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**FriEnt - Working Group on Peace & Development  
International Workshop**

**A New Deal for Fragile States?  
International Engagement after Busan**

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Center for International Peace Operations (ZIF), Berlin

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Session 1: *A New Deal for Aid Effectiveness, Conflict and Fragility? Topics, Elaborations and Conclusions of Busan*

**Presentation by Fernanda Faria<sup>1</sup> (outline)**

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| <p>1. What's NEW in the <i>New Deal</i> endorsed in Busan? Do the five Peacebuilding and Statebuilding Goals (PSGs)<sup>2</sup> defined in the <i>New Deal</i>, as well as the <i>Focus</i> and <i>Trust</i> approach, have the potential to improve policy responses in fragile states?</p> |
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The [New Deal](#), endorsed at the Fourth High-Level Forum on Aid Effectiveness in Busan by members of the International Dialogue on Peacebuilding and Statebuilding (IDPS), echoes much of the on going thinking on fragile states. In that sense, it's not entirely new. However, for what it stresses and, above all, because it is endorsed by both international partners and a number of fragile states, it does have the potential to change international engagement in such contexts, if all the parties are indeed seriously committed to the engagements made in the *New Deal*. These 'new' commitments in the New Deal, which can have a potentially positive and catalysing effect in national politics in fragile states and in international engagement in such contexts, are essentially:

- Putting **Peacebuilding and Statebuilding** at the core of engagement in fragile states and in the international aid agenda, beyond the MDGs and aid effectiveness priorities. The focus on performance underpinned in the latter

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<sup>2</sup> The five peacebuilding and statebuilding goals in the *New Deal* are Legitimate Politics, Security, Justice, Economic foundations and Revenues and services.

risked turning fragile states into aid orphans, generally among the weakest performers due to capacity problems and often volatile political contexts.

- The **commitment for a long-term engagement** implied in the peacebuilding and statebuilding goals, as well as an acknowledgment that it can't be 'business as usual'. For example, 'in and out' or 'stop and go' types of engagement result in lack of predictability of aid and have socio-economic and political implications that need to be carefully evaluated. The dominant tendency of international aid partners to avoid the political issues through technical approaches only also has its limitations in highly political processes of peacebuilding and statebuilding.
- The accent on the **mutual** commitments (as opposed to a commitment by one party only) as a means to foster mutual trust (e.g. on transparency, accountability, use of national systems, etc).
- It puts **fragile states in the lead**. The g7+ states' willingness to make their own fragility assessments, to have a strong saying in defining and deciding on the indicators that will be used to measure progress on the PSGs, and to be the ones monitoring its progress are very significant new elements. A strong commitment and leading role by fragile states can have a potentially positive impact in different ways:

(i) It can provide for **an opportunity to include emerging players** into the change of practices the New Deal is trying to promote. It could thus promote greater transparency and trust among all the actors concerned (national and international);

(ii) It can entail a greater **potential for effective ownership and alignment**. If 'one vision, one plan' is effectively a national led and inclusive process it could foster national coordination and sense of 'national purpose', and constitute the basis for cooperation with international partners. It could therefore enhance **harmonisation and improve coordination** at national level and among international partners. If the country's *Compact* to be agreed with international partners informs international actors' assistance, it could reduce substantially donor's requirements for often overlapping and overburdening strategies and plans.

The implementation record of other worthy commitments on engagement in fragile states is rather poor, despite improvements. Donors' common practice in fragile states have predominantly either focused on building formal state institutions (generally at the central level only, side-lining the local level) or almost completely by-passing the state by delivering aid and services through NGOs. In both cases, **donors tend to define the priorities for the country**. Local actors play a limited role as they often lack the capacities and vision to design and implement national plans and to coordinate support from international actors. **Limited capacities, weak institutions, and often poor political legitimacy and leadership**, also partly explain the difficulties of country *ownership and donor alignment* in fragile and conflict-affected states.

What chances does the New Deal have for a better success? The New Deal won't change this reality in the short-term, but it is an important mutual commitment:

- To prioritise legitimacy, people's security and access to justice, employment, accountability and delivery of services; (need to bear in mind that not all goals will matter in equal measure at all times)
- To change the **focus towards local contexts and actors beyond the state**, namely promoting inclusive country-led fragility assessments, national plans and country compacts to guide international support;
- To strengthen efforts towards greater transparency (of domestic resources and aid), timely and predictable aid, build national capacities (of the state and civil society), and risk management to use and improve country systems.

2. What are the main challenges, tensions and dilemmas for external actors (state and non-state actors) in implementing the *New Deal*?

- *Fragile states in the lead?*

Besides issues of capacity, **not all g7+ countries are equally committed** (beyond the financial incentive), nor is commitment equally shared across a government/key national actors in fragile states. The commitments made by the g7+ can have a positive as a peer pressure mechanism and work as a hub for the exchange of experiences among fragile states, but effective implementation of their share of the commitments in the New Deal still rest on individual members.

Even when fragile states are pro-active and willing to push their way, **are international partners willing to accept their ways and pace?** International partners need to recognize that peacebuilding and statebuilding in fragile states in particular are essentially negotiated processes; not always according to the standards they would like to be seen applied/respected; and often not in the timing or pace of progress they would like to see reforms moving and transformation happen.

- *The ever present imperatives for effectiveness of aid and value for money*

Effectiveness of aid and value for money are increasingly important in the current financial context (in Europe at least!). So, what's the real incentive to change donor practice in fragile states? And who are the donors who are willing to stay the course? Pressure for results and value for money play against long-term engagements, particularly in volatile contexts, where progress – depending as well on how we measure progress – can be quickly undone. Although disengagement may still be a 'no option', the current financial context and experiences in Afghanistan, Iraq, and elsewhere may provide for arguments in the opposite direction.

- *Ownership and Alignment vs. time pressure and results*

A clear drive and strong leadership from within in fragile states, as well as concrete results to show it can work, have the potential to stimulate a more '*laissez faire*' kind of approach by international partners as trust is enhanced.

However, because of fragile states' weak formal institutions and capacities, ownership is often limited and equated with endorsement of international donors' proposals and plans, while international actors pay lip service to alignment commitments but are more interested in showing results (sometimes made equivalent to disbursements...).

- *Engagement dilemmas*

**Politics are central** to transformative processes like peacebuilding and statebuilding. Internal politics, more than external influence, is what can drive a sustainable process of change. External actors (governments, NGOs, private sector) invest too little in political economy analysis and often have only a superficial knowledge of the national and local political and socio-economic dynamics. Donors thus 'walk on a tight rope' and try to shield their engagement behind good principles and technical approaches avoiding to be seen as 'engaged in politics' or 'taking sides', although they are inevitably political actors (albeit hardly the most influential...).

- *Risk acceptance*

But what is the level of risk that is 'acceptable' in often politically volatile and unstable contexts and in the current financial context?

**Other questions** also deserve attention in the process of moving towards and implementing the commitments in the New Deal:

- Is there a common understanding among the International Dialogue actors regarding the PSGs (e.g. on legitimate politics, what kind of state, what justice, etc)? A shared set of **indicators** to measure progress on the peacebuilding and statebuilding goals could forge a shared understanding of what these mean, but it is also critical that these indicators reflect the context specificities of fragile states, of local governance systems and of a country's specific 'parcours'.

- Although a country Compact bears the potential to foster harmonisation and coordination, could it replace for instance processes like the PRSPs, the Peacebuilding Strategic Frameworks and Priority Plans, or donors' country strategies? Donors will most likely be reluctant to commit to it until something is on the table. It would be useful also to look at recent experiences with Compacts and analyse what lessons can be drawn from these.

3. What role for Civil Society actors in the implementation of the New Deal?
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The greater focus on inclusive processes (national led) for peacebuilding and statebuilding, as well as on transparency and on accountability in the New Deal strengthens the call for a greater role by non-state actors.

In fragile states in particular, where state structures capacity, means and legitimacy are most often very weak, civil society and non-state actors in general (private sector included) will have to be, inevitably, a necessary partner of the government and a key player in any peace and development plans. External

donors need (and are yet to) effectively include this reality into their policies in fragile states, where the focus is all too often a 'either or' policy and far less one of promoting bridges and joint work between state and society (as shown by the monitoring of the fragile states principles

There is also a critical role for local civil society as **watchdog**. External actors can support local civil society capacities to play such a role and to engage in dialogue and partnerships with local authorities and the national government, as well as in the dialogue with partners. They are also given a role in the fragility assessments (meant to be inclusive) and in the monitoring of the New Deal.

4. A new turn in the debate on fragile states?
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A final point relates to the impact of the IDPS and the New Deal in particular on the on-going debate on fragile states. Although the direct object of the international discourses on fragile states in the 90s and especially after 9/11, fragile states themselves have been nowhere in this debate. The creation of the g7+ and a greater engagement and commitment to think through peacebuilding and statebuilding processes by these countries could redefine the fragile states debate. We may need to 'revisit' again soon the blurred notion of fragile states and the contested measurements of fragility.