3C Approaches to Fragile and Conflict Situations – Taking stock of commitments and challenges

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Background

1. On 19 and 20 March 2009, Switzerland will host an international conference on Whole of Government and System Approaches in Situations of Conflict and Fragility, in association with OECD-DAC, NATO, the World Bank and the UN System. The conference aims to come to a roadmap for the international community for advancing the implementation of a Coherent, Coordinated and Complementary (3C) approach in situations of crisis, conflict and fragility. This paper serves as a background document to this conference, drawing together the main findings of previous OECD-DAC studies on whole of government approaches to fragile situations, as well as the main recommendations of three thematic meetings on the subjects that have taken place in the framework of OECD-DAC[1] and the Accra High-Level Forum on Aid Effectiveness.[2] Based on these findings and recommendations, the paper will highlight a number of challenges that remain to be addressed by the international community on its path to a 3C approach in fragile and conflict situations.

2. As put forward by the OECD's Principles for Good International Engagement in Fragile States, the particularly complex and severe development challenges that the international community is confronted with in fragile situations require joined up and coherent action by political, economic, security and development actors within and among governments and organisations. It requires donor countries to adopt coherent policies and a 'whole of government' approach (WGA). Within a WGA different agencies within one government formally or informally coordinate the design, implementation and evaluation of their assistance for improved overall effectiveness. The OECD-DAC has set up a workstream on policy coherence and WGAs in fragile states to produce an agreed DAC framework on good practice for WGAs in fragile states that would inform international donor country practice.[3] Studies undertaken as part of this workstream underline the fact that governments involved in fragile states recognise the need for, and the benefits of, WGAs to fragile states. A WGA is considered to contribute to the overall objective of longer-term development and stability in fragile states at a lower overall fiscal cost; it reduces the risk of objectives either being compromised, or simply not being met; and coherent policies and activities are generally considered to have greater legitimacy in the eyes of recipient countries.[4]

3. The question how to get to a WGA has been central to the OECD-DAC workstream. In order to answer that question, the workstream has identified central elements of a WGA, as well as the challenges that arise in trying to build these elements into donor country practice.

What is needed to get to a WGA?

4. First off, it is recognised that only where the political level (ministers/Cabinet) provides consistent guidance and leadership, do officials of the various departments and agencies feel motivated and at ease to creatively find innovative ways of working together, overstepping more 'parochial' interests. This implies the need for clear **political guidance and leadership** within a donor government, which ideally is expressed in the form of an **overall strategy of the donor towards fragile and conflict situations**.

5. For donors to effectively support highly political, complex change processes in fragile situations in an integrated manner, requires **clear (political) guidelines or frameworks** for staff formulating and deciding on the processes.[5] Such guidelines or frameworks are essential for balancing the varying rationales for (not) engaging in fragile situations among government actors. To overcome barriers for

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[1] Diplomacy, Development and Integrated Planning in Fragile States, hosted by Norway with support from the UN Development Group and the World Bank (Oslo, 11-12 February 2008); Whole of Government Approaches to Public Financial Management in Fragile States, hosted by France and Australia (Paris, 17-18 March 2008); and Whole of Government Approaches to Security System Reform, hosted by the Netherlands (The Hague, 9-10 April 2008).

[2] Third High Level Forum on Aid Effectiveness, hosted by the Government of Ghana in Accra, 2-4 September 2008; specifically Roundtable 7: Aid Effectiveness in Situations of Fragility and Conflict.

[3] See OECD (2005).

[4] OECD (2006), p.7.

[5] Conflict Research Unit (2008), p.2.

cooperation, the overall strategy should contain the following key elements: 1) a clear understanding among actors involved of what fragile states are; 2) a joint policy statement explaining the rationale for collaborative working, the goals and how they are to be achieved and; 3) a commitment to establish an effective dialogue between the key actors involved. Obviously, the success of such a framework requires political commitment at the highest levels.[6]

6. It is recognised that there is no "one-size-fits-all" strategy for addressing state fragility; there is a need for developing practical, **country-specific approaches** for engagement in fragile situations that link the activities of the different actors involved to a set of broader, **common country-specific objectives**.[7] **Joint analyses** (i.e. conducted jointly by the various actors) and the more systematic use of **joint assessment and planning tools** can facilitate the process of developing such common objectives.[8] In addition, experience has shown that mutual secondments, inter-agency/multidisciplinary teams and early consultation processes with key actors to stimulate interagency dialogue can be helpful in this respect.[9] Beyond shared analysis and common objectives however, **the extent to which operations should be integrated is a matter of cost/benefit analysis** (transaction costs versus improved impact). In the case of humanitarian actors for instance, neutrality and independence imperatives limit the degree to which they can integrate their operations with others.[10] In this respect, it is important to recognise the fact that a government's engagement in a fragile situation covers different phases that require different types of involvement from different actors. This **engagement is not static: the roles and involvement of actors change according to circumstances**.[11] Each policy community's comparative advantage should be taken into account.[12]

7. The sensitive issue of the **competencies of the inter-ministerial or inter-agency structure** needs to be solved: is it leading or merely coordinating? The first implies that other ministries and departments have to follow directions; the latter indicates equal relationships.[13] Experience has shown that dedicated inter-ministerial units can act as catalysts in the process of introducing a joined-up approach in every step of strategy implementation (planning, assessments, implementation, monitoring and evaluation), and as such, they can act as the lead coordinating entity.[14] If there is no dedicated unit, there is a need to allocate a leading or coordinating role to one of the ministries. Practice has shown that, given their position, role and mandate, foreign affairs is often best positioned to take up this role.

8. WGAs require **sufficient staff capacity** (both in terms of numbers and qualifications) to manage relations with other partners and implement policies in an integrated manner. Rosters or **pools of experts** can provide effective support mechanisms to facilitate policy implementation and activity execution at country level and may help to overcome donor staff or skills shortages.[15]

9. It is recognised that existing funding mechanisms need to be adjusted to the specific needs of fragile situations.[16] These situations not only require sufficient funding, they also require **flexible and timely funding** to meet urgent basic needs, as well as to create peace dividends. Simultaneously, they require **recurrent funding** to meet structural needs and to provide long-term rehabilitation support (e.g., rebuilding basic service delivery channels). A solution to the demand for more, and more flexible funds has been sought in the creation of **pooled funds**, pooling funds from multiple actors involved,

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[6] OECD (2006), pp.8-9.
[7] Third High Level Forum on Aid Effectiveness – Accra, 2-4 September 2008; Roundtable 7 Summary, p. 2
[8] OECD (2008), p.5 / OECD (2008-1), p.3.
[9] OECD (2006), pp.29-30.
[10] OECD (2008-1), p.3.
[11] OECD (2006), p.10.
[12] OECD (2008-1), p.3.
[13] OECD (2006), p.10.
[14] Examples are the UK's Stabilisation Unit, Canada's Stabilisation and Reconstruction Task Force (START), the Netherlands' Peacebuilding and Stabilisation Unit, and the USA State Department's Office of the Coordinator of Reconstruction and Stabilization (S/CRS).
[15] OECD (2006), pp.35-36.
[16] OECD (2007), Principle 9.

combining ODA and non-ODA funds and establishing flexible decision making procedures. However, for pooled funds to be effective, they need to be linked to an agreed overall strategy of the donor towards fragile and conflict situations and/or a country-specific strategy in order to counter the tendency to fund 'traditional' activities of each department or ad hoc activities.[17]

Progress on WGAs

10. In 2008, three thematic meetings on WGAs to situations of conflict and fragility were organised. These meetings were to promote a common understanding of the progress being made with WGAs both at headquarters and country level, to recognise each policy community's role and to consider operational recommendations for improving WGAs, including instruments and financing modalities.[18]

11. In the OECD-DAC workstream, progress has been made on WGAs. The OECD itself refers to the identification of institutional mechanisms to support whole of government work, such as joint planning tools (transitional results frameworks), flexible funding and staffing arrangements, and on some joint analytical frameworks. **Less progress has been made on processes for agreeing common objectives and on leadership arrangements for effective whole of government work**. It is stated that **the need to identify the incentives and rewards for officials to work horizontally is at the core of the challenge**. Realism is needed about the transaction costs implied by working with other policy communities and some of the compromises resulting from inevitable turf battles.[19]

12. **Considerable gaps remain between what has been agreed in principle and the practice of implementation**. The thematic meetings concluded that donors need to continue to translate their conceptual understanding of fragile states issues into action at the field level and that more work is needed to engage diplomatic and defence communities at that level.

13. As such, the workstream has moved **beyond WGA towards a 3C approach** where the challenges in conflict affected and fragile situations require external assistance that is designed and implemented in a coherent, coordinated and complementary manner across government actors within an assisting country (WGA), as well as among national and international organisations – referred to as **Whole of System Approach** (WSA). In line with existing political commitments such as the Paris Declaration and the Accra Agenda for Action, issues of donor coordination are included in the discussion on WGAs. It is stated for instance, that **mechanisms for improved donor coordination can help foster a WGA**. Examples are the Post Conflict Needs Assessment and Transitional Results Framework, but also the Multi-Donor Trust Funds to pool funds.

14. The broadening scope of the workstream is reflected in the growing attention for local ownership and leadership (in line with the Accra Agenda for Action), as well as for non-DAC donors. **Local ownership and leadership** is considered to be of vital importance in order to prevent donor approaches becoming supply driven and/or too technical. Capacity building activities should focus on strengthening local ownership and leadership, predominantly in the sectors of public administration and public finance management. In aid dependent fragile states, a more systematic approach is required to ensure that **domestic resource mobilisation efforts are addressed** as aid declines in the medium term.[20] Successful **engagement with non-DAC donors** is considered key to ensuring a coherent and effective donor approach. Engagement on the ground on specific projects is seen as the most tangible way of building relations and trust between DAC and non-DAC donors.[21]

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[17] Conflict Research Unit (2008), p.10. Also during the thematic meetings it was stated once more that high level decision making fora, dedicated units, flexible funding modalities (ODA and non-ODA) and pools of experts can help to ensure high quality, coherent and flexible implementation. OECD (2008), p.5.
[18] OECD (2008-1), p.3.
[19] OECD (2008-1), p.2.
[20] OECD (2008), p.12.
[21] OECD (2008), pp.15-16.

Strategic challenges to taking the WGA workstream further

15. The OECD identifies several common strategic issues emerging from the thematic meetings that warrant further WGA attention, possibly at a senior level.[22] These include the following questions:

- How to **develop common objectives for diplomatic, defence, security, finance and development actions**? It is stated that joint analysis and the more systematic use of joint planning tools such as transitional results frameworks (including a set of stabilisation, state building and peace building goals) are likely to facilitate this process.
- How to **provide incentives** for officials from different policy communities to work together in capitals and at the field level?
- How to **manage issues at the frontier between ODA and non-ODA resources and civilian-military collaboration**, to maximise development impact?
- How can OECD governments **support a *whole of system* approach**, incorporating the efforts of non-OECD governments and international organisations?

16. In moving forward, the question is raised how the DAC should engage to improve WGAs; in what processes and with which partners?[23]

Options for strategic challenges to be taken up at the 3C Conference 2009

17. Taking into account the strategic issues identified by the OECD, some issues of a fundamental character present themselves. First, one can question whether the development of common objectives for diplomatic, defence, security, finance and development actions, facilitated by joint analysis, is sufficient to achieve a true **unity of effort**. Political agreement between different international actors and the partner country has proven essential for the effectiveness of interventions. However, this has also proven to be the biggest challenge, due to dissimilar interests and coordination difficulties. In cases like Afghanistan, Iraq and Bosnia-Herzegovina, a lack of **political agreement on the objectives of cooperation** has negatively influenced the effectiveness and efficiency of the interventions. In response, the Accra High Level Forum acknowledged the importance of an increase in political dialogue on the goals and objectives of interventions to enhance further joint strategy development.[24] Without political agreement, technical approaches are likely to be time consuming efforts that risk being ineffective in the end. Issues that could be discussed during the Conference, is whether possible discrepancies between national interests of various donors and the partner country should be addressed more directly? Is the development of common objectives facilitated by addressing and reconciling possible discrepancies in a political dialogue? How does the political process interact with the WGA process? Which approach should be prioritised under what circumstances?

18. The **challenge of an effective division of roles and tasks within the international architecture to address situations of fragility and conflict** remains on the agenda. Tentatively, a number of elements of a future division of roles that might be effective are starting to transpire internationally. The Conference could discuss whether the following emerging ideas should be explored further:

- Bilateral donors could opt for an approach of: 'as multilateral as possible, as bilateral as necessary'. Multilateral interventions are thought to enable larger scale and better coordinated interventions, they carry more political weight, generally offer a better guarantee for structural and longer term engagement and allow donors to share the costs and risks involved,[25] whereas bilateral interventions may allow for faster and more flexible responses when needed;
- The UN is generally seen to be the main international body to legitimise international interventions in situations of fragility and conflict, to give political guidance and to monitor implementation. However, issues of how representative the UN, and specifically the Security

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[22] See OECD (2008-1), p.5.
[23] OECD (2008-1), p.5.
[24] Third High Level Forum on Aid Effectiveness – Accra, 2-4 September 2008; Roundtable 7 Summary, p. 2
[25] This approach is also used in the Dutch policy note "Security and Development in Fragile States: a strategy for Dutch involvement 2008-2011" (translated), November 2008.

Council, really is, affect the legitimacy and therewith the effectiveness of the UN. Discussion is needed on how to deal with these issues;
- The implementation of interventions could be contracted out by the UN to various organisations like NATO, regional organisations, IFI's, bilateral donors, etc. depending on the tasks to be performed and the corresponding interest and capacities of the organisations. The OECD could request further research in order to identify the benefits and challenges of doing so;
- The OECD-DAC retains as primary role the setting of standards, norms and guidelines, but may require the involvement of key upcoming powers in order to maintain such a role in the future;
- Coordination of the international implementation will primarily be done on the ground in the fragile or conflict situation. It could be assigned on an *ad hoc* basis to an implementing actor (UN, WB, donor) that has the necessary capacity and competencies in the location, and is willing to take the role. In practice, this approach is used already. The question is whether this approach needs to be formalised, or whether this would harm the informal coordination processes at field level;

19. There is a **need for clarity in concepts**, as a large number of concepts is being to describe both process and content. An integrated approach only refers to the integration of objectives and interests of those involved, but does not guarantee alignment with the partner country. It is proposed to use the term Whole of System Approach when referring to the procedures of cooperation between all international actors involved in the approach, and to use the term integrated policy when talking about the contents/substance of the approach. Also, concepts like WGA and integrated approach are generally neutral and thus require the envisioned objectives to be mentioned.

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