Center for Global Development

CGD Brief

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Greater Than the Sum of Its Parts?

Assessing "Whole of Government" Approaches to Fragile States*

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Fragile states—countries defined by poverty, weak governance and often violent conflict—represent a major development challenge for today's global aid community and a significant threat to global security. This CGD Brief offers policy recommendations for donors seeking to promote development, good governance and security in such countries by integrating the resources and skills of multiple agencies—in short, adopting a "whole of government" approach. It draws on a comparative study of how seven governments[1] are beginning to align their development, diplomatic and defense interventions in engaging weak states. The good news is that the donor community understands that efforts to bolster, reform or reconstruct fragile states must simultaneously address issues of security, governance, the rule of law, social welfare and economic growth. The bad news is that integrated approaches to fragile states remain at best a work in progress.

KEY RECOMMENDATIONS:

- START TALKING: Donor governments must commit to honest internal dialogue about how to prioritize the multiple goals and objectives involved in working in fragile states.
- THINK STRATEGICALLY: Donors should develop unified strategies toward each fragile state they engage, and this should drive a comprehensive assistance strategy.
- INSTITUTIONS MATTER: Donors should focus on institution-building in fragile states, and devote a greater share of their foreign aid to fragile states.
- GET SERIOUS: Senior leaders must make a clear public commitment to whole of government strategies and provide explicit guidance to relevant agencies.
- MONEY TALKS: Donors should cautiously embrace pooled funding arrangements and standing contingency funds.
- EVALUATE: Donors must develop new ways to evaluate the impact of their interventions in fragile states.

Where Security and Development Meet: The Need for Policy Coherence in Fragile States

The international development community has come to recognize that standard development principles and practice are often of limited use in a subset of poorly-performing developing countries that lack either the political commitment or the capacity to deliver basic services and pro-poor policies. Such countries tend to suffer from low or negative levels of development and poor governance and (in many cases) are mired in violent conflict. Britain's Department for International Development (DFID) estimates that nearly one-third of aid recipients live in fragile states. Yet, such states often receive less aid than better-performing developing countries, reinforcing their marginalization.

National security officials in donor capitals have also come to regard weak states as potential dangers to international peace and security, apt to generate a range of negative "spillover" effects in the form of transnational terrorism, organized crime, weapons proliferation, global pandemics, envi-

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[1]Australia, Canada, France, Germany, Sweden, the United Kingdom, and the United States.

ronmental degradation, and the spread of violent conflict. The attacks on the United States of September 11, 2001, demonstrated the grievous damage terrorists operating from poor countries can inflict on even the world's most powerful state. Additionally, the difficulties in stabilizing and reconstructing war-torn countries, including Afghanistan, Iraq and Sudan, have led donor governments to explore integrated approaches to post-conflict operations.

The challenges of fragile states imply not only *doing things differently* but also *doing different things*. Effective donor responses may mean doing things outside traditional development expertise and not covered under official development assistance (ODA)-eligible activities. This may involve collaboration with non-development ministries with greater expertise and resources (as well as a mandate) to address these tasks, such as the disarmament of former combatants, police deployments, transitional justice, and peace support activities.

Aware that building effective states in the developing world requires addressing a slew of development, governance and security concerns that are beyond the competence of any single agency, the donor community in April 2005 endorsed a "whole of government" approach to fragile states. To this end, several donors have drafted government- or agency-wide fragile state strategies, created dedicated units to integrate interdepartmental prevention or reconstruction efforts, and experimented with new funding arrangements to promote interdepartmental collaboration. Among them are Australia, Canada, France, Germany, Sweden, the United Kingdom, and the United States. What progress have they made in such "whole of government" efforts in weak environments?

FINDING 1: THERE ARE VARYING OBJECTIVES AMONG COUNTRIES AND WITHIN GOVERNMENTS

While all seven governments regard fragile states as both a development and security challenge, they differ in the weight they give them. Motivations and objectives fall along two extremes: policy coherence for *national security* versus policy coherence for *development*. For example, Sweden treats global development as the centerpiece of its international engagement. Conversely, the United States is motivated overwhelmingly by the global war on terrorism. France gives more weight to national security, whereas the U.K., Canada, Australia and Germany fall somewhere in the middle.

Within governments, there is even less coherence among agencies about what constitutes a fragile state, and no single donor has formulated a government-wide fragile states strategy. The concept is most popular among development ministries; foreign and defense ministries tend to be more skeptical, finding the term a distraction from concrete challenges of crisis response and post-conflict reconstruction. This lack of a unified strategic vision results in a welter of competing white papers and policy statements from different agencies.

FINDING 2: FOR THE DEVELOPMENT COMMUNITY, BENEFITS AND HAZARDS OF INTEGRATION

The development community remains deeply ambivalent about whole of government approaches in fragile states. On the one hand, the growing national security salience of fragile states and the rise of interagency approaches can help to garner political attention and additional aid resources for development programs. It can also allow development ministries to leverage the contributions of defense and diplomatic actors to address issues that may be outside the core competencies and legal authorities of traditional aid agencies. But integrated approaches also carry potential risks for development agencies. There are concerns that the core development agenda, including poverty alleviation and long-term institution-building, will be subordinated to more immediate security imperatives. Even in countries with strong development agencies, like the U.K. and Canada, there is increased pressure to fund either non-traditional initiatives (in Canada's case, the Counter-Terrorism Capacity Building Program) or to label certain countries as fragile so as to give strategically important states development aid (in the case of the U.K., there has been pressure for DFID to fund programmatic activities in Saudi Arabia).

FINDING 3: LACK OF LEADERSHIP AND COORDINATION

Unfortunately, none of the countries studied has demonstrated high-level political support behind interagency approaches to fragile states, nor have they been successful in developing robust coordinating entities to address fragile states on a government-wide level. In the U.K., the Cabinet Office, despite its placement at the heart of government, is generally incapable of pushing departments toward the pursuit of common strategic goals. In the United States, the National Security Council has played a remarkably hands-off role in coordinating the various agencies, or in developing doctrine to define roles and responsibilities across agencies, military and civilian alike. The newly created U.S. Director of Foreign Assistance has so far not been able to fill this gap, and has failed to articulate a coherent framework for engaging in fragile states. In Australia, interdepartmental coordination occurs through the creation of *ad hoc* committees on a country-specific basis. In France, there is no single place to coordinate strategy and planning toward fragile states.

In most cases, donor engagement takes the form of parallel, largely independent diplomatic, security, aid, trade and other initiatives. Comprehensive strategies are formulated—if at all—only rarely and on an *ad hoc* basis, either in response to brewing crises, a post-conflict response or as an occasional pilot project. The U.K. has made the most progress, pioneering a Countries at Risk of Instability initiative, with the express purpose of formulating common U.K. strategies for crisis countries, including Bangladesh, Nigeria and Burma. Unfortunately, the resulting strategies have tended to be a vast wish list with little prioritization and with little integration into the individual assessments of other assessments within the defense, development and foreign affairs ministries.

FINDING 4: FUNDING SHORTFALLS AND EXPERIMENTS WITH POOLED FUNDING

Funding shortfalls remain a major constraint to greater collaboration of agencies working in fragile states. While some development ministries have large resources at their disposal for potential use in fragile states, these tend to be tied up in longer-term programs, and thus are unavailable for prompt response.

As a way to get around this, pooled funding and joint budget lines are being used as a potential way to provide a powerful

RECOMMENDATIONS

In order to make progress in stabilizing and reforming fragile states, donor governments must embrace some painful but necessary changes in the way they engage the world's most troubled countries.

1. **Individual donor governments must commit to honest internal dialogue among relevant agencies about how to balance and prioritize the multiple goals and objectives involved in working in fragile states.** Foreign and defense ministries should prioritize interventions that advance long-term institution-building in fragile states. Likewise, aid agencies must recognize that promoting development is not the primary mandate or mission of other government departments, which will be inclined to focus on policy coherence that advances the national interest.
2. **Senior political and departmental leaders must make a clear public commitment to whole of government strategies and provide explicit guidance to relevant agencies of what is expected of them.** In parallel, senior officials must create professional incentives to reward greater interagency collaboration. In most development, diplomatic and defense ministries, participation in whole of government initiatives is often seen as a distraction from core institutional mandates and fast-track career trajectories. One way to overcome this natural resistance is to link professional advancement to "joint" service in central coordinating units and other ministries. More broadly, ministries can advance coordination through the creation of dedicated liaison offices, as well as the secondment and exchange of staff to other departments. An example of this is the creation of the Office of Military Affairs at USAID.
3. **Donors should develop a unified country strategy toward each fragile state they plan to engage, which should drive a comprehensive assistance strategy.** The goal going forward should be to design a common assistance strategy that aligns and harmonizes, to the degree possible, the provision of security, governance, development and other assistance. Such a strategy would set out the priority objectives for national policy and present policymakers with options (including associated costs). It would be based on a joint assessment of the root causes and current dynamics of instability and conflict, the current strands of donor engagement and additional policy tools that might be brought to bear, and agreement on priority and sequencing of potential interventions. This would also set the stage for more integrated early warning and assessment strategies, so as to better prevent states from sliding into conflict.
4. **Donor governments should make poverty alleviation and institution-building a major focus of their foreign policy agenda, in part by devoting a greater share of foreign assistance to fragile states.** Recent donor practice has been to focus development aid resources disproportionately toward good performers, on the grounds that development assistance works best in good policy and institutional environments. Recent evidence suggests, however, that carefully focused foreign assistance can encourage policy reform and institutional development in weak and failing states, which often face significant governance, corruption, and absorptive capacity hurdles, and that there is a wide disparity between aid to some fragile states and other low-income countries, despite similar governance and performance indicators.
5. **Donors should experiment with new pooled funding arrangements and standing contingency funds.** One of the most cost-effective expenditures donor governments can make is to create modest, fast-disbursing resource windows that can jump-start rapid conflict prevention or reconstruction activities in crisis-prone states. Access by agencies to pooled funding should be contingent on genuine agreement on strategic priorities and joint oversight of implementation. In post-conflict contexts, there is no substitute for standing contingency funds that permit rapid crisis response. Such contingency funding is essential to avoid wasting precious time on preparing an additional appropriation of resources for the current crisis or the inevitable bureaucratic struggles involved in allocating monies already dedicated to other purposes. The creation of such funds may also help to build up desperately needed civilian capacity within donor governments to help address such crucial reconstruction activities like rule of law, governance and economic recovery.

   At a minimum, the development community should consider relaxing ODA eligibility criteria, since fragile states often require assistance that goes well beyond traditional development assistance, to include law enforcement and security sector reform. Relaxing ODA eligibility criteria would accommodate a greater number of currently excluded fragile states from aid, and permit aid resources to be spent on crucial non-traditional ODA activities.
6. **Donor governments must develop new means to evaluate the impact of their interventions in fragile states.** Measuring aid effectiveness is never easy. There is a constant temptation to avoid honest assessments of outcomes and to focus instead on (more easily measured) inputs and outputs. Monitoring and evaluation are even more complicated in the case of whole of government policies, since the desired outcomes are likely to be some amalgam of political, security or development objectives. Nevertheless, donor governments must develop real measures of the impact of their aid on the fragility of state institutions.

incentive for collaboration and capability for rapid response. The U.K.'s Africa Conflict Prevention Pool and the Global Conflict Prevention Pool are arguably the most innovative donor instruments to promote whole of government action in fragile states. They show that such pooled funding arrangements can bring relevant agencies to the table and encourage buy-in, lead to compromises on objectives, reduce time lags for addressing urgent needs, and facilitate the conducting of joint assessments and the formulation of genuinely integrated country strategies. Beyond the U.K., however, pooled funds remain either non-existent or modest in scope. And even within the U.K., there have been times when the pools have been raided by departments to fund individual—not integrated—pet projects. This is unlikely to abate, given the lack of a strong government-wide coordinating body with the power to impose discipline and enforce integration.

FINDING 5: CIVILIAN CAPACITY IS LACKING & STANDING UNITS ARE A MIXED BAG

One of the biggest attractions of the whole of government approach is the promise of being able to deploy more skilled civilians to the field to assist in the stabilization and reconstruction of war-torn societies, thus freeing the military to pursue its primary mission. Unfortunately, governments have been slow to build up adequate technical capabilities within civilian agencies, as well as sufficient numbers of trained personnel who can be quickly dispatched to insecure environments.

Some donors have created new functional units, staffed in part by details from relevant departments, to address state fragility and post-conflict issues. These include the U.K.'s Post-Conflict Reconstruction Unit (PCRU), the U.S. Office of the Coordinator for Reconstruction and Stabilization (S/CRS), and Canada's Stabilization and Reconstruction Task Force (START). These units can increase the prospect for rapid response and institutional learning, and can help to clarify the mission leadership and force the actors to reconcile their objectives.

Unfortunately, most of the established units lack the bureaucratic heft and political backing of fully-fledged departments, which may jealously guard their prerogatives and fight to undermine such coordination. They are also chronically underfunded and often overreach their mandate. This is particularly true when new units are created from scratch (as has been the case with S/CRS and PCRU) rather than built on existing bureaucratic structures or incorporated into established mechanisms of interagency coordination (which has occurred at START). In the case of S/CRS, the office cannot actually direct agencies and has rarely succeeded in successfully coordinating the rest of the government. It has also only established one Country Reconstruction and Stabilization Group—to assist interagency policy coherence in Sudan—and has by and large been relegated to conflict management consultancy services within the State Department.

FINDING 6: THE CHALLENGE OF MONITORING AND EVALUATING

The Achilles' heel of many aid interventions remains the unwillingness of the donor community to institute robust, independent and transparent systems to monitor and evaluate the impact of their interventions. This challenge is magnified when engaging fragile states, given the variety of aid streams being delivered by different agencies, disagreement over the fundamental objectives of comprehensive efforts, and the lack of clarity and agreement about the metrics one should use to measure these overlapping—and sometimes competing—goals.

Conclusion

Fragile states are a huge global development and security challenge. To bolster, reform or reconstruct fragile states donors must draw upon and integrate a variety of policy instruments spanning the traditionally independent spheres of diplomacy, development and defense—as well as trade, intelligence and law enforcement. While there is much work to be done in promoting greater coherence among and within governments, adopting "whole of government" approaches toward fragile states is a concept with a future. Following these recommendations should greatly enhance the ability of donor governments to assist fragile states struggling to avoid failure and to rebuild in the wake of war, and ultimately to improve the lives of the hundreds of millions of developing-country citizens living in weak and failing states.

Further Reading

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Patrick, Stewart and Kaysie Brown, "Fragile States and U.S. Foreign Assistance: Show Me the Money," CGD Working Paper 96 (Center for Global Development: 2006).

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OECD/DAC, Whole of Government Approaches to Fragile States (2006), available at: http://www.oecd.org/dataoecd/15/24/37826256.pdf.

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