vol. 88, No. 6, pp 79-94.

Call, C. T. (2011 (draft)). Transitional Political Arrangements after departures from constitutional order: five recent cases involving UN mediation support. New York, UN Department of Political Affairs.


Odendaal, A. (forthcoming), *Structures for building peace at the local level*, United States Institute of Peace, Washington, D.C.


Sommers, M. (2005), “‘It Always Rains in the Same Place First’. Geographic Favoritism in Rural Burundi” *Africa Program Issue Briefing No. 1*, July 2005.


ACKNOWLEDGEMENTS

This working paper was prepared by the IDL Group for the “Dialogue” Working Group on Strategic Planning. The consulting team, composed of James Fennel (team leader), Aoife McCullough, and Craig Mathieson, benefited from substantive inputs and feed-back of the Co-chairs of the Working Group represented by Kawusu Kabbai (Sierra Leone) and Mark Singleton (the United Kingdom) and of the “Dialogue” Secretariat.

This working paper was presented and discussed at the Strategic Planning Working Group meeting in Freetown, Liberia in May 2011.
1. INTRODUCTION

Over the past decade, development planners have become more aware of the requirement to acknowledge and incorporate peacebuilding (PB) and statebuilding (SB) into strategic planning in fragile contexts. Significant incremental progress has been made in tuning the Poverty Reduction Strategy Paper (PRSP) model to better address PB and SB challenges. New instruments have also been developed and, in some cases, mechanisms agreed to ensure mutual accountability, such as peacebuilding frameworks and donor-government compacts. Although this has led to a proliferation of planning instruments, it has also produced useful experience in incorporating conflict and fragility issues and aligning donor support strategies. The time is ripe to reflect on this experience and, where possible, adapt and simplify planning processes to consolidate successes, identify redundancies and address gaps.

A critical weakness in fragile and conflict affected contexts is that current planning processes largely assume the first critical PB and SB goals of building consensus around a political settlement and establishing the legitimate authority of the state have been met. This is rarely the case. Furthermore, evidence shows that these tacit assumptions have led to a disconnect between development plans and political realities. Consequently, over-ambitious and overly-comprehensive developmental agendas reliant upon technocratic and often generic understandings of what constitutes a peaceful settlement and a robust developmental state are produced. Redirecting planning away from a menu of generic best practices towards a process which designs responsive polices that understand and work for the formation of lasting political settlements and legitimate state authority is the key challenge.
2. NATIONAL PLANNING FUNDAMENTALS

National planning is not restricted to developmental states. In general, planning systems vary significantly with the nature of the domestic political system. In less plural states, planning is carried out based on technocratic, centralised and non-consensual problem analyses. The Peoples Republic of China, for example, has a tradition of five-year plans which contain expansive strategies focused on transformative change around political priorities including conflict, security and SB. Conversely, most liberal democratic states base their multi-year strategic planning on the policy agendas of successive administrations through the implementation of legislation passed by representative bodies. The electoral mandate provides legitimacy and, as such, plans are closely linked to political cycles. In these societies, detailed planning tends not to be strategic but operational and sectoral, and also linked to shorter-term political cycles. Where external funding is sought in these societies, from multilaterals (such as the European Union) a hybrid system has emerged. Legitimacy for these plans is sought from the political commitments made by states through international treaties. Multi-year planning tends to avoid intensely sovereign issues such as national security and focus on less contentious economic and human development priorities (e.g. the Irish National Development Strategy).

National planning for development assistance has evolved in a similar fashion, i.e. with a tacit understanding that some sovereign boundaries may not be crossed, reducing potential for a robust focus on sensitive issues such as mutual accountability\(^1\), prioritisation of resource allocations and intervention in political dialogue and national security. This is a key challenge to adapting current planning processes to PB and SB agendas.
3. PLANNING PROCESSES: EVIDENCE AND ANALYSIS

3.1. SCOPE OF PROBLEM ANALYSIS

Analysis is based principally on the background paper on strategic planning, peacebuilding and statebuilding prepared for the International Dialogue (including case studies), a literature review, notes from meetings of the working group and consultations with donor and country members. A theme analysis was carried out on the problems identified in the source materials and three core issues were identified:

- Lack of recognition of the importance of a national vision of peace and the state leading to unresolved tensions between statebuilding, peacebuilding and development;
- Inconsistent donor alignment behind national planning processes;
- Lack of realistic risk assessment, prioritisation and sequencing;
- The theme analysis corresponds to the problem areas identified by the working group in December 2010. The recommendations stem from a requirement to address these four issues.

PROBLEM 1: LACK OF RECOGNITION OF THE IMPORTANCE OF A NATIONAL VISION OF PEACE AND STATE

Problem outline

Current national planning processes do not adequately acknowledge the political and contested nature of fragile and conflict affected states (FCAS) or the requirement to develop a national vision of peace and the state, from which efforts to build stability and legitimacy can flow. Until recently, conflict prevention and management, security, political and governance processes have been perceived as relatively marginal or as cross-cutting issues during planning. Despite recent recognition of their importance in planning processes, the resources allocated to security, political and governance processes remain dwarfed by resource allocations for economic and social development.

Currently planning documents acknowledge peacebuilding and statebuilding as those processes which aim to construct reciprocal relationships between a state that delivers services for its people and social and political groups who constructively engage with their state (Wyeth and Sisk, 2009). There is little acknowledgement of less constructive relationships, where the enhancement of state institutions or services may impact negatively upon efforts to construct a political settlement (particularly in contested areas such as sub-national governance or security) 2. Similarly mechanisms for public financial management and the delivery of economic and social development may undermine efforts to build peace and legitimise the state if not carefully thought out.

Key lessons

- Planning should flow from a peace process rather than supersede it. Political dialogue requires time and space to build legitimacy before comprehensive donor-driven decision-making exercises and development plans are embarked upon.
- Rather than implementing a given set of best practice institutions, a planning process that reflects practices embedded in the historical legacies, current characteristics and future needs of the national context, even where this challenges prevailing international practice, will probably be preferable.
• If institutions engaged in political dialogue are not the same as institutions engaged in planning, the two processes are likely to fail to mesh properly and critical emerging risks to stability and opportunities for strengthening the state could be overlooked.

• In a negotiated settlement, if government is broadly representative of the parties in conflict, statebuilding processes are more likely to support peacebuilding. If not, political dialogue is urgently required. Peacebuilding should be linked to commitments arrived at through political dialogue and the SB agenda subservient to the commitments made during this process.

• While explicit co-operation between relevant actors will reduce unintended duplication of competences and an engagement vacuum (Werther-Pietsch and Roithner, 2011), there needs to be careful consideration of the inherent tensions between the two processes at the outset of planning design.

• Development decision making needs to be informed by the priorities for enhancing political settlement and building legitimate authority. Peace and stability are required for development to take hold. In cases where there are tensions between statebuilding and development, trade-offs should be made in favour of stability.

• If the quality of political dialogue is high, peacebuilding and statebuilding objectives are more likely to be clearly articulated, coherent with planning and less likely to be conflicting. If the quality of political dialogue is poor, a disconnect between PB and SB is likely to emerge.

PROBLEM 2: INCONSISTENT DONOR ALIGNMENT BEHIND NATIONAL PLANNING PROCESSES

Problem outline

Mutually accountable oversight of planning processes which create incentives for donor alignment and action on more sensitive or contentious issues is currently lacking. Organisations with political mandates (both donor states and broader alliances) which could create pressure for the inclusion of political dialogue where required, and ensure both donor and host government commitments are met, are not involved enough in planning processes.

FIGURE 3.1. MAPPING TENSIONS BETWEEN PEACEBUILDING, STATEBUILDING AND DEVELOPMENT OBJECTIVES
Key lessons

- Treaty-type compacts, drawn up in support of political dialogue, peace processes and agreements, are more likely to engage and hold leaders to account. This is likely to help leaders articulate a national vision for PB and SB priorities (including national security issues) in fragile and conflict-affected states (FCAS).

- The stronger and more legalistic the underpinnings of peacebuilding frameworks (PBF) and partnership compacts, the better they can address sovereign and overtly political issues.

- Compacts and PBFs are not a panacea. As yet, they too have proven difficult to translate into concrete actions and still do not include adequate measures to hold donors accountable for delivery of timely and well-aligned assistance. Measures to further strengthen mutual accountability need to focus on improving the relative importance of these partnerships vis-à-vis more technocratic and voluntaristic planning processes such as Post-Conflict Needs Assessments (PCNA) and Poverty Reduction Strategy Papers (PRSP).

- The absence of diplomatic input into planning processes can promote more technocratic and theoretical models of statebuilding. If those models are allowed to take precedence over the political dialogue, planning will likely be disconnected from political realities.

**Problem 3: Lack of realistic risk assessment, prioritisation and sequencing**

Problem outline

Evidence in FCAS suggests that the best of plans soon founders if not delivered quickly and the most pressing demand on government is to fulfil promises made during political dialogue and peace processes to prove its credibility. The case studies showed that planning has tended to be overly ambitious and comprehensive. This is understandable – as the National Development Plan (NDP) for Timor-Leste noted “[the country] needs virtually everything”, yet more emphasis should be given to the art of planning the possible.

**Figure 3.2. Planning hierarchy: deciding what is possible**

**Planning Hierarchy**

- **Dialogue/Consensus**
  - Political
  - Stakeholder
  - Technical

- **Policy**

- **Strategy**

- **Operational Planning**

- **Content**
  - What
  - How, when and where
  - Efficiency & effectiveness

**Detail**
Key lessons

- An overarching vision for peace and state is better complemented by a realistic and prioritised plan, grounded in a thorough and realistic risk assessment. Placing risk assessment up front enables the real risks of failure of chosen strategies to be evaluated against the importance of the issue for building peace and legitimacy.

- Strategic planning should also be sufficiently flexible to change course as new issues emerge. The two-stage process used in the Sudanese Joint Assessment Mission (JAM) and in the NDP in Timor-Leste should be adapted to ensure that low-risk, quick impact projects are the focus when political settlement and state legitimacy are low – possibly less transformative but with more tangible short-term results.

- There should be ongoing analysis to ensure that the political settlement is sufficiently robust to warrant a long-term planning process such as the PRSP. The issue of debt relief should be linked to progress on political settlement and state legitimacy rather than the completion of PRSPs. Measures of public financial capacity should be assessed independent of PRSPs.

- A key weakness is that centralised long-term planning processes prioritise on the basis of importance of issues for transformative development rather than the shorter-term impact on political settlement or state legitimacy. The risks of failure to deliver substantive change in realistic timescales (and especially the risks to peace and legitimacy) are poorly assessed, and opportunities for less risky, context-driven interventions in the most pressing areas are not adequately explored.
4. DRAFT RECOMMENDATIONS: STRATEGIC PLANNING

4.1. THEME: GROUND PLANNING IN A NATIONAL VISION

Recommendation 1: Ensure the primacy of political dialogue.

Progress in development is dependent upon political stability, and peacebuilding and statebuilding are prerequisites. Political process should drive prioritisation and must, at minimum, ensure the timely delivery of commitments made during political dialogue. Planning must flow from dialogue at all levels:

- political dialogue on what needs to be done with political actors;
- strategy dialogue on how, when and who it will do it with stakeholders; and
- operational dialogue to ensure the efficiency and effectiveness of delivery with practitioners.

Proposed Actions

- Engage political leadership in planning by ensuring that national plans are the product of policy dialogue and political process. At minimum, ensure that plans flow from commitments made during peace processes or the manifestos of representative and legitimate governments.
- Policy dialogue between development partners and states needs to take place with political leadership, not only bureaucratic partners.
- Implementation strategy needs to be developed through stakeholder dialogue, not by transplanting practices that have worked well in other contexts.
- Operational planning should engage all institutions likely to be required to deliver outcomes.

Recommendation 2: Design a planning process that speaks to the national context

Political systems and societal norms and constraints vary from nation to nation. In fragile contexts delivery of political settlement and state legitimacy will be dependent upon a timely response which goes with the grain. Planning processes must be designed upon a clear mutual understanding of:

- Short-term political constraints to achieving settlement and legitimacy. In particular the obligations and commitments of leaderships to supporters and the political processes in place to negotiate these hurdles;
- The medium-term organisational constraints. An assessment of which organisations are most representative, legitimate and capable of planning and delivering change, including those already engaged in planning, and those of all parties to political settlement with a current role in delivery – government, opposition groups and non-state actors, and;
- Longer-term institutional constraints. An evaluation of strategies required to engage with deep-seated social and political institutions to ensure success, even if the ultimate aim of planning is to transform these institutions. In particular politics that are grounded in patron-client relationships, social hierarchies and religious and cultural ethics.
Proposed Actions

- Use dialogue (perhaps supported by a rapid political economy analysis) to understand the constraints and incentives for effective planning and delivery at the political, organisational and institutional levels;
- Avoid the creation of new planning or delivery organisations and ensure that planning is conducted by those organisations which already have capacity and a stake in delivery – this may involve devolved planning (see Recommendation 9);
- Design a process that has traction with societal norms and ethics rather than international best practice;
- Link planning to political cycles. Seek ratification for plans through national political processes. Either formal processes if these are in place – parliaments or peace processes – or informal, through nationally legitimate methods for broad-based political dialogue.

Recommendation 3: Reduce tensions between statebuilding, peacebuilding and development objectives.

Strategic planning needs to be informed by the priorities for enhancing political settlement and building legitimate authority. It should be clearly understood by planners that peace and stability is required for development to take hold. Trade-offs should be made in favour of peace and stability where there are tensions between peacebuilding, statebuilding and development. Tensions must be understood in advance of planning, and frame decisions made on national policy, implementation strategy, operational prioritisation and sequencing.

Proposed Actions

- Map consensus. Plan to the levels of consensus achieved over specific policies and implementation strategies. Where consensus is low, further dialogue or alternative strategies will be required before planning is possible.
- Evaluate alternative strategies. Tensions are often focused around implementation strategy rather than broad policy goals. Seek less permanent or transformative alternatives if they offer short-term gain while dialogue is ongoing.

4.2. Theme: Improve Mutual Accountability

Recommendation 4: Ground development assistance in a partnership framework agreement or treaty.

The more legally robust the partnership agreement, the better suited it will be to addressing sensitive and traditionally sovereign issues such as the allocation and disbursement of development assistance by development partners and the design of national security and sub-national governance strategy by recipient states. Peacebuilding frameworks or development compacts need to be expanded to underpin a national vision for peacebuilding, statebuilding and development.

Proposed Actions

- g7+ to design new mutual accountability model, building upon the success of peacebuilding frameworks and development compacts;
• Consider developing internationally binding legal arrangements to underpin mutual accountability agreements (incorporating development assistance into international law);
• Partnership frameworks should be informed and negotiated by the same national leaderships and organisations engaged in political dialogue (both in development partner countries and fragile and conflict affected states);
• Equity in these mutual accountability frameworks needs to reflect actual financial and political commitment of development partners;
• Attempt to make the agreement as specific and legally binding as possible.

Recommendation 5: Create a joint management board to monitor and adjust plan.

Situations are fast moving in fragile and conflict-affected environments, at minimum annual reviews of partnership agreements and plans are required to ensure they continue to reflect reality.

Proposed Actions

• Design a joint management process into the mutual accountability framework;
• A steering group comprised of representatives of national political leaders and high-commitment development partners should manage the board and hold powers of veto during negotiations;
• Ensure that agreements include independent outcome monitoring arrangements, and are forfeited if these are not implemented;
• Ensure that outcome monitoring is carried out with a light touch and regularly – at least annually – and that goals are renegotiated in the light of these reviews;
• A stronger legal framework will allow funding to be committed in short-tern annual tranches through national budgets and on the basis of estimates rather than detailed plans. These funding commitments should be sufficiently flexible to enable changes in strategy to be rapidly resourced once agreed by the management board.

Recommendation 6: Carefully select and strengthen lead international organisations.

Organisations engaged in leading planning processes, particularly the UN system, IMF and World Bank Group; need to have sufficient institutional muscle to address sensitive issues in fragile contexts.

Proposed Actions

• Consideration needs to be given to incorporating the upholding of mutual partnership frameworks into the constitutional underpinnings of these institutions;
• Where proven, regional economic communities in which fragile or conflict-affected states have a legal commitment, such as the African Union, ECOWAS or EU, could play a stronger role in leading international support for national planning.

Recommendation 7: Adjust ODA criteria.

Adjust ODA criteria to make them more appropriate to funding of peacebuilding and statebuilding interventions.
Proposed Actions

- OECD G7+ to review constraints set by ODA criteria, particularly the funding of security sector institutions;
- Consider adjusting criteria to enable uniformed security organisations to be funded where the intervention contributes to realising peacebuilding commitments made through political dialogue.

4.3. THEME: IMPROVE RISK ASSESSMENT, PRIORITISATION AND SEQUENCING

Recommendation 8: Consolidate the current plethora of planning instruments into two clearly defined and linked processes.

- A short-term peacebuilding-statebuilding focussed National Policy Framework; The National Policy Framework should be embarked upon as soon as possible and incorporate prioritised and sequenced short-term peacebuilding, statebuilding and development goals. It should only include actions endorsed during political dialogue or through national political processes, and be supported by a government-development partner mutual accountability compact; and
- A medium-term development focussed Strategy Paper, developed once the political settlement is sufficiently mature to enable transformative reforms with long-term planning windows to take hold.

Proposed Actions

- States should design their National Policy Framework (NPF) to incorporate and supersede existing peacebuilding frameworks, development compacts and post-conflict needs assessments;
- The instrument should prioritise actions that lead to short-term progress in peacebuilding and statebuilding and deliver commitments made during political dialogue;
- The NPF should be developed in advance of, and provide the context for, a mutual accountability agreement with donor partners;
- An ongoing assessment of the potential for longer-term planning needs to be made. Where consensus is achievable, longer-term and more transformative strategies can be proposed by the NPF. Proposals for longer-term planning windows need to emerge from political dialogue;
- Development partners should decouple decisions on funding from the PRSP process. Pressing decisions on grant and loan funding and decisions on debt-relief in highly indebted poor countries (HIPC) should be taken through conditionality grounded in commitment to political settlement and improved state legitimacy in addition to pro-poor reforms and improved transparency in public financial management.

Recommendation 9: Prioritise goals and delivery strategies.

Prioritisation should be informed by the risks of failing to deliver i) commitments made during political dialogue (current and potential); ii) other issues identified through shared diagnostic analysis which could undermine the short-term maintenance of peace and legitimacy (e.g. issues such as employment identified through strategic conflict analyses). An overarching vision for peace and the state is better complemented by a realistic and prioritised plan, grounded in a thorough risk
assessment. Placing risk assessment up front enables the real potential for the failure of chosen strategies to be evaluated against the importance of the issue for building peace and legitimacy.

**Proposed Actions**

- Prioritise those policy goals that must be met to ensure peace and stability in the short-term, including commitments made during dialogue;
- Design and sequence delivery strategies on the basis of a risk assessment of the likelihood of success within the required timescale;
- While overall goals and strategic direction needs to be agreed as part of a National Policy Framework, operational planning should be devolved to selected delivery agencies, to be developed through stakeholder dialogue within agreed timescales;
- Alternative lower-risk, reversible and shorter-term *emergency* intervention strategies need to be developed where consensus is low and tensions remain high. These could be less transformative but will enable plans to deliver impact in critical areas. These emergency measures should be sequenced before longer-term reforms;
- Only move toward goals and strategies that require substantial adjustment to political or social institutions and norms when dialogue and analysis suggests that consensus is achievable.
NOTES

1 There are differences in what is meant by “mutual accountability”. This paper finds DFID’s definition (two or more parties have shared development goals, in which each has legitimate claims the other is responsible for fulfilling and where each may be required to explain how they have discharged their responsibilities, and be sanctioned if they fail to deliver) as most useful for the purposes of planning for PB/SB.

2 For example, in DRC, both the Programme du Gouvernment and the Document de la Stratégie de Croissance et de Réduction de la Pauvreté link PB to state strengthening but fail to acknowledge that the strengthening of core institutions such as the army or police may adjust the regional balance of power and incite conflict where political settlement between the state, militia groups and Rwanda remains illusive.

3 Whether stronger mutually accountable “treaties” are feasible is moot – they probably have more potential in FCAS where donor-state relationships are historically close. Yet they are almost certainly required if development planning is to more effectively cross the traditionally sovereign Rubicon of national security. Nevertheless, given both the alignment weaknesses of PCNAs and PRSPs, formalising a partnership agreement as the development assistance “treaty” underpinning aid in FCAS is critical not only for better accountability, but also to ensure that planning remains engaged with evolving political and security realities.
REFERENCES


Fialho Lopes, A.P. Poverty Reduction Strategies in Conflict-affected Countries: Constraints and Opportunities. Africa Region/Focal Point on Conflict and Development.

Harris, D. and M. Foresti (2011), Somaliland’s Story: Somaliland’s progress on Governance: A case of blending the old and the new, DFID, London.


Klem, B. (2004), *Using PRSPs in Conflict-Affected Countries*, Conflict Research Unit, Netherlands Institute of International Relations, Clingadael.


Monitoring and Synthesis Project (2003), National Poverty Reduction Strategies (PRSPs) in Conflict-Affected Countries in Africa, Briefing Note 6, Overseas Development Institute, London.


UN Strategic Assessment, 2010


Annex A. Country Members Interviewed

Jean-Joel KISSI (Togo)
Wilfred Gray (Liberia)
Bendert Bokia (CAR)
Pierrot Kasonga (DRC)

Members from the Solomon’s Islands, Timor-Leste and Sierra Leone have also been consulted.

Annex B. Donor members consulted

Greg Ellis (World Bank)
Mark Singleton (DFID)
Sofia Corrondo (UNDG – DOCO)
Sue Lane (DFID)
Ursula Werther-Pietsch (Austria)
1. INTRODUCTION

This document summarises key findings and recommendations of the Working Group on External Assistance to Capacity Development, which is one of four working groups established by the International Dialogue on Peacebuilding and Statebuilding. The other three working groups centre, respectively, on aid instruments, strategic planning and political dialogue. Agendas for the working groups were formulated at the first meeting of the International Dialogue on Peacebuilding and Statebuilding in Dili, Timor-Leste, 9-10 April 2010. They are described in the Dili Declaration, which urges participants to “develop recommendations for improving and harmonising support to capacity development, recognising the critical contribution of South-South co-operation. Recommendations [should] also address how to avoid policies that undermine the capacity of developing countries and support statebuilding.”

The findings on capacity development presented here are the culmination of working group consultations that took place in November 2010 (Paris), April 2011 (Kinshasa) and May 2011 (Paris). These meetings drew on four major information sources:

- country-level evidence and the experiences of the working group members;
- a synthesis of existing international knowledge, analyses and experiences from research on capacity development in fragile situations;
- comments from international peers; and
- civil society input to the Kinshasa meeting.

The recommendations are timely as they respond to the Cairo Consensus on Capacity Development (March 2011) which invited the International Dialogue and g7+ to develop a protocol on capacity development in fragile situations.
2. PROBLEM STATEMENT

The political and institutional context in fragile and conflict-affected states is often characterised by insecurity, uncertainty, underlying tensions and unresolved grievances. Conflict, weak institutions and poverty are inter-linked and reinforce one another, which constitutes a serious obstacle to peace and development.

External partners do not always pay sufficient attention to the particularities of fragile environments. They often engage in ill-conceived interventions that result in ineffective and even potentially harmful “support”. Consultations of the working group on capacity development identified four key shortcomings of external support in fragile situations:

- supply-driven and fragmented programming by development partners which creates parallel public-sector structures;
- severe market distortions due to development partners’ hiring procedures and salary top-up policies;
- a disconnect between technical assistance, civil service reform and the broader statebuilding and change agenda; and
- a focus on short-term results by development partners at the expense of sustainable outcomes.

This paper responds to the demand for guidance on effective support to capacity development in fragile situations. First, however, it briefly clarifies what “capacity development” means in such contexts and how effective change can be effected in a fragile setting. This deeper conceptual understanding opens the way to a wider strategic perspective on support to capacity development in contexts of fragility. The practices of partner countries and development agents have led to both productive capacity development experiences as well as to a number of major bottlenecks. Both the highs and the lows were signalled during the consultations and are documented in the literature. It is against this backdrop that the working group puts forward its recommendations in the final part of this paper. These aim not to be comprehensive, but rather, were chosen to address the most critical areas for making effective change happen.
3. CONCEPTUAL UNDERSTANDING OF SUPPORT TO CAPACITY DEVELOPMENT IN FRAGILE SITUATIONS

The working group’s analysis is embedded in a wider body of learning on capacity development, in particular, capacity development support in situations of fragility. The international community, including capacity development practitioners from developing countries, has reached broad consensus on how to conceptualise “capacity”, “capacity development” and “support to capacity development” (see Box 3.1).

BOX 3.1. INTERNATIONAL UNDERSTANDING OF CAPACITY, CAPACITY DEVELOPMENT AND SUPPORT TO CAPACITY DEVELOPMENT

Capacity is the ability of people, organisations and society as a whole to achieve their objectives and to manage their affairs successfully. It involves three levels, the individual, the organisational and the enabling environment, which are interdependent.

Capacity development is the process by which people, organisations and society as a whole strengthen, create, unleash, adapt and maintain capacity over time. In the past, capacity development was understood as what outsiders can do to build the capacity of others, like training or technical assistance. Today, however, it is seen as an endogenous process for which in-country partners are responsible. This goes well beyond the technical level and entails a concern with the wider political context in which capacity development takes place and the incentives generated by organisations and the overall environment to pursue change.

Capacity development support refers to what external partners can do to promote, accompany, facilitate or catalyse capacity development and related change processes. The endogenous perspective means that capacity development cannot be imported. It must fit with the respective country context. Hence, no recipe for effective capacity development support exists. Together with country partners, the assistance of development partners needs to be tailored based on sound analysis of the capacity situation, including the political context in which the assistance takes place.

Capacity development, understood as an endogenous process, takes place in all societies – including fragile situations. Yet building capacity for effective state-society relations is of special relevance when addressing peacebuilding and statebuilding in a fragile setting. Immediately after conflict, relations between social groupings are often fraught. Some will have lost their trust in state institutions. At these junctures, capacities for reconciliation and conflict resolution (including local dispute resolution mechanisms) are of cardinal importance. These put a premium on state organs’ ability and willingness to govern, serve, inform, be transparent, interact and co-operate constructively with a wide range of social groupings and representative bodies. On the other hand, it also requires responsible civil society groupings capable of strengthening people’s awareness of their rights and obligations towards the state and facilitating popular participation in identifying problems and shaping a collective vision.

To support capacity development strategically per country, it is therefore important to clarify “what for” and “how”. This exercise should recognise that capacity development is more than a technical issue. It is political, as it touches on relational issues, power structures and questions of governance. Hence, formulating an understanding of capacity development cannot be done in a centralised manner by government and development agencies alone. A wide range of country partners must be considered and supported, including civil society, the private sector and hitherto excluded groups. This is particularly important in countries where state representatives have demonstrated limited willingness for change.
An emphasis on political processes and state-society relations serves to direct the focus of interventions towards development of wider state functions, country processes, systems and incentives (see Box 3.2 for an example from Northeast Somalia). Such support differs from activities that originate from the broader aid effectiveness agenda, like public financial management, procurement, audits and evaluations. Capacity development of those systems might be relevant, but their importance must be assessed in relation to the statebuilding dimension and not their more narrow significance for aid effectiveness.

**BOX 3.2. PUNTLAND (NORTHEAST SOMALIA): INFLUENCING BUDGET ALLOCATIONS**

Open budgets (incomes, allocations and expenditures) at the national and local level are a central requirement for parliaments and citizens at large to be able to discuss and debate with the state the critical choices and trade-offs that need to made. This is not only in the interest of citizens but also of the state – it can significantly reduce the level of mistrust in government and thereby the cost of governance. Some years ago, no public information was available about the incomes and expenditures of the Puntland Regional Administration in Northeast Somalia. With some effort, a non-state actor started putting together information about the incomes and resource allocations of the regional administrations budget. It transpired that the resource allocations to health and education were very small. They then worked effectively with the Puntland authorities to see these increased. Some international assistance actors have deliberately invested in enhancing the capacities of their non-state partners to understand and analyse national budgets.

*Source*: Interpeace (2011)
4. EXPERIENCES WITH EXTERNAL SUPPORT TO PEACEBUILDING AND STATEBUILDING

Ahead of the consultative meeting in Kinshasa, country representatives and development partners were surveyed to gain complementary information for the discussions. Table 4.1 highlights some of the responses to the survey. These convey development partners’ efforts to improve their way of working as well as considerable criticism from the countries’ side about unproductive behaviour of development partners in fragile and conflict-affected countries. The working group’s three consultative meetings revealed some of these key problems as well, but they also brought out emerging good practices in approaches to supporting capacity development.

TABLE 4.1. A SELECTION OF COUNTRY AND DONOR COMMENTS

<table>
<thead>
<tr>
<th>Principle of external support</th>
<th>Country comments</th>
<th>Development partner comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assess and catalyse existing capacities: if possible support an ongoing initiative</strong></td>
<td>“They refuse to build on what we have already”</td>
<td>“Much has changed in our agency. We now have a range of tools for assessing existing capacities”</td>
</tr>
<tr>
<td></td>
<td>“They do not even consider adapting our (PFM) processes”</td>
<td>“We now use a ‘lighter’ form of tool”</td>
</tr>
<tr>
<td><strong>Limit expectations; identify and respond to demand for assistance; understand the context and adapt to country-specific circumstances</strong></td>
<td>“Successful cases were based on demands”; “where ownership and leadership were strongest”</td>
<td>“The process of developing a support strategy enhances dialogue on stakeholders’ vision, and clarifies where visionary leadership exists”</td>
</tr>
<tr>
<td></td>
<td>“They are inflexible: their approaches were un-adapted; the failures were unrealistically formulated”</td>
<td></td>
</tr>
<tr>
<td><strong>Acknowledge that there are risks in fragile state environments</strong></td>
<td>“For 30 years technical cooperation has not respected the mutual obligations inherent in capacity development”</td>
<td>“Risk aversion is entrenched in aid agencies: risk and results drive behaviour”</td>
</tr>
<tr>
<td></td>
<td>“Their standard approach (to risk) is to insist on a project management unit”</td>
<td>“They have constituencies driving them for results: now. This acts as a disincentive to counterparts”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“Working on capacity issues in post-conflict states involves pervasive risk and failure. Both need more explicit management”</td>
</tr>
<tr>
<td><strong>Coordination of external support is vital. Responsibility lies with the host country government</strong></td>
<td>“In early days, most technical cooperation was ad-hoc: donors did what they liked. Achievements, especially considering the huge expenditure, were modest”</td>
<td>“There is competition between donors: at least for ‘image’ and ‘branding’ of achievements”; “Comparative advantage amongst donors is now being recognised”</td>
</tr>
</tbody>
</table>

Source: Watson (2011)
4.1. **THE NEED TO PRIORITISE SOLID UNDERSTANDING OF HOW TO APPROACH CAPACITY DEVELOPMENT**

The working group discussions overall observed that external capacity development support has failed to contribute effectively to institutional transformation and the broader statebuilding agenda. International and domestic actors have given too little attention to developing a common and coherent strategy for capacity development taking externally provided resources into account as well as existing in-country capacities that can be built upon.

Formulation of such a joint perspective cannot be technocratic; and it needs to go beyond dialogue between government and development partners only. The voice of civil society must be brought in, as underscored in the example from Kenya (Box 4.1). Events in Kenya also demonstrate that statebuilding is a broad political and societal process in which civil society can play a constructive role to help pacify a country. Yet to play this role, civil society has to be seen as more than just a service provider. It also needs to receive capacity development support to boost its ability to get effectively involved in building state-society relations.

**BOX 4.1. KENYA: VIOLENCE AND POLITICAL SETTLEMENT**

Kenya is not considered a fragile state. Yet significant violence erupted in early 2008 over the disputed results of a national election. Government and opposition entered into a highly antagonistic relationship, while violence among people led to many deaths, rapes, extensive displacement and much loss of and damage to property. This was certainly a “fragile moment”. How it was handled would have significant consequences. The pressure from citizens and their engagement with both government and the international community played a critical role in halting the violence and restoring peace. The citizen groups gathered crucial evidence that informed most of the peacebuilding efforts, as well as the ongoing justice programme at the international level. The peace and statebuilding effort continues to be monitored by both the donors and citizens, with the government borrowing some of the capacity from citizens during one of the key outcomes of the peace effort: a constitutional referendum.

*Source*: Interpeace (2011)

Technical co-operation has been widely criticised in recent years. Questions have been raised about its value for money, the way development partners work and the personnel deployed. Commentary has also focused on the lack of strategic reflection on the role that technical co-operation can play in relation to institutional transition in fragile situations and how it can be linked to public sector and civil service reform. These are issues that must be addressed as part of a wider capacity development strategy. Looking at technical co-operation from a broader capacity development perspective means, among others, that development partners will have to overcome obstacles to pooling resources. This will clear the way for joint funding of capacity development support and reduce individual agencies’ reliance on mobilising their “own” technical personnel. Calls for well-functioning and jointly funded capacity development funds for mobilising essential expertise in a coordinated manner under partner country leadership have to be taken seriously and explored. Box 4.4 sketches a positive experience with a capacity development fund in Kosovo.
4.2. Risk Averseness and Parallel Implementation by Development Partners

Development partners have been criticised on a range of issues related to their support to countries moving back from situations of fragility and conflict. Yet development agencies’ actions in such contexts are determined largely by the way they have to operate vis-à-vis their own constituencies and also by uncertainty about how to operate in a given situation. Support is generally underpinned by risk-averse behaviour, often intensified by an overly results-oriented, short-term focus instead of recognising the importance of processes and the achievement of wider development outcomes over time. In a number of cases, development partners have also been criticised for excessive “branding” (or flagging) of their support.

These factors have led to the excessive use of donor-managed parallel implementation units and a reliance on capacity development support that is mobilised, managed and controlled by the development agency. The situation is worse when several donors are active in a single institution, working in parallel without adequate co-ordination of their actions. Such experiences have sparked calls for donors to move more proactively to harmonise their activities and to test “shadow alignment” approaches which aim to gradually build and strengthen country-owned systems.

In practice, development agencies seldom have transition plans for when and how to exit or align with emerging partner country structures and systems. This leads to an overall lack of steps to effectively accompany in-country partners in transitions from parallel to national structures. Numerous experiences demonstrate that the systematic use of parallel project implementation units, without embedding them in a longer term strategy for capacity development and change, seriously undermines the development of public-sector capacity. It may even result in a “dual public sector”. Box 4.2 summarises two such experiences, in Afghanistan and the Democratic Republic of Congo.

**BOX 4.2. PROJECT IMPLEMENTATION UNITS: THE RISK OF CREATING A PARALLEL PUBLIC SECTOR**

All stakeholders, development partners included, agree that parallel project implementation units represent one of the most problematic areas of development partner practice, creating a parallel public administration system where development partners take decisions on appointments and accounting relationships. Although development partners largely agree that project implementation units (PIU) are necessary in some fragile situations, particularly in the early recovery stage, their use can lead to exclusion of government from its normal functions – such as in Afghanistan, where an international development partner has almost entirely taken over the Ministry of Defence functions. Because they offer few possibilities for civil society or media oversight, they can also have a negative influence on state-society relations. When they provide services, they can also undermine the relationships between central and local authorities. Despite pledges in the Paris Declaration to reduce parallel PIUs, their numbers are actually increasing in some countries, such as the Democratic Republic of Congo (DRC) where the current number of 146 is four times what it was in 2006. Some development partners have suggested endorsing the formation of PIUs within state ministries as an intermediate measure, but there is fear that this could lead to their deeper institutionalisation.

*Source: DAC (2011a)*
4.3. WEAKNESSES ON THE SIDE OF PARTNER COUNTRIES TO FORMULATE PRIORITIES AND TO DIRECT OUTSIDE ASSISTANCE

Countries emerging from conflict and fragility tend to be highly unstable, which holds the focus of in-country partners on matters that must be addressed in the short term. Little space and time is then left for engaging in long-term strategic reflection. There is seldom a shared national vision on development, a clearly prioritised plan, and agreement on how external support to capacity development ought to be provided and managed. Moreover, overall institutional capacity, particularly availability of experienced human resources in key government organisations, is often insufficient to impose national priorities over development partner preferences.

The combination of a short-term orientation nationally and limited capacity to co-ordinate and direct external support reduces the effectiveness of technical co-operation and other forms of capacity development. External support then is often used for gap filling and implementation of programmes through parallel structures instead of being applied fully to capacity development. The absence of a national entity or institution that can effectively co-ordinate, manage and monitor external support can also result in country partners’ misuse of weak in-country institutions to pursue their own political agenda. For example, a country partner might try to outpace competing departments, ministries or other organisations by mobilising technical co-operation on its own, for its own organisational objectives, without co-ordination with the national leadership which might have other priorities for allocation of external support. Such actions increase transaction costs for the central government from managing and co-ordinating multiple development partners – to the detriment of the overall capacity of the country.

Such environments place high demands on the role of external partners supporting effective capacity development. External supporters need to be well informed, accompanied by capable representation in the partner country, and positioned to strategically manage and direct the assistance jointly with country partners. Support to institution-wide approaches will enable the public sector to gradually take over and lead the development process. Box 4.3 highlights such an approach in support of Mozambique’s education sector.
**BOX 4.3. ACCOMPANYING THE CREATION OF OWNERSHIP IN THE EDUCATION SECTOR WORKING GROUP: MOZAMBIQUE**

This case from FASE, the Basket Fund for the education sector in Mozambique, originates from research carried out in 2006. While FASE has moved on, it highlights the potential benefits of a more relationship-oriented way of working. Six donors supported the Fund and accompanied the Ministry of Education and Culture’s (MoEC) education sector reform. In 2004, a portion of the Basket Fund was earmarked for the MoEC to recruit and pay for international experts with financial management knowledge. The donors supporting FASE insisted that the experts should be appointed in accordance with international recruitment standards, but selected, contracted, managed and supervised under the leadership of the MoEC – a plan that required intense dialogue between development partners and the MoEC leadership as the ideas was initially not fully supported by the MoEC. Once the experts were in place, however, the MoEC began to value the experts who had been mobilised and who reported to senior government officials only. After two years, the MoEC extended their contracts for another period of two years, while the donors could observe the progress achieved from a greater distance. Had development partners simply adopted a hands-off and administrative approach in supporting the education sector reform, without investing in relationship-building and dialogue, successful recruitment of experts under the ownership of the ministry would probably not have happened.

*Source: Hauck & Soto (2007)*

---

**4.4. PERPETUATION OF INEFFECTIVE AND SHORT-TERM TECHNICAL SUPPORT AND PERSONNEL**

Mobilisation and management of technical co-operation personnel, particularly international staff, is mentioned repeatedly as a major obstacle to effective capacity development. In most of the cases international advisors are accountable to development partners, and information about their cost is not made transparent to in-country partners. Neither is the purpose of mobilising a particular expert always clear to all involved. On the development agency side, significant challenges may be involved in getting the right kind of personnel – with the skill and inclination to encourage capacity development. A further problem is that identification, co-ordination, and delivery of technical assistance in fragile situations is often done without the close involvement of country partners. This aspect may particularly contribute to making such support highly ineffective.

These shortcomings have stimulated discussions on alternatives to the current tendency of development partners to mobilise technical experts from within their own countries only. Partners in the developing countries are asking why local and regional expertise cannot be considered more often, including the many young graduates who face unemployment after their studies. In some countries, women’s potential to contribute in development processes has been largely disregarded, though the reservoir of women who have completed higher education is growing. Similarly, diaspora are being called upon in some fragile contexts, as they may offer comparative advantages over other international experts in terms of country knowledge, cultural understanding and language. Working with a diaspora, however, is not without challenges. Careful measures must be established to mobilise their expertise successfully, in a way that is conducive to development of the public sector.

Finding the right balance between short-term and long-term assistance is another concern. The commitment of development partners often stops at the funding horizon of a three- to five-year financing agreement. This then also signals the end of the technical assistance and associated
personnel, offering little support to institutional transition. Country partners need assurance that the external assistance will stay for longer. A ten to fifteen year reform period should be considered a realistic timeframe to help get a sector in a fragile or conflict country on a path to development.

Other observers point critically to the intensive use of short-term consultants by some development partners. Truncated missions involve relatively high transaction costs and are considered much less effective than longer term assignments in which an expert is fully embedded within an institution, reports to the country partners, and contributes on a day-to-day basis to building an organisation from within. But no blueprint approaches can be followed, as support must be tailored to a country’s own priorities. In Kosovo, for example, a range of technical co-operation was mobilised, some of it in the form of short-term assignments, through a Capacity Building Facility. In this case the approach was successful in putting urgent expertise in place in a timely fashion (Box 4.4).

### BOX 4.4. KOSOVO: MOBILISING URGENT SHORT-TERM AND LONGER-TERM EXPERTISE THROUGH A CAPACITY BUILDING FACILITY

In May 2004, UNDP and its partners established a Capacity Building Facility (CBF) to achieve standards for Kosovo defined by the UNMIK mission. The programme utilised a multi-pronged approach to avoid the hazards of capacity substitution while still achieving necessary quick results.

- Coaching services were offered to select middle and senior level civil servants where a skilled counterpart acted as an “on the job” coach or mentor.
- The CBF sought not only to transfer relevant technical skills, but, perhaps more importantly, to enhance leadership skills and promote an active approach to reform through results-based change management, initiative, accountability and risk-taking.
- Advisory services offered greater technical support through the employment of full-time advisors for one year, to strengthen capacities to formulate and guide the implementation of institutional reforms.
- Short-term technical advisory services (TAS) allowed the CBF to show quick results by providing consultants for short-term (two to six week) technical assistance.

The combination of these components allowed the CBF to respond quickly to the needs of ministries and donors without sacrificing long-term capacity development objectives.

*Source: UNDP (2007)*

#### 4.5. DISTORTIONS OF NATIONAL SALARY STRUCTURES

Development partners’ hiring procedures and salary top-up practices for local and regional staff can have distorting effects on national salary structures. They may in fact be a key factor in undermining whatever capacity remains in the public service. Successful capacity retention strategies for the public sector are difficult to realise and are seldom addressed proactively and conjunctively by development agencies and their country partners. Useful lessons can be derived from past attempts to address the problem – for example, in Tanzania with the creation of a temporary salary enhancement scheme (Box 4.5).

Experience demonstrates the low priority that is often given to linkages between provision of capacity development support (particularly in terms of technical co-operation personnel) and the broader civil society reform agenda. To build national organisational capacity and to support key state functions, development partners should make efforts to harmonise their remuneration of local experts to national salary structures. To address the pay problem, consultation participants
suggested testing a variety of approaches following a step-by-step process. Country partners agree on the need to scale up from individual sectors and ministries and integrate support gradually into a larger programme of civil sector reform, including – eventually – merit-based hiring and promotion systems with salaries based on market rates.

**BOX 4.5. TANZANIA SALARY ENHANCEMENT RATES**

In Tanzania, the Selectively Applied Salary Enhancement (SASE) scheme was predicated on a pay reform that saw salaries rise for civil servants in general, increasing gradually over a five year period, and paid for by savings and economic growth. The salaries for individuals selected for their importance to the reform process were set at their post-reform levels at the outset of the scheme, funded through donor budget support. The supplement was dependent on annual performance, and was effectively phased out as salaries of other civil servants caught up under the pay reform. However, the government was slow to implement the pay reform on which the SASE was predicated, and donors tended to “projectise” their support, i.e. link funds to specific salary supplements. This experience demonstrated that salary supplementation schemes that were politically viable and supported (enjoying sustained political will) could benefit from being realistic in their time horizons. This could in turn encourage donors to make good on their commitments (in the Tanzania case, a separate fund was administered by the government, which made it less prone to earmarking than direct budget support).

*Source: UNDP (2007)*
5. General Lessons from Support to Capacity Development in Fragile Contexts

As a general rule, development partners should work from the premise that the more fragile a country context is, the more effort must be made to understand it thoroughly in all of its aspects and to follow support approaches that are iterative and incremental, not guided by rigid blueprints, predetermined approaches or linearity. Yet this also poses dilemmas. There is likely to be an urgent need for stabilisation in the short term, which may seem to call for delivery in parallel of whatever country structures or systems remain. At the same time, endogenous capacities will need to be developed progressively at different levels to sustain institutional transition in the medium to long term.

A range of lessons from support to capacity development in fragile situations has emerged in recent years.1 Without purporting to be conclusive, a number of these can be mentioned:

- Development partners and partner country representatives should be committed to finding nationally relevant solutions to institutional problems rather than seeking to impose externally derived institutional templates; the aim should be a “good fit” not “best practice”.
- The length of engagement has to be appropriate to the challenges involved, with development partners seeking an appropriate balance between short-term, visible impact and long-term structural change.
- To do this effectively, the capacity priorities and the most adequate entry points for capacity development need to be identified. Where state capacity is weak but political will is present, capacity development efforts need to focus selectively on core state functions.
- Stakeholders should be aware of the distortions that a large development partner “footprint” can cause to national institutions, particularly when the most qualified individuals are drawn out of public service. New capacity development initiatives should not erode or duplicate existing capacity; consequently parallel systems of delivery and accountability should be avoided.
- A pragmatic approach to capacity development is required in fragile situations. A balance should be found between direct engagement for service delivery and facilitating learning and ownership. Recognise also that no choice will accommodate all concerns – trade-offs need to be managed.
- The focus cannot be solely on the state and formal institutions, but the importance of prioritising state-building dimensions has to be recognised. There will be little scope for developing capacity and managing politics and other important affairs in fragile situations. As such, capacity development will also be about the emergence of leadership, relationships and trust in a multi-stakeholder environment.
- There needs to be effective communication and understanding among stakeholders about the purpose of capacity development support, the role of technical co-operation, the appropriate processes and the potential benefits, costs and trade-offs.
- Last but not least, supporters to capacity development must show humility, remain realistic and do no harm.

1 These build on UNDP’s Default Principles for Capacity Development (2003) listed in Annex 1, the literature and consultations and reflect a broad consensus amongst the main players.
6. **Recommendations**

Against the background of the above analysis and lessons learnt, members of the Working Group on Capacity Development have formulated the following recommendations:

**Recommendation 1: Shape and endorse at the highest possible level the ground rules between key country actors and development partners on how to approach capacity development (CD)**

- Depart from internationally accepted capacity development principles when developing a capacity development approach, including the need to build on existing capacities, and design initiatives that reflect “emergent”, or gradual, approaches with a clear results-orientation, rather than firmly, or narrowly, planned projects or programmes.

- Formulate a policy or a code of conduct, to shape a joint agreement among key domestic and international players, including civil society representatives, on the approach to supporting capacity development from the outside. This should clarify the role of TC in support of capacity development, as well as other forms of capacity development support, and explain the role of the respective partners in mobilising and managing such support.

- Set up a mechanism for a regular joint monitoring and dialogue of these ground rules and progress in the achievement of capacity development results. Such a dialogue and monitoring should include civil society actors as well as providers of technical co-operation (TC) personnel where relevant.

**Recommendation 2: Use a variety of approaches to support capacity development and to mobilise expertise to fill temporary capacity gaps, starting with local and regional resources**

- Identify possible alternative approaches to support capacity development (CD), beyond the mobilisation of TC and expertise, including outsourcing and public-private-partnerships, mobilisation of civil society organisations, research institutes, the media or community involvement. Replace *ad hoc* trainings with longer term on-the-job training using “collaborative work-training methods” such as twinning arrangements, peer assistance and job-sharing and based on a wider CD strategy.

- Prioritise local and regional expertise, including national young graduates and experts from the diaspora. Put a particular focus on women whose capacities are often not recognised. Consider international and senior long-term consultants only for absolutely critical high-level positions as their costs might have negative impacts. International TC positions for gap-filling should be individually approved by government and development partners, overall numbers being monitored by government, and they should report to national authorities as line staff, and not to donors.

**Recommendation 3: Improve the co-ordination of capacity development support through the increased use of pooled funding mechanisms and by strengthening national capacity for managing CD support**

- Increase the proportion of capacity development support, including technical co-operation personnel, which is funded through pooled and flexible funding mechanisms, for example jointly managed capacity development funds or multi-donor trust funds. Identify a lead
capacity development donor/agency per sector which will act as the main focal point for high-level dialogue with government and for supporting the identification of TC priorities and TC personnel.

- Build systems that allow national governments to manage and monitor the performance of capacity development support, with a particular focus on TC, ideally through country systems. Where such is not possible, co-management and co-monitoring arrangements with external partners should be applied. For the procurement of TC, take steps that will build the capacity of national partners to apply international procurement standards and to identify expertise on their own.

- Set up sector/theme level dialogue between country actors and development partners about the overall intensity of TC support and ways to harmonise and align it. Consider carefully whether actions that add separate TC from a development organisation to already existing TC support by other development partners in the sector risks doing more harm than good.

**Recommendation 4: Eliminate implementation arrangements that work in parallel to national systems**

- Where multiple Project Implementation Units (PIUs) or project entities in a national institution exist, limit these to one PIU that is managed under the leadership of the organisation and that is step-wise aligned with government structures and procedures. All other PIUs should be phased out gradually.

- Ensure that any parallel arrangements that are considered indispensable for strategic reasons have a clear strategy to exit, or approach to gradually align with government structures and procedures to avoid undermining the authority of line managers and agencies outside ministries. Apply “shadow alignment” approaches to the extent this is possible.

**Recommendation 5: Reduce distortions in national salary structures caused by non-harmonised pay practices**

- Salary top-ups for civil servants should only be paid to entire ministries and through the government budget or through pooled funds-multi-donor trust funds. Parallel top-up payments by development partners should be phased out with immediate effect. Top-up levels should be agreed with the appropriate public authority, e.g. civil service commission.

- Agree on key steps to establish a unified remuneration package for national expertise/contractors (including pay, fringe benefits, etc.) for national experts, national advisors and members of the diaspora working in government institutions as well as development agencies. This pay scale should be gradually aligned with pay reforms in the civil service.

**Recommendation 6: Improve the quality of development partner TC personnel and adapt operations to allow for a more flexible mobilisation of capacity development support**

- Mobilise TC personnel for strategically relevant international expertise that can offer a mix of qualifications, ranging from technical skills to empathy, process and communication skills. Such individuals should be able to continuously scan the political and social context,
maintain a dialogue about it with their partners and situate their assistance in the context of a wider statebuilding process.

- Review and adapt procedures and regulations for the mobilisation of capacity development support, with a particular focus on TC and TC personnel, in a way that allows for more flexibility in identifying and recruiting adequate expertise, including expertise from the South, and that allow for country partners to take the lead in supervising, managing and assessing the support.

- Establish knowledge sharing and learning mechanisms for development agencies and country partners to systematise and learn from positive capacity development experiences.
REFERENCES


OECD/DAC (2009), Capacity Building in Fragile Situations. Note. 28 April, OECD, Paris.


ACKNOWLEDGEMENTS

This document was prepared by Marcus Manuel, Alastair McKechnie, Maia Stead, Erin Coppin and Lisa Denney at the Overseas Development Institute on behalf of the OECD International Dialogue on Peacebuilding and Statebuilding Working Group on Aid Instruments. The work was done under the overall guidance of the co-chairs of the Working Group Dr. Mustafa Mastoor and Hamid Jallil (Afghanistan) and Henrik Hammargren (Sweden). Thanks are due to Alasdair McWilliam (ODI) and Asbjorn Wee (OECD), and to staff members of government and donor organisations who provided information, documents and case studies. Comments were also gratefully received from Catherine Dom, Mick Foster and Jeremy Clarke.
1. INTRODUCTION

There is a growing awareness in the international community that low income countries with fragile institutions are not just a more difficult case of development, but require a fundamentally different approach to delivering assistance.¹ In fragile situations the normal political and social processes for resolving conflict are weak and armed violence is a substantial risk. Violent conflict does not only have a cost in terms of life and property – Paul Collier puts the average cost of a civil conflict to a country and its neighbours at $64bn (Collier, 2009) – but sets development into reverse. Per capita incomes fall and institutions that were built slowly before the conflict are destroyed. Conflict in one country tends to spread to others in the region, or even further abroad; refugees flee violence and conflict provides an environment for organised crime that is manifest in the trafficking of people and drugs.

In many fragile states (and in 15 of the 17 g7+ states) the international response has included large-scale investment in UN or regional peacekeeping/peacebuilding forces. Such investment tends to be much larger than the parallel investment that is also made through development assistance. In Sierra Leone and Liberia the cost of the UN force was five times that of aid flow at the time. In Afghanistan spending on military support is some 20 times that on civilian support. There is a striking disconnect and lack of policy coherence between the level of investment in peacekeeping forces and the degree of risk that is involved and the way aid is provided. In most cases aid has been provided in the same way as it is in stable countries with the same procedures applying and the same approaches to risk being followed.

As a consequence, aid – and the results of aid – has been delivered far too slowly. It is only in a few cases – such as Afghanistan – where there has been a clear break from the "business as usual" model in the delivery of aid – where results have been achieved at anything like the pace needed. But as the recent poor rates of progress in South Sudan and Haiti have revealed, these positive lessons are not being consistently applied elsewhere. The cost of this collective failure to fully adapt the aid system to the needs of fragile states is primarily borne by populations that suffer from the lack of access to infrastructure and basic services. But the irony for donors is that the failure to take risks in aid delivery has been at the cost of taking much greater and potentially much more expensive risks of renewed conflict. For both fragile states and donors there is a pressing need to break with the past, partial, incremental approach to changing how aid is delivered.
2. Evidence and Analysis

As the OECD has noted, there are essentially six categories of aid instruments in common use (OECD, 2011): General Budget Support; Sector Budget Support; Government-Managed Pooled Funds; Jointly-Managed Trust Funds; Project Support; and Support to and through non-state actors. These can be examined along a range of dimensions, and Table 2.1 contains outline descriptions of these six different types in relation to their use of country systems and their performance in three of the Paris criteria for aid effectiveness: Alignment, Harmonisation and Ownership, as well as their ability to deliver direct results.

**TABLE 2.1. AID INSTRUMENT EXPENDITURE, USE OF COUNTRY SYSTEMS AND PARIS PRINCIPLES**

<table>
<thead>
<tr>
<th>Expenditure through each aid instrument has…</th>
<th>Use of country systems (of 8 total)</th>
<th>Policy alignment</th>
<th>Process (or shadow) alignment</th>
<th>Harmonisation</th>
<th>Ownership</th>
<th>Delivery of direct results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Domestic Revenue</td>
<td>All 8</td>
<td>Automatic</td>
<td>Automatic</td>
<td>Automatic</td>
<td>Automatic</td>
<td>Depends on expenditure capacity of government, including contracting/procurement capacity</td>
</tr>
<tr>
<td>2. General Budget Support</td>
<td>All 8, can include additional safeguards</td>
<td>Automatic</td>
<td>Automatic</td>
<td>Automatic</td>
<td>Strong</td>
<td>Depends on expenditure capacity of government, potentially supported by donor programme</td>
</tr>
<tr>
<td>3. Sector Budget Support</td>
<td>Usually all 8, can include additional safeguards</td>
<td>Policy-aligned to an agreed sector plan</td>
<td>Automatic</td>
<td>Automatic</td>
<td>Strong, but depends on extent to which sector plan is owned, and extent of earmarking</td>
<td></td>
</tr>
<tr>
<td>4. Government-managed pooled funds</td>
<td>Ranges from none to all 8, can include additional safeguards</td>
<td>Policy-aligned to an agreed sector plan</td>
<td>Could be done, especially if any PIU is embedded in government</td>
<td>Automatic</td>
<td>Moderate, but depends on extent to which sector plan is owned, and extent of earmarking</td>
<td></td>
</tr>
<tr>
<td>5. Jointly managed trust funds</td>
<td>Usually uses parallel systems</td>
<td>Can be policy-aligned to an agreed sector plan</td>
<td>Could be done, especially if PIUs are embedded in government</td>
<td>Automatic</td>
<td>Depends on Ministerial involvement in decision-making</td>
<td></td>
</tr>
<tr>
<td>6. Project support</td>
<td>Usually uses parallel systems</td>
<td>Only if aligned to the overall development plan or sector plan</td>
<td>Not automatically but could be done</td>
<td>Not automatic: requires co-ordination</td>
<td>Depends on Ministerial involvement in decision making</td>
<td></td>
</tr>
<tr>
<td>7. Support to and through non-state actors</td>
<td>Uses parallel systems</td>
<td>Only if aligned to the overall development plan or sector plan</td>
<td>Not automatically but could be done</td>
<td>Not automatic: requires co-ordination</td>
<td>Weak for government – may be ownership at community level</td>
<td></td>
</tr>
</tbody>
</table>
The evidence suggests that the delivery of results – including aspects of speed, flexibility and risk management – are key aid effectiveness indicators in fragile states, but are not mentioned in the Paris Declaration. While it is possible to identify the factors affecting the direct, project-level results of each type of aid modality (the column on the far right in Table 2.1) it is much more complex to rate the types of aid instrument in terms of the indirect results they bring – including in statebuilding and peacebuilding objectives – which will depend to some extent on their performance against the Paris indicators.
3. COUNTRY CONTEXT AND THE MIX OF AID INSTRUMENTS

Each fragile state has its own specific context and no single approach can fit all the contexts. The content of the mix needs to be determined based on country context. Similarly, each donor has its own methodology for analysing fragility and these methodologies are not always shared between donors or with the government itself. At the same time the structure of international support to peacebuilding and statebuilding is rather complicated with many different actors including military, international financial institutions, humanitarian agencies and organisations, donor agencies and civil society organisations. Different actors have their own specific legal constraints on how they can operate, different tolerance of risks and hence different sets of instruments they can use. The mix of instruments in each state should be based on which instruments would most effectively help the transition from fragility to stability in that particular context with that particular set of actors involved. Some foreign assistance should not pass through the government budget in principle, e.g. support to build political parties and civil society organisations that amplify the public voice and develop the national conscience.

An example of a useful mix of aid instruments is the dual track approach taken in Afghanistan, with the Afghan Interim Authority Fund set up to get funds moving, while the longer-term Afghanistan Reconstruction Trust Fund was being established. In the immediate post-conflict moment, both short-term and long-term approaches can be taken simultaneously, as long as the short-term does not undermine or detract from efforts to put in place long-term processes.
4. SPECIALISED AID PRACTICES FOR ALL FRAGILE STATES

While it is clear that each fragile state is unique and should be treated as such by external actors, there are some common characteristics of fragility. The most visible of these is the difficulty in achieving development progress such as the MDGs within fragile contexts. The plethora of donor methodologies of defining fragility, and the absence of a universally-accepted dividing line between fragile and non-fragile states adds an extra layer of uncertainty and divergence to an already confusing arena. It is also becoming apparent that donors need to put in place specialised aid practices in fragile states to take account of the particular circumstances in these countries, including weak capacity and institutions, the imperative of statebuilding and the difficulties in delivery – for example, as exemplified in the OECD Fragile States Principles. The evidence suggests that the Paris Declaration Principles might not be sufficient in fragile states where issues of flexibility in aid allocations and risk management are critical to delivering results.

One of the key lessons from the international campaign to provide debt relief is the need early on to agree on a list of which countries could benefit. It was important that this list be seen to be transparent and fair and not just the arbitrary decision of donors. If a new deal is to be agreed at Busan there needs to be early agreement among the g7+, multilateral agencies and bilateral donors on the countries that would be eligible for differential treatment. The aim would be to identify a group of fragile states where the risks of the return to conflict are so high and the needs for rapid development are so great, that a set of standard changes or exemptions to normal aid regulations/practices such as those called for in the action plan should be applied.
5. SPEED AND FLEXIBILITY OF AID

The key frustration with current aid systems is the slow pace of delivery, and the most often cited desirable attribute for support to post-conflict countries is flexibility. Yet as progress in some countries shows, there is a range of practical steps that could be taken to speed up assistance and make it more flexible. The experience in Afghanistan in particular has demonstrated that where there is clear urgent need and a keen political interest among donors to act quickly, it has been possible to do things differently and break with the business-as-usual model. Such an approach needs to be applied to a wider (but still ring fenced and limited) group of fragile states.

The benefits of this willingness to act differently was vividly illustrated by the speed of operation of the Multi-Donor Trust Fund in Afghanistan and by the flexibility it had to finance a wide range of items – including recurrent budget items (McKechnie, 2010; Symanski, 2010). This was supported by a focus on developing capacity for government procurement and a willingness to use emergency procurement rules for a full ten years after the end of conflict. One source of inflexibility in fragile states is the demarcation between development and humanitarian funding. As a result of the World Food Programme’s (WFP) successful track record in rehabilitating roads in South Sudan, the government asked it to develop and extend its programme and in effect start the delivery of a nationwide road master plan. However in the process the WFP was delayed by difficulties in accessing development funding from the World Bank-managed Multi-Donor Trust Fund. The WFP was also constrained by its own board requirement that WFP roads could only be built to a certain quality which was appropriate for securing humanitarian access in the short term but was inappropriate for a longer-term road programme.

One specific approach that has delivered relatively rapid and flexible support is the Community Driven Development (CDD) programme. Such programmes have demonstrated that services with local ownership and accountability can be delivered at the village or community level with acceptable fiduciary risks. Yet these programmes have the potential to build peace at the local level, contribute to statebuilding by connecting communities to legitimate authority and developing citizenship skills, as well as building government from the ground up. CDD is an underutilised instrument that has proven effective in fragile settings.
6. GOOD PRACTICES FOR USING GOVERNMENT SYSTEMS – WITH SAFEGUARDS IF REQUIRED

There is a range of ways to provide more aid through government systems and to the recipient country’s budget – through direct budget support, pooled funding arrangements or national programme or project financing that flows through the budget and uses national fiduciary and reporting systems (for example, CABRI, 2010). Providing aid in such a form plays a critical role, in particular during the early post-conflict stages, to support the transformation by ensuring continued functioning of key government functions and to deliver on critical priorities that can provide legitimacy to emerging governments. A substantial shift in this direction is not only likely to deliver faster development outcomes, better aligned with country priorities, but also strengthens the accountability of government to citizens for delivering services, builds legitimacy and deepens organisational capacity through “learning by doing” (Knack and Rahman, 2007). Assistance to fragile states is highly fragmented into small projects that are often neither coherent nor coordinated with national priorities (OECD/DAC, 2010).

Aid through national systems may appear more risky than donors delivering projects directly or through NGOs or humanitarian channels, but these risks can be managed. Strengthening national capacity for procurement, accounting and auditing, reporting and programme implementation is clearly part of the solution and may take time. But in addition many fragile states, including g7+ states, have demonstrated their willingness to accept additional short-term safeguards to manage the risk involved. Some of the services can be contracted out, dual country-donor decision processes put in place, and donors could collectively establish special accountability or audit checks. The Liberia GEMAP dual signatory approach is one positive example. In Sierra Leone initial provision of budget support was accompanied by an international accounting firm monitoring flows within government through to schools, etc. Other examples include the use of international accounting firms to undertake additional audits, the provision of additional financing to enable national audit offices to undertake more frequent audits (e.g. at sub-national levels), the support of value-for-money audits and the introduction of joint government-donor results monitoring approaches in ministries of finance and/or in sector ministries.

It is striking than in South Sudan despite the conflict essentially ending in 2005-2006 donors are only now discussing putting money through government systems and even then many donors are arguing that it will take five years before the government is ready. It will thus be over ten years after the conflict ended before money will flow through the government systems. By contrast Sierra Leone received general budget support two years after the conflict, as did Rwanda in approximately the same time frame. The Afghanistan Trust Fund started to provide funding for the recurrent budget after just a few years. It was this early support – i.e. within the first five years – that was critical in rebuilding the state in all three countries. Yet despite all the lessons learned over the last ten years it would seem that donors are collectively now less willing to take on risk and deliver through government systems.

Pooled funds, including sector-pooled funds as well as broader multi-donor trust funds (MDTFs) have been shown to provide close alignment with national priorities, consolidate small projects into scalable national programmes, use national systems and harmonise and simplify the transaction costs of foreign assistance. Such pooled funds can also include dual signatory provision. Pooling funds also pools risks among donors and shifts the accountability for risk management to the multilateral organisations that usually administer them. However while some pooled funds have worked well in difficult environments, others have had weak management and slow disbursements. Key factors behind the more successful funds seem to be the degree of
government ownership, the physical location of the secretariats, the extent of the pools in year flexibility and their ability to finance recurrent expenditures. One of the key constraints to the development of such funds is the unwillingness or inability of some donors to co-finance/mingle their funds with those of other donors.

High levels of foreign assistance do not mean that recipient governments should neglect their own revenues, through rationalising taxes and fees and collecting those that are due. It is encouraging that in practice many countries emerging from fragility with high levels of donor support have at the same time sharply increased their domestic revenues. The ultimate shared aim of g7+ countries and donors is to escape aid dependency.
7. **GOOD PRACTICES WHEN NOT USING GOVERNMENT SYSTEMS – ALIGNING AID TO THE BUDGET**

Not all foreign assistance can use national fiduciary systems and some aid will continue to be provided in parallel. Co-ordinating this assistance has proven almost impossible for states with weak capacity. In addition, many fragile states highlight the lack of transparency and accountability of this assistance. The costs of military support are often not reported in the country and the provision is often poorly integrated with domestic funding of the military and security. When military support comes to an end – in terms of foreign troops or financial support to the national army – the security budget can suddenly appear to rise sharply.

Roughly half of Official Development Assistance (ODA) is provided through humanitarian channels, and about half of this is for the provision of public services such as education, health and clean water. While humanitarian channels may be faster than using national systems and donors are more ready to run risks with humanitarian aid, it is often characterised by fragmented projects that are difficult to scale up. As humanitarian support comes to an end government spending on basic services needs to rise rapidly to ensure there is no sudden drop in the provision of services.

Donors often continue to use parallel systems even after the humanitarian phase comes to an end, which can mean that the country ends up with patchy service provision, some areas benefiting from high cost services that can’t be replicated or sustained, while other areas have no access. When more normal conditions for state building are established, integrating these differing services into something coherent and affordable is difficult. This touches both on issues of co-ordination and ownership, but the practical need is for an economic assessment of what services are affordable in the medium-to-long term, and institutional arrangements to reach and sustain agreements on service standards, to avoid establishing services for the few that will lead to inequality and integration problems later when a future state is unable to staff and pay for them without starving underserved areas (Rosser, 2004).

Most agencies do publish at least some information about their support. But much of this information is still presented and published in donor capitals. The data is often not available in local currency terms or for the government’s own financial year. Some donors have signed up to new international benchmark for aid transparency the International Aid Transparency Initiative (IATI) which ensures that aid information is given at the right time and in the right format for governments to use. However the IATI standard spending classifications do not yet automatically map onto the varying domestic expenditure classifications used by each fragile state. When donors publish information at the same time as government budget processes, using the same classification, this is known as “shadow alignment” shown in Table 7.1 below.

As the below table shows, shadow alignment – where donors publish their own, separate, financial and performance reports with an aligned timing, content and classification to the government – is different from donors using country systems – where donors engage in joint planning, execution, monitoring, evaluation and reporting etc. activities along with the government.
Using country systems often means that donors are more likely to align their aid to government policies and priorities. However, in some cases policy alignment – i.e. aligning aid behind the government’s policy objectives (not just its processes as in the case of shadow alignment) may not be appropriate, for example where there is a clear disconnect between the needs of the poorest and most marginalised groups and the allocation of the national budget and the potential for such disconnect needs to be explicitly recognised and managed.

The alignment of most of the support around the budget means that it is easier for the government to co-ordinate aid spending with government spending, and also lays the foundations for the project/programme to move towards Sector or General Budget Support at a later date. It also makes it easier to ensure that external support is prioritising peacebuilding and statebuilding objectives – and the International Dialogue’s draft objectives in particular. When support is fragmented there is a greater risk that the objectives of individual donors and project managers take priority and the focus on peace and statebuilding is diluted.

To reap the benefits of donor alignment, the government must have a strong aid co-ordination and management function – ideally housed in within the fiscal authority. In view of the benefits to the effectiveness of their aid, the need for greater coherence between domestic resources and aid and the critical issue of building strong institutions to oversee public expenditure both on and off-budget as part of an effective state, donors should be ready and willing to support these units, including through funding, staff, and complying with their requests for data and information.
8. THE NEED FOR PREDICTABLE, SUSTAINED FINANCING

This is needed to avoid either stop-go patterns of aid or excessive concentration of assistance immediately after the end of a crisis, e.g. at the conclusion of a conflict. The transition from fragility to resilience requires national institutions to take root, a process that may take 40 years or more (Pritchett and de Weijer, 2010). Statebuilding is not a linear process and is characterised by setbacks as well as leaps forward. As the World Development Report 2011 states “volatility greatly reduces aid effectiveness, and it is twice as high for fragile and conflict-affected countries as for other developing countries, despite their greater need for persistence in building social and state institutions.” In addition, the peacebuilding and poverty implications of changed funding should be assessed, particularly when a donor is taking actions related to political changes within the country that may be disconnected from the population that would be affected by changed levels of aid. Donors also need to take into account the state of development of domestic bond markets, recognising that in some countries governments are unable to increase domestic borrowing to cover even very short delays in donor disbursements.
9. TRANSPARENCY, RESULTS, ACCOUNTABILITY AND VALUE FOR MONEY

The recent *World Development Report 2011* highlighted the importance of legitimate institutions for exiting fragility, and defined two types of legitimacy:

- **Political legitimacy:** “or the use of credible political processes to make decisions that reflect shared values and preferences, provide the voice for all citizens equally and account for these decisions”; and

- **Performance legitimacy:** “earned by the effective discharge by the state of its agreed duties, particularly the provision of security, economic oversight and services, and justice”.

Transparency and accountability of governments and donors are required in fragile states for several reasons: (i) by governments to understand how budgets are spent, strengthening performance legitimacy through service delivery, and to give confidence to the public and civil society, strengthening political legitimacy by supporting state-society relations (ii) by donors to ensure that there is a clear link between externally-funded activities and national priorities and that aid impacts positively on governments’ ability to deliver its own priorities; and (iii) at the global level to enable sharing of lessons and experiences with different aid instruments, to enable country actors to make informed decisions about what aid instruments will best deliver results in different contexts. This underpins greater aid effectiveness in fragile states.

Good examples of transparency include Timor-Leste’s and the Palestinian National Authority’s publication of fiscal data, the Haiti Aid Map, and Uganda’s publication of expenditure data at the local level (Reinikka and Svensson, 2004). There is also a range of instruments and policies that can ensure greater mutual accountability between donors and government, supporting broader transparency and accountability goals. These include the use of mutually accountable compacts, such as in the case of the Afghanistan compacts, or dual accountability frameworks such as the GEMAP programme in Liberia.
10. RECOMMENDATIONS AND PROPOSED ACTIONS

Recommendation 1. Identify and agree on the most appropriate and co-ordinated mix of instruments (domestic and foreign) required to meet country-specific priorities, based on specific fragility context

The g7+ should develop a fragility assessment and related indicators (Fragility Index) to identify the level and underlying causes of fragility in individual countries, in consultation with their own citizens. The index would act as a starting point to identify peacebuilding and statebuilding priorities, inform political dialogue and provide the basis for the design of strategies and plans to support the transition from fragility to stability. International partners should agree to use this index as a basis for agreeing on the right mix of instruments that would address the causes of fragility. National partners and international partners should recognise that the mix needs to include appropriate levels of direct support through civil society organisations and humanitarian instruments.

Recommendation 2. Make a "New Deal" with fragile states to adopt policies and procedures and increase the speed and flexibility of aid to fragile states

Donor countries should identify a group of fragile states where the risks of the return to conflict are so high and the needs for rapid development are so great that a set of standard changes or exemptions to normal aid regulations/practices – such as those recommended in this paper – should be applied. The types of policies that would come under this “New Deal” could cover the whole gamut of aid policies covered by the International Action Plan such as different procurement procedures; greater use of country systems (with appropriate additional safeguards) and stronger mutual accountability and transparency processes.

Donors should allow their emergency financial management and procurement procedures to be used in fragile states during the first ten years. Most donors have special procedures for emergency assistance and these could be used for at least the first decade after the arrival of a UN/regional peacekeeping mission. This was done by the World Bank in Afghanistan and is estimated to have halved the time taken for procurement, cutting months and sometimes years off the normal process. These experiences should be monitored and the evidence used to help international partners adapt their rules and regulations for engagement in fragile states.

Donors should also develop simplified procurement arrangements for use in fragile states. This might involve using national procurement rules, with appropriate international oversight, for all procurement other than very large contracts procured through international competitive bidding. It would shift donor oversight from ex ante to ex post reviews, with contracts that failed to meet the agreed standard being financed from the government’s own resources, not donor funds. When an insufficient number of bids is received the government would be permitted to negotiate with the lowest evaluated bidder, rather than rebidding the contract. The role of donor fiduciary staff would shift from external regulators of their own rules, to facilitators of good procurement outcomes from national rules, even if this involved donor staff participating in host government procurement decision making. Multilateral organisations could develop a common set of rules and contract documentation for international bidding.

All major donors should be required to deploy senior procurement staff with appropriate levels of delegated authority in all g7+ countries. Similarly, donors should deposit 5% of their annual aid programme in a Conflict Prevention Fund, from which the government could borrow to fund
urgent disbursements for conflict prevention activities within 48 hours and without requiring donor approval from capitals.

Recommendation 3. Recognise that the g7+ has a clear preference for more aid through government systems and use joint oversight mechanisms to strengthen country systems and to link aid with national budget and priorities

The g7+ should identify what instruments would count as providing aid through government systems and what constitutes an effective pooled fund. In order to increase the proportion of aid provided through government systems there needs to be greater clarity on which aid instruments would be included. The CABRI ten point measure of whether an instrument provides funding “on budget” is one potential approach. In addition a g7+ review of good and poor performing pooled funds would be invaluable in guiding the design and redesign of future funds.

The g7+ should identify a set of potential additional safeguards that could be introduced. The willingness of the g7+ to adopt additional safeguards in order to ensure that more aid is provided through government systems is not widely recognised. An explicit set of recommended potential safeguards would send a clear political message to all donors ahead of Busan. An alternative would be just to produce a list of safeguards that have been adopted by g7+ members. Even the alternative would still be a powerful demonstration of the willingness in practice of g7+ states to introduce such safeguards. It would also help to accelerate conversations in-country between governments and donors around possible safeguards.

Major donors should amend their aid regulations/practices to ensure that where there are appropriate additional safeguards in place they can provide 50% of their aid through government systems as soon as the conflict ends. Donors who are not among those providing 80% of the assistance to a country, or where the country is not one of the top 10% of their aid recipients, should provide their assistance through pooled funds. There should be regular reports from those administering pooled funds at country and global levels. Poor practices can easily persist where there is limited accountability or transparency. Options to improve accountability include reporting at the global level on the performance of these funds, joint donor-country in-depth reviews of pooled funds at least every three years, and for provision for termination and transfer of the administrator within administrative agreements for pooled funds.

The g7+ countries should commit to increasing the proportion of the budget funded by domestic revenue and the international dialogue should review progress to date and monitor future progress. Such a commitment and review would answer the argument sometimes made that support to government systems undermines government’s own efforts. The review could compare progress made by g7+ countries with rates of progress in other countries.

Recommendation 4. Align all support in fragile states – including project aid, humanitarian aid and security support – to the country’s budget to support greater coherence between domestic resources and aid

All flows – included non-aid flows such as military support – should be reported on and published locally in time for the budget and in the same format as the budget. All assistance, development, humanitarian and security-related that does not go through the budget, should be “shadow aligned” with the national budget and the multi-year frameworks that underlie it. This requires that donors contribute timely information to the budget preparation process in the appropriate format, and provide reports that link to the national review of budget implementation. The donor-funded portion of the budget would pass through the national budget approval and review process. Humanitarian agencies in particular should ensure that all their aid is reported on and that governments are
including appropriate provision in the medium term budget frameworks to compensate for any expected changes in the level of humanitarian support.

Before Busan, the g7+ should pilot the conversion of IATI data into local budget compatible data in at least three fragile states. Local donors already report aid flows through processes such as Aid Management Programmes and Aid Tracking Programmes. Each g7+ country should review all the support that is provided in the light of the emerging International Dialogue’s peacebuilding and statebuilding objectives.

Donors and government should recognise the role CSOs can play in ensuring that the voices of the poorest and most marginalised are listened to the budget preparation process.

**Recommendation 5. Provide more transparent, predictable, sustained financing in fragile states**

The g7+ group of fragile states should improve transparency and accountability of the national budget by committing to as many actions as possible from the following list:

- Publish summary budget outturn data on a monthly basis, for example the fiscal data they report to the IMF (excluding any market sensitive data), following the example of the Palestinian National Authority.
- Publish key financial and operational information on an annual basis.
- Publish budget outturn data for the previous 5-10 years (as Timor-Leste has done).
- Publish citizens’ guides to the budget and the budget process.
- Open up as many of the key steps of the budget process as possible to public engagement drawing on emerging international best practice standards, such as the Open Budget Index.
- Become formal member of Extractive Industries Transparency Initiative and the Construction Transparency Initiative (CoST), and subscribe to the Natural Resource Charter.

Aid flows through the budget should not change during the course of a budget and donors should give a two-year notice of changing funding levels. The only exceptions should be in the case of a human rights violation bringing a UN resolution or ICC proceedings against a country. Budget support should also be disbursed on a monthly basis. This will reduce the fiscal risks that result from possible delays to lump-sum annual payments, and support good budgeting and expenditure planning practice. All aid agreements involving aid conditionality should be made public; if there is a disagreement donors should offer to transform a grant into a loan.

**Recommendation 6. Agree on country-level mechanisms to strengthen partnership between national and international partners, based on mutual accountability, to enable better results delivery, value for money and the alignment of resources to national plans and priorities**

g7+ and donors should develop appropriate country level mutual accountability frameworks and compacts that deliver stricter prioritisation and better use of different resources without being overburdened with cumbersome bureaucratic procedures. The agreement should be based on commitments from national and international partners and should reflect the agreement between citizens and the state. As part of this agreement, a joint government-donor financing strategy should be developed in each country. This would ensure there is a common understanding of the
level of fragility at play and the range of instruments available and hence would enable an explicit identification of the right mix of instruments that would help the country move from fragility to stability. The strategy could also commit donors to certain behaviours, and could also set the rules of the game for the level of external controls that would be acceptable to receive more aid on budget, as well as the transition away from such additional controls towards using country systems.

g7+ countries should prioritise efforts that can mitigate risks to aid investments, recognising the strict accountability and reporting requirements that donors often face in fragile states. Donors should undertake joint assessments of risks, share these with national governments and take steps towards more joint risk management – recognising that risks are greater to individual donors than to a collective group. g7+ countries should undertake a regular review of the international performance of donors in their countries and of the effectiveness of different aid instruments, and should consider risk management as an important element in such reviews. g7+ countries and donors should also develop appropriate indicators to determine aid effectiveness in fragile states, which could include speed, flexibility and risk management as well as the Paris Declaration indicators, and consider publishing joint assessments every three years on the implementation of aid agreements, the results that have been achieved and their cost.

International partners should commit to engage in mutual accountability arrangements and contribute up to 5% of their overall aid\textsuperscript{15} to a joint government-donor accountability fund.\textsuperscript{16} In some countries one constraint to introducing greater transparency is simple a lack of resources. Where this is the case donors should be willing to jointly finance a fund which could cover the costs of a range of activities that support domestic and mutual accountability, including: government-led donor co-ordination (which good practice suggests should be housed within the fiscal authority); international sector-wide value-for-money assessments; publication of government transparency information.
NOTES

1 This background paper has been prepared by Marcus Manuel, Alastair McKechnie, Maia Stead and Lisa Denney, Overseas Development Institute for the International Dialogue on Peacebuilding and Statebuilding Working Group on Aid Instruments.

2 Which are: planning, budgeting, parliamentary approval, Treasury, procurement, accounting, auditing and reporting, according to “Aid on Budget”, Collaborative Africa Budget Reform Initiative (CABRI) (2009) – although there are alternative views that include a wider view of country systems such as HR, and decentralisation functions.

3 DFID has developed a new approach which assesses partner governments on both (a) partnership commitments (including domestic accountability) and on whether budget support can achieve better results and value for money than other instruments (Implementing DFID’s strengthened approach to Budget Support: A Technical Note)

4 For example, public financial management reforms have been gathering pace in the Democratic Republic of Congo (Baudienville G (2010), “Financial Management Reforms in Fragile and Conflict-Affected States: Democratic Republic of Congo Case Study”, Draft (ODI unpublished research))

5 Final Evaluation of USAID GEMAP Activities (Governance and Economic Management Assistance Program), 2010

6 DFID Practice Paper: Briefing Paper E: Aligning with Local Priorities

7 Good examples include the Liberia Health Pooled Fund and the Yemen Social Fund for Development, see ODI 2011; Hughes 2011, and DFID (2010e)

8 One example is the Multi-Donor Trust Fund in South Sudan, which was characterised by cumbersome procedures and slow disbursement rates. Sources: Bennet, J. et al (2010) Aiding the Peace in Southern Sudan: A Multi-donor Evaluation of Support to Conflict Prevention and Peacebuilding Activities in Southern Sudan 2005-2010., ITAD Ltd, United Kingdom; Ball 2007

9 An example of shadow alignment comes from DFID’s work with orphans in Zimbabwe, Source: DFID (2010), p. 7.

10 Budget Practices and Procedures in Africa (CABRI, 2008) generated an Aid Management Index, which gives countries a higher score if their aid management unit is located within their Central Budget Authority.


12 AidInfo, www.aidinfo.org/this-is-how-aid-transparency-could-look.html

13 One option would be to use two UN-led processes and agree that any Least Developed Countries (LDC) where there has been a UN/regional peacekeeping mission in the last five years should be eligible. The LDC criterion would keep the focus on the poorest countries. The presence of a UN/regional mission would serve as an indicator of the seriousness of the conflict and the requirement that the mission had to be present in the last five years would serve as an indicator of the risk of renewed conflict. In this option 16 states would be eligible including 14 of the 17 g7+ states. See background paper for full details.

14 Managed according to effective Multi Donor Trust Fund principles

15 Excluding diplomatic activities that are covered by international conventions

16 Managed according to effective MDTF principles
REFERENCES


Collaborative Africa Budget Reform Initiative (CABRI) (2009), Putting Aid on Budget, CABRI, Pretoria.


Collier, Paul (2009), The Bottom Billion: Why the Poorest Countries are Failing and What Can be Done About It, Oxford University Press, Oxford.


Final Evaluation of USAID GEMAP Activities (2010), Governance and Economic Management Assistance Program), USAID, Washington, D.C.


