

Chapter 2

Designing and delivering country programmes

This chapter provides guidance on how donors can design and deliver programmes in support of statebuilding. The three key recommendations for development partners are: (i) adapt programme delivery to fragile contexts; (ii) engage with government and key partners in identifying and agreeing key statebuilding priorities; and (iii) design integrated interventions to foster constructive state-society relations.

1. Adapt programme delivery to fragile contexts

In fragile situations the environment is likely to be very fluid, with political alliances and interests in flux. There is often weak state capacity to formulate or implement policy, and there may be weak interest in supporting statebuilding. Therefore, it is especially important to:

- Keep referring back to the political analysis and strategic choices (Chapter 1), and keep them under review in the light of experience.
- View all programming decisions through the lens of local statebuilding dynamics. Make the country context the starting point, rather than basing decisions on a development partner's agenda.
- Avoid overloading partner countries with programs and multiple interventions, and look for existing capacity and the scope to build upon (*e.g.* customary village level institutions that provide dispute resolution mechanisms). Deciphering needs based on an assessment of what the context already has to offer is critical.
- Think about the scope for supporting positive state-society dynamics that produce “win-win” outcomes, building on the interests of the main parties as well as other potentially marginalised groups whose participation may promote more inclusive, successful outcomes. Monitor the impact of all development partner interventions on these relationships, and aim to “do no harm”.
- Take an integrated approach: issues of state and human security, livelihoods and political governance are all interrelated, all have an impact on statebuilding, and all are capable of generating conflicts when the approach to them lacks transparency – which means they also generate opportunities for conflict resolution and peacebuilding.
- Prioritise issues that are strategic for statebuilding: security and justice; revenue and expenditure management; service delivery; economic development; and employment generation, taking into account horizontal inequalities.
- Design short-term interventions with a view to their longer-term impact on statebuilding. Balancing the need to deliver the urgent and visible while not losing sight of the long term and sustainable is a major challenge in fragile and conflict-affected contexts.
- Allow for flexible, step-by-step approaches, and longer timescales; statebuilding is not a quick process. Start modestly and build up towards more ambitious programme delivery in line with local capacities. Take a long-term approach that enables different elements of an integrated programme to come together (Box 2.1). Projects with two- or three-year life spans are unlikely on their own to produce much that is long lasting in a fragile context. Many organisations and activities will not be self-sustaining in the short to medium term. Programme time frames need to be adjusted accordingly.

Box 2.1. Umbrella programme for co-operation on security system development in Burundi

In April 2009, the Netherlands and Burundi signed a MoU that creates a long-term (eight-year) umbrella for co-operation on security system development (SSD), focusing on army, police, democratic accountability and oversight. Notwithstanding this focus, the SSD work in Burundi aims to support a system-wide approach through interventions in areas such as integrated border management, financial management and close co-operation with civil society and with development partners who are active in other sectors of the system, such as justice reform. Such co-operation is promoted via various co-ordination mechanisms in Burundi. The setup of the programme centres around Burundian-led project development units and joint decision-making forums.

Furthermore, the MoU came about on the basis of Burundian interest in more strategic co-operation, which led to an intensive consultation period. In the programme, Burundian strategy documents are taken as starting points for long-term co-operation. Attempts are also made to achieve maximum synergy with other development partners. This has resulted in a joint Burundian-Belgian-Netherlands strategic police reform programme. Similar co-operation is sought in other areas, *e.g.* defence reform via a potential defence review.

2. Identify and agree on key statebuilding priorities

Identify and agree on priorities simultaneously at three levels: with the government itself, with other development partners, and across government departments. Agreeing on priorities raises a number of obvious challenges, not least that opening up national dialogue on fundamental issues about the state and its relationship with society can be highly sensitive. Partner country and development partner priorities can also be influenced by different understandings of the same political landscape while the sheer number of priorities may be too great to be realistically pursued together. This means selecting the most important and politically feasible priorities as early on as possible in the strategy process. Prioritising should be based on the following considerations.

Agree with key players in partner countries on fundamental country-level statebuilding priorities, the most appropriate approaches, and the capacity needed to achieve goals. This may take considerable time and very often needs to take place under the rubric of a stabilisation or national development process, such as a Poverty Reduction Strategy Paper (PRSP). But it is important to recognise that while an important vehicle, the PRSP may not be the most appropriate one for setting out long-term statebuilding priorities. Few PRSPs actually include security and justice dimensions, for example. Consequently, specific mutual accountability frameworks focusing on statebuilding priorities that are not included in poverty reduction or national development strategies may be needed.

Work with other development partner and multilateral agencies to agree on a lead development partner co-ordination arrangement to drive collaboration and co-ordination, and to develop a consistent, long-term approach to statebuilding priorities. Where the United Nations does not have a lead co-ordination mandate, development partners and multilateral agencies should agree on a lead development partner co-ordination arrangement at country level to drive co-operation and policy dialogue. There should be clear terms of reference to deliver on this arrangement that are agreed among development partners and with the relevant government counterpart. Development partners submitting themselves to sector leadership in this way not only can radically improve the quality of

the dialogue with government but also can increase the likelihood that dialogue will have a positive impact on the process of statebuilding at the sector level.

The Paris Declaration and Accra Agenda for Action (AAA) provide the context in which development partners are trying to improve consistency and co-ordination. Joint assessment tools and joint planning and prioritisation tools [such as Transitional Results Matrices (TRMs) and Multi-Donor Trust Funds (MDTFs)] can also help create a more robust framework for prioritisation and co-ordination among development partners (Box 2.2). Evidence shows that, to work, such frameworks need to be simple, selective and integrated across political, economic, social and security aspects.

Draw on local stakeholders to test out the relevance and political feasibility of delivering assistance to support agreed key priorities. It is generally the case, but more so in fragile settings, that despite everything being important, “not all good things go together”. Moreover, interventions can produce unexpected outcomes (positive and negative). It is therefore important to keep testing the relevance and political appetite for reforms with different stakeholder groups, not only to build up a sense of what to do first, but also to gauge how reforms are perceived and how they may be contributing to changing incentives and supporting or undermining different interests. Engaging in regular dialogues with government and non-state partners (including groups often neglected by development partners, such as business and vulnerable and marginalised groups) is essential to establish shared understanding of statebuilding reforms and priorities as they evolve (Box 2.3).

3. Design integrated interventions to foster constructive state-society relations

This could be approached in three main ways:

1. Identify the underlying causes of violent conflict and fragility, as well as factors that can build peace, and support local conflict management and resolution mechanisms.
2. Look for opportunities to promote inclusive political settlements and support political processes and governance institutions that strengthen state-society interaction and accountability.
3. Prioritise support for state functions that are strategically important for statebuilding.

All of these interventions should be viewed through a statebuilding lens, with an emphasis on pragmatic realism and local political dynamics. In all of them it is important to place gender considerations among the core concerns: apart from their normative importance, a gender-sensitive approach can enhance the effectiveness and sustainability of interventions in all three areas covered below. For example, a key aspect of security concerns is widespread sexual violence and the destabilising effect it has on communities. Taking account of gender perspectives can enhance efforts to build trust between security institutions and local people (Brown and Grävingholt, 2009). More generally, statebuilding approaches that are informed by strong gender analysis can help ensure that interventions are grounded in local socio-political realities, while avoiding entrenching or exacerbating repression and exclusion. As noted above, especially in post-conflict situations there may be opportunities to help reshape gender relations – for example through the promotion of women’s political participation.

Box 2.2. The Country Assistance Framework in the Democratic Republic of Congo

In the Democratic Republic of Congo (DRC), the Country Assistance Framework, which began as a co-ordinated strategy between the World Bank and the UN, is now the principal instrument for development partner harmonisation, having evolved from efforts by the UN and World Bank in the DRC to present a more coherent set of strategies. The Country Assistance Framework now involves seventeen of the major development partners. The strength of this harmonisation has not, however, come from efforts to achieve harmonisation itself, but rather from an effective debate on “what needs to be done”, and a defining of substantive challenges to development within the DRC. Key success criteria and lessons learned include the following.

Success criteria	Lessons learned
<ul style="list-style-type: none"> • A common starting point 	<ul style="list-style-type: none"> • Individuals matter but institutional buy-in is critical to adoption and implementation
<ul style="list-style-type: none"> • Overcoming a domestic policy vacuum 	<ul style="list-style-type: none"> • Multilateral institutions are often a powerful pole of attraction in co-ordinated strategies
<ul style="list-style-type: none"> • A co-ordinated rather than joint strategy 	<ul style="list-style-type: none"> • Clarity on goals and intended outcomes is critical
<ul style="list-style-type: none"> • Substantive policy leadership 	<ul style="list-style-type: none"> • A strategic co-ordination framework does not automatically translate into co-ordination in implementation
<ul style="list-style-type: none"> • Effective process management 	<ul style="list-style-type: none"> • National engagement and commitment are essential for implementation

Source: Adapted from Dwan (2008).

Box 2.3. Addressing governance and strengthening capacity in Haiti

The World Bank Institute has developed governance and anti-corruption diagnostics as a country-level assessment methodology to complement other overviews such as the Corruption Perceptions Index developed by Transparency International. The process used is generally helpful in promoting dialogue with development actors. In the case of Haiti, a 23-member steering committee – including *Unité de Lutte Contre la Corruption* (ULCC) and civil society organisations – managed the diagnostics process. Sustained dialogue and collaboration between the government and citizens’ groups with World Bank Institute support helped to legitimate the process and build consensus and ownership around the reforms to be undertaken. A process of continuing exchange on how best to adapt technical methods to the country context promoted local capacity development and collective action. Sustained dialogue and collaboration among the government, citizens and the World Bank Institute helped to legitimate the process and build consensus and ownership around the specific reforms to be undertaken. The Haiti experience led to insights about how such national initiatives can help engage a divided population into national dialogue.

Source: Carillo (2007).

Support local conflict management and resolution mechanisms

Focusing attention on the underlying causes of violent conflict and fragility is the first step in addressing those factors that hinder or potentially strengthen peace and statebuilding processes. Accordingly, all development partner interventions in fragile situations need to be assessed for their capacity to address underlying causes of conflict (or, conversely, to exacerbate it). However, addressing root causes is not enough as the factors that fuel and maintain tension and conflict evolve over time. These factors need to be considered in determining what strategies will best establish the foundations for sustained peace and stability. It is also essential to identify those “peace factors” that can be mobilised and strengthened to build peaceful relations. Beyond this, development partners should look for ways to support local mechanisms for mediating and managing conflicts without violence and for strengthening local conflict resolution mechanisms. These local mechanisms may be formal and part of the state, independent, informal or traditional (Box 2.4).

Box 2.4. Building trust among adversaries

The African Program and Leadership Project at the Woodrow Wilson International Centre for Scholars argues for rethinking how peacebuilding techniques are conceptualised and put into operation. This cannot be done just by imposing a peace settlement and democratic government institutions. There needs to be a more profound understanding by the opposing parties that they have shared interests and that they must work together towards a common vision. Through its work in Burundi, the Democratic Republic of the Congo and Liberia, the Centre has developed training techniques based on experiential learning. It brings leaders together in workshops to address the tensions and mistrust resulting from conflict. The aims are to use a broader conceptualisation of capacity building to develop improved communications between the parties and to enhance collaboration across all ethnic and political divisions with the aim of building solid personal and institutional relationships and lasting peace.

Promote inclusive political settlements and political processes that strengthen state-society interaction and accountability

At the core of the statebuilding process lies a political settlement that reflects a formal or unwritten agreement among elites and their constituencies on the distribution of power and resources. Related to this are the political processes that underpin the broader relationship between state and society. Development partners should look for opportunities to support an inclusive political settlement and promote shared spaces for state-society dialogue. Moreover, development partners should identify ways to support governance institutions and political processes that strengthen constructive state-society interaction and accountability.

Political settlements

Outsiders may have a particular opportunity to support political settlements that result from a specific event, such as negotiation of a peace agreement. They can also look for opportunities to broker agreements on how transitional arrangements for distributing and managing political power will work, and provide support for the negotiation of formal constitutional arrangements. External actors are less likely to have a direct role in the longer-term process whereby societal support for such a settlement emerges and is consolidated, although they may support and influence it indirectly. For example, they may

play a role through mediation and facilitation, working with both state and non-state actors and helping to build trust and opportunities for dialogue and negotiation across different stakeholder groups. This kind of activity is likely to bridge peacebuilding and statebuilding efforts. In programming terms, such actions are likely to fall outside of the realm of “conventional engagement” and draw more on a range of facilitation and mediation skills (Box 2.5). Two principles are absolutely critical here: inclusiveness and “do no harm”.

Box 2.5. Supporting constructive dialogue in Bolivia

In Bolivia, German Development Cooperation supports a wide-ranging GTZ advisory programme (PADEP) on decentralisation and the political reform process. It aims to empower civil society, in particular representatives of the marginalised indigenous population, by strengthening their negotiation and advocacy skills and by supporting umbrella organisations. It also aims to improve the capacity of state actors to shape political processes in such a way that civil society can play an active role by supporting the legal and institutional framework and spaces of state-society interaction.

The German experience in Bolivia indicates that the drafting of development plans and poverty reduction strategies, the debate on a new constitution, the enshrining of democratic principles within institutions and the law and the strengthening of decentralised structures open up various windows of opportunity for fostering state-society interaction. However, experiences show that dialogue processes and agreeing on public policies are only useful if (a) there is at least a rudimentary mutual trust and willingness to co-operate; (b) dialogue is followed by implementation; and (c) sanctions are instigated when agreements are not upheld.

Sources: BMZ (2009), GTZ (2008).

It is essential to understand that groups that can speak for different levels and sections of society, parts of a country, political currents, ethnicities and nationalities all have a role in generating and promoting a political settlement. A settlement cannot be achieved without the key political leaders’ involvement, but neither can it be embedded and contribute to building peace if it lacks active support from within society. That is the basis of its broader legitimacy. It is therefore essential to include as broad as possible a range of stakeholders in the discussions about the emerging settlement. It is important here to bear in mind the need for participation of both genders, all parts of the country, and rural as well as urban voices.

Political processes and governance institutions

This could include looking for positive ways to strengthen formal and informal mechanisms for effective communication, transparency and accountability. Development partners should start with their own operations, maximising opportunities for consultation and providing accessible and transparent information about what resources are being provided, through which channels, and who is intended to benefit. They should also look for ways of strengthening local institutions that exist both inside and outside the structures of the state itself.¹ These include formal state institutions of accountability including the legislature (especially budget and expenditure functions), the national audit office and national statistics agency, as well as civic institutions of transparency and accountability. Development partners can help support the emergence of well-informed public debate on issues of government policy, revenue and expenditure. This might include making relevant data available in local languages to journalists, business associations, taxpayer groups and professional bodies as well as NGOs such as think-tanks and self-appointed watchdogs monitoring budgeting and spending of public revenues.

Formal institutions are important, as is balancing support for the executive with support for other state actors that can help provide formal checks and balances in relation to the executive. At the same time it is crucial not to focus too narrowly on specific institutional arrangements, and to remember that governance reform is a local political process.

Particularly difficult challenges arise in connection with the timing of elections. Premature elections can be destabilising, but postponing elections too long can create the risk that transitional governance arrangements, possibly involving power deals with “uncivil” wartime leaders, become embedded and hard to change. The critical issue is whether electoral competition is likely to contribute to a more or less inclusive political settlement. Development partners risk doing harm to statebuilding by promoting elections where major political actors are excluded from the process, or security problems remain unresolved (OECD, 2010a). A gradualist approach may be appropriate. Elections may have to be delayed for several years to allow for negotiations between competing political groups and to establish norms of peaceful political competition, but this does not mean advocating rigid sequencing or accepting indefinite delay (Carothers, 2007). Viewing elections as part of the statebuilding process, taking the entire electoral cycle into account rather than seeing them as a one-off event, and tailoring support accordingly help build a more realistic and gradual approach to engendering accountability and legitimacy.

Development partners face similar difficult judgements when considering whether to support administrative decentralisation and political devolution (OECD, 2010a). There is mixed evidence on the extent to which such measures promote more inclusive or exclusive political settlements, and decentralisation needs to be accompanied by significant measures to strengthen capacity in the central state as well as adequate local financial and administrative capacity. All these judgements need to be made in a highly context-specific way, taking account of the likely impact of interventions on core statebuilding processes, and the realistic alternatives available (Box 2.6).

Particular tensions arise for development partners over approaches to corruption in fragile situations. It is increasingly recognised that anticorruption strategies that rely on strengthening formal institutions and that take no account of political context are likely to fail. Corruption can deeply de-legitimise the state and undermine the fragile bond with citizens but conversely, patronage can help build a political settlement, and strengthen legitimacy. Understanding which forms of corruption undermine legitimacy, and how to approach trade-offs between corruption and stability, are crucial. In fragile situations, and especially post-conflict, there are often multiple, competing sets of rules, norms and expectations, and patterns of corruption and perceptions of what constitutes corruption may be very fluid. Moreover, international engagement and development partner resources can create opportunities for new forms of corruption as well as entrenching existing patronage networks, while anticorruption interventions can have unintended, negative consequences. Thus political economy analysis to tease out the impact of different forms of corruption on statebuilding is essential, as well as applying “do no harm” principles (Tisne, Hussmann and Mathiesen, 2009). There may be opportunities for development partners to support more rules-based practices that could strengthen “integrity”, by using key entry points (such as taxation, budget processes or public service delivery) and seeking to identify local social, cultural, economic and political constituents whose interaction with formal state structures can be facilitated and encouraged in ways that are accepted as legitimate.

Box 2.6. Challenges and merits of decentralisation

Decentralisation is a necessary element of successful statebuilding. A strong sub-national governance structure allows the centre to focus on macro issues such as the economy, defence, etc. It can also extend the power of the government into regions where it did not previously exist, provided it is properly resourced and mandated.

Properly mandated and resourced local government can also help deliver municipal basic services that help legitimate the centre in the eyes of the people. A strong focus on decentralisation in Colombia's 1991 Constitution – effectively making mayors responsible for local security – helped Colombian cities improve from worst in the region to among the best.

Local government is also the most visible level of government, and the one with which people interact most frequently. It is best able to respond to the immediate needs and build on the attributes of the local population. It can also help provide a modicum of balance in countries with strong concentration of power in the central executive.

Decentralisation may promote accountability for local service delivery by: (a) letting the principles of subsidiarity prevail where the central government fails to provide services effectively; (b) establishing more direct relationships of accountability between citizens and local service providers; (c) expecting local authorities to gather information, respond to changes in expectations, and demonstrate responsiveness.

However, when decentralisation is not supported by minimum levels of effective central state capacity, responsiveness and accountability, it could lead to a number of undesirable outcomes. First, it is likely that it will replicate the “vices” of central state inefficiencies. Second, it risks empowering local elites who are not committed to responsive statebuilding, thus further cementing local power structures based on exclusion and discrimination, precisely because there are poor mechanisms of accountability and limited enforcement of the rule of law. Decentralisation has, for example, fragmented legitimate control over the means of violence, thus denying the central state the practical ability to assert the rule of law.

Incomplete or externally driven decentralisation occurs when reforms and resource allocation decisions are determined by short-term political needs or by external assessments of the state. This approach can increase the likelihood of overlooking how such support strengthens the political settlement and social contract. Likewise, decentralisation without capacity – the ability to strike a bargain without delivering on promises – can increase local expectations that the state cannot fill, and an opportunity for local elites to then fill the vacuum.

Prioritise support for state functions that are strategically important for statebuilding

Statebuilding is inherently linked to issues of security/protection and development/wealth creation, so an integrated approach is essential. This is especially true in fragile situations where it is also particularly important to keep focused on the underlying political dynamics, and the way these can support or undermine attempts to strengthen formal institutions. The key state functions to focus on are security and justice, revenue and expenditure management and economic development, especially job creation and service delivery. One critical issue is to look for the potential for interaction between the different functions, and common interests between different stakeholders: for example, increased security can facilitate increased economic growth, thus enlarging state revenue as well as the scope for redistribution and provision of basic services, while giving investors a stake in continued security. In all cases strategic choices of the actors to work with and how to work will have an impact on statebuilding dynamics, including horizontal inequalities.

Security and justice

Security and justice are central features of the evolving political settlement. Responsive and accountable security services and access to justice are priorities for (re)establishing trust in the state and confidence in its ability to meet legitimate expectations. But in fragile and conflict-affected states, establishing security and justice under the rule of law can be especially challenging and will take considerable time. In contexts of armed conflict, for instance, the state typically does not have control of the monopoly of violence across the territory, and police and formal judicial systems are likely to be weak and inaccessible for most of the population. Several areas should be considered when designing programmes related to security and justice.

Ensure legitimate and functioning security forces. In the most fragile states security system reform initiatives may be confronted with wholly dysfunctional security forces where there is no unified chain of command, salaries are not paid, and loyalty and discipline are entirely lacking. In some cases armies may exist only in name while in fact functioning as disparate militias under local commands. In such cases, as the peace process starts out there is no alternative to an external force substituting for internal forces in core security functions. The reform process must begin from day one but will produce properly trained and functional forces only slowly. Reform may need to include support for rebuilding security forces, including salary systems, efficient bookkeeping (to eliminate the “ghost soldier” problem), and livelihood programmes for the families of security and police personnel. Such elements build the basis for loyalty while strengthening accountability. Without attention to the consolidation of security forces they may in fact become a major source of insecurity and violent conflict.

Prioritise both security system reform and greater citizen security. Doing so effectively requires greater coherence and practical co-ordination between these twin strategic objectives. It should include supporting the establishment of effective security and police forces operating through a unified chain of command, and strengthening civilian accountability and oversight mechanisms for security and policing. At the same time, it should be recognised that where security forces have previously been viewed as a potential threat to the population, civilians may be hesitant to place trust in or hold such forces accountable. This trust must be actively built up in order for populations to feel secure.

It is important to recognise that threats to citizen security can take many forms, including armed violence, violent crime and interpersonal violence. Applying an Armed Violence Lens can help to identify types of violence and design appropriate strategies (Box 2.7).

Box 2.7. Armed Violence Lens

The Armed Violence Lens approach captures the following elements and patterns of armed violence:

- The **people** that are affected by armed violence (both the first-order victims and the wider communities and societies that also suffer consequences).
- The **perpetrators** of armed violence (and their motives for armed violence).
- The **instruments** of armed violence (with a focus on their availability and/or supply).
- The wider **institutional/cultural** environment (both **formal** and **informal**) that enables or protects against armed violence.

The Lens also draws attention to the fact that risk factors exist and interact at different levels, from the local to the global.

Source: OECD (2009a).

Treat security system reform holistically. A whole-of-system approach to SSR is at the core of the *OECD Handbook on Security System Reform* (OECD, 2007a), and more effort is required to design programming informed by integrated military, political and economic analysis tailored to the specific conditions of individual states. The example of Sierra Leone presents a more holistic approach to justice and security system reform, demonstrating its benefits for democratic processes and legitimacy more generally (Box 2.8).

Box 2.8. A more holistic approach to security system reform – Sierra Leone

Sierra Leone’s comprehensive security system reform is seen as an example of effective support to build the security functions of the state. The armed forces were effectively downsized and the capacities of the national police force were increased, as shown in the conduct of the 2007 and 2008 elections. There have also been successful efforts to depoliticise the armed forces and to develop institutionalised oversight mechanisms. “Indeed, the revised national security agenda of Sierra Leone displays a remarkably progressive understanding of threats to peace and security in the country, emphasising the persistent lack of human security over regional threats”. According to a London School of Economics/PricewaterhouseCoopers case study report, DFID was perceived to have been particularly effective in developing capacity and giving full responsibility to national bodies: “This creation of ‘real structures’ that allowed for sufficient internal reform resulted in development partners now feeling comfortable with working with security providers in that country. Moreover, DFID was given credit for promoting a holistic approach to ensuring security (e.g. prisons, army and border control by community level organisations).”

Source: LSE/PWC (2009).

Focus beyond capacity development to include greater accountability and oversight of core security functions and institutions. This involves working at multiple levels not only by training in military and police academies (for example in human rights, gender equality, and the theory of civilian oversight) but also by practically building institutions to promote transparency and accountability. These institutions can include ones that are part of the security establishment and also independent think-tanks and watchdog organisations. The goal of civilian oversight of military and police is to ensure that they deserve and can earn the broad confidence, trust, and community support that provides the basis both of their legitimacy and ultimately of their efficiency.

In post-crisis and post-conflict situations: *support judicial and non-judicial measures and processes that are associated with a society’s attempt to come to terms with legacies of abuse and suffering.* For any newly established security sector to gain acceptance, it is important that victims, survivors, and communities affected by former abuse (often inflicted by actors that are now part of the new security sector) have opportunities for official recognition of their experiences, as well as individual and collective access to mechanisms for justice and reparation/restitution. To address structural inequalities, it is extremely important that policies take into account gender-specific needs, the needs of children and the elderly, and ethnic minorities.

Support for justice reform needs to involve both state and non-state actors and needs to be sensitive to local contexts, norms and values. As noted, technical, top-down approaches tend to be disconnected from the political processes of statebuilding. Reforms of justice institutions, including access to justice, that do not directly respond to the expectations of people at the community level may be perceived as illegitimate or irrelevant.

External support for such an approach to reform will not be grounded in the local reality that may be shaped by multiple, competing sets of rules and values. Development partners will need to work with a range of local actors within both formal and informal justice, policing and security mechanisms. Even in the most fragile settings where violence is endemic, there will be a security and justice system of some sort in operation. Identifying these actors and arrangements with the assistance and support of local leaders, formal and informal, will help to define entry points for initiatives that are aligned with people's expectations and priorities, and with real bearing on the evolving political settlement.

Justice reform must also be sensitive to core values of access to justice and awareness of rights, and external actors must weigh support for informal processes against their potential to clash with international human rights norms. Of particular concern is the potential to discriminate on dimensions of individual or collective identity such as ethnicity, class, religious belief, gender, caste and sexuality. While the goal should be evolution towards a justice system that is more closely aligned with international standards – which could in turn strengthen the underlying political settlement – development partners need to be aware that existing exclusionary processes often serve a political purpose. They should therefore make context-specific judgements about what is achievable within given time frames, taking into account the views of poor and vulnerable groups and the realistic alternatives available to them.

Strengthening judicial independence is crucial for accountability but it is not easy to achieve, not least because the administration of justice is often under-resourced and closely tied to the holders of political power (both formal and informal) at national and sub-national levels. At the same time, the close-knit nature of legal professional communities, even in fragile and conflict-affected situations, makes it difficult to penetrate the system with reforms, while the longevity of the leaders of the profession means that reforms take time to implement. Enhancing the prospects for impartial and unbiased application of the law – both in the legal oversight capacity of judges (through constitutional and administrative law) over the conduct of public affairs, and in the conflict resolution function for disputes in society – thus requires a combination of political leadership and stamina. In very challenging settings, judicial independence will have direct bearing on elite interests and their social, economic and political base. While senior lawyers and judges themselves come from that elite, they are often capable of independence if they are physically and financially protected. In some circumstances, therefore, measures to protect judges and other key officers within the judiciary should be considered. Establishing links with regional and international judicial bodies might help foster a greater recognition of the fundamental values of independence, impartiality and integrity.

Revenue and expenditure management

Without revenue, a state cannot build its principal functions or meet citizen expectations. Bargaining between state and society actors over resource mobilisation, particularly through domestic taxation of citizens, is central to supporting a political settlement, and the creation of more capable, accountable and responsive states.² Conversely, access by political elites to revenues from export of natural resources (especially oil, gas and minerals), as well as illicit flows from smuggling, corruption and trade in narcotics, sharply reduces the need for them to bargain with citizens over revenues, to create the bureaucratic capacity to collect and administer tax, or to nurture wealth creation. The result is both unproductive use of resources and very weak incentives for statebuilding. Weak management of natural resource revenues can also encourage competition for access by non-state actors, and provide finance for groups offering armed resistance to the state.

The key issue for development partners is therefore how to help reduce incentives for predation and enhance incentives for more productive use of resources. The issue here is not primarily one of capacity – although weaknesses in state capacity are debilitating, and offer valid entry points for external assistance. Revenue and expenditure management are highly political issues: treating them as purely technical, fiscal questions will lead development partners astray and risks doing harm. The specific support measures outlined below therefore need to be designed and implemented with a view to their impact on state-society bargaining, and their ability to shift the incentives of key stakeholders in constructive ways.

Better management of natural resource revenues and better public financial and macroeconomic management are likely to be high priorities from both a governance and a fiscal perspective, including more effective and consensual resource mobilisation. These are also very legitimate entry points for development partners. Action could include:

Support for domestic measures to control the illicit economy and economic threats to peace, including from illicit trafficking (*e.g.* in narcotics, people, or arms), smuggling (*e.g.* of lootable natural resources), and extortion and capture of state resources. Strategies will need to be context-specific, and may involve a combination of law enforcement, alternative livelihoods provision, curbing regional or global demand, and better management of natural resource revenues.

Support interventions at the global level to reduce opportunities for smuggling, private capture of natural resource rents and money laundering, as well as to increase the transparency of revenues from oil, gas and minerals.

Support measures to strengthen core state monetary and fiscal institutions, including central banks and ministries of finance. Aid delivery mechanisms should aim to strengthen, not undermine, management of public funds.

Support for improved domestic revenue mobilisation, with an emphasis on enhancing equity and voluntary compliance, not just on increasing the overall amounts collected (OECD, 2010a).

Economic development and employment generation

Low levels of economic production and employment also contribute strongly to state fragility; these conditions are usually characterised by particularly low agricultural productivity, little investment in manufacturing and limited entrepreneurial activity in the formal sector. The extent to which states are able to foster growth and employment in these basic productive sectors can become crucial to legitimacy in the eyes of both elites and non-elites, and to state efforts to secure its own revenue base.

In addition to measures discussed above to ensure a minimum level of financial and macroeconomic management, and control the illicit economy, development partners should consider the following.

Restore incentives for productive investment. Investors need confidence that they will be able to earn and retain their profits. In the longer term the goal should be to (re) establish a formal legal framework to support protection of property rights and enforcement of contracts, as well as covering employment, savings and credit.³ However, relying primarily on best practice approaches to improving the investment climate may be inappropriate in post-conflict, fragile environments, where rent creation and patronage are rife and central to maintaining public order. Efforts to strengthen a formal legal framework may be less effective in the short to medium-term than looking for the potential for politicians and

investors to strike bargains that may be informal and exclusive but that build on common interests in security and productive investment (Haber *et al.*, 2003; Qian, 2003; Moore and Schmitz, 2008). Signals from politicians that they will provide investors with protection – either formal or informal – over future profits could be sufficient to kick-start investment. Early measures to restore confidence can send a strong signal to investors and support later stages of the economic recovery process, as shown in Box 2.9.

Box 2.9. Political signals to investors in Uganda

After the end of Uganda's civil war in 1986, the Kampala Government took a series of steps to restore and reinforce property rights. This included returning property owned by Asians who had been expelled in 1972. At the time this was a painful measure because the properties concerned had been occupied by local people. However, this approach brought results. In 1986, two-thirds of Ugandan private wealth was held abroad; by the mid-1990s, Uganda was attracting substantial repatriation and this contributed to private sector investment in the country's coffee boom (Collier, 2007).

Prioritise support to rural livelihoods and infrastructure. At the local level, the ways in which people are actually securing their livelihoods needs to be understood. The incentives and constraints they face will be well known to local elites who control whatever minimal productive capacity exists. Understanding these dynamics at local level should be the starting point for any interventions. Often, access to inputs, credit, and marketing opportunities are the greatest challenges faced by farmers and local entrepreneurs. Rural roads (including local roads – not just the highways) are critical not just for access to markets but also for service delivery, and for extending the potential reach of the state.

Provide support to create jobs and ensure that local people, especially women and young people, have appropriate skills and opportunities to enter the labour market. This might include cash-for-work programmes, vocational skills training as long as it is linked to the availability of actual jobs, financial and start-up support for microenterprises, as well as support for small business. Inclusive growth that supports job creation can play a key role in diffusing possible conflict and reducing incentives for people to join criminal or rebel networks. Supporting labour market analyses, skills audits and assessment of economic market opportunities can be an important part of ensuring that initial job creation schemes are translated into sustained employment opportunities.

Target programmes to the most vulnerable populations, including displaced youth and women, to avoid creating further inequities and instability that could undermine the statebuilding process. Short-term measures (*e.g.* social insurance packages or basic living allowances) can help reduce exploitation and exclusion, but should be viewed as part of longer-term strategies to support education, entrepreneurship and livelihoods.

Service delivery

Interventions in service delivery can play a major role in enhancing state legitimacy and contributing to more productive state-society relations and the legitimacy of the state. The provision of basic services that allow for improved access to health care, education, clean water and sanitation are likely to be central to any social contract, alongside basic security and livelihood needs. There are trade-offs between meeting urgent short-term needs and longer-term statebuilding objectives in situations where state capacity is weak, resources are limited, and most services have been degraded through years of neglect

(OECD, 2008c). External actors tend to have inflated expectations of what the state ought to provide and of what external assistance can actually accomplish at reasonable cost in the face of enormous need. Greater realism is needed to help avoid inflated expectations that can undermine statebuilding efforts.

Judgements about how to manage the inevitable trade-offs need to be context-specific. From a statebuilding perspective it is important for the state to have a prominent role in setting the overall legal and policy framework and co-ordinating delivery even if it is not always the direct provider. The question is how to strengthen that role (which itself requires considerable organisational capacity) without damaging existing non-state provision.

Start by mapping state capacity and non-state roles in service provision. Especially where the state is weak, there is likely to be a great diversity of non-state providers filling the gap, with different degrees of co-operation with the state.

Be alert to the risks of using parallel initiatives independent of the state to deliver public services. Such arrangements can divert resources to non-state providers, and set up competing mechanisms. Wherever possible, continue working with the state, for instance using non-state actors to provide services while strengthening the capacity of the state to take responsibility (and be seen to do so) for making policy and contracting, regulating and monitoring services.⁴

Locate partnerships with non-state actors within a budgetary and programmatic framework that emphasises statebuilding, so increasing the potential for all partners to work towards the same priorities in a co-ordinated way and strengthening state capacity for oversight/regulation. Where fiduciary risks are high, consider dual-control oversight mechanisms (OECD, 2010a).

Be mindful of the need to transfer the delivery or oversight of certain services to the state or to decentralised civic or social service agencies at the earliest opportunity. Box 2.10 sets out the approach taken for health services in Afghanistan.

Box 2.10. Government stewardship and NGO delivery of health services in Afghanistan

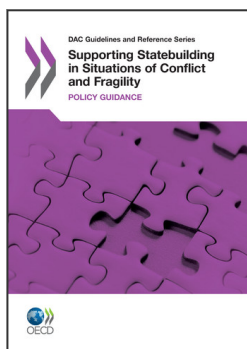
A situational analysis conducted after the fall of the Taliban demonstrated that the delivery of health services in Afghanistan was very poor. In response to this desperate situation, the Afghan Ministry of Public Health (MoPH): (i) established a basic package of health services (BPHS) that prioritised high-impact health interventions; (ii) invested heavily in monitoring and evaluation; and (iii) contracted with mostly national NGOs to deliver the BPHS using the funds of three major development partners: the World Bank, the United States Agency for International Development, and the European Commission.

Contracting made sense for a number of reasons: NGOs were providing 80% of services being delivered; contracting allowed the MoPH to focus on its stewardship roles (e.g. priority setting, co-ordination, monitoring and evaluation); and it allowed for innovative responses to conditions on the ground by the NGOs. By 2008 the health situation looked very different. The experience in Afghanistan indicates that government stewardship is critical but that service delivery by non-state providers can rapidly improve the health situation at community level.

In contexts where state capacity and willingness are low, decentralised service provision is an option. This can help “link up” resilient local communities with local service delivery (OECD, 2008c) and tap into local resources. But there are also risks that interventions financed by development partners will distort or undermine customary, informal institutions, and that decentralisation where the state is weak will encourage further fragmentation of public authority. All these judgements need to be based on the best possible understanding of the local political and institutional context, and a willingness to consider making progress in incremental ways through informal relations of trust between state and non-state providers, as well as formal arrangements (Batley and McLoughlin, 2010).

Notes

1. Long-term financial and technical assistance can be important, but (as explained in Chapter 4) aid modalities – for example predictability, transparency and use of a country’s own systems for channelling and accounting for aid – also help provide incentives and entry points for local collective action.
2. For details, see the Development Assistance Committee Network on Governance (GOVNET) work on taxation.
3. In this regard the OECD Policy Framework for Investment (www.oecd.org/daf/investment/pfi) provides a comprehensive framework for domestic governments and donors to guide the design and implementation of policy reform for improving investment conditions in the long term.
4. For a detailed discussion of whether and how to contract out service delivery to non-state providers see OECD (2010b), *Handbook on Contracting Out Government Functions and Services in Post-Conflict and Fragile Situations*, OECD, Paris.



From:
**Supporting Statebuilding in Situations of Conflict
and Fragility**
Policy Guidance

Access the complete publication at:
<https://doi.org/10.1787/9789264074989-en>

Please cite this chapter as:

OECD (2011), "Designing and delivering country programmes", in *Supporting Statebuilding in Situations of Conflict and Fragility: Policy Guidance*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264074989-9-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.