Summary

What is the status of this document?
This document is a guideline and must be consulted and applied as appropriate.

What does this guideline cover?
This guideline explains what is meant by the term ‘fragile states’ and outlines the DAC Principles for Good Engagement in Fragile States and Situations, which NZAID has committed to. It then provides basic guidance to staff about how to promote the principles in a relationship with a partner in a fragile state or situation, or in discussions with other government agencies about engagement in situations of fragility. It is supported by an Issues Paper, which is available on the intranet.

What will this guideline do?
The guideline will:
- assist programme staff to apply the Principles to their engagement in situations of fragility
- promote consistency for NZAID’s engagement in situations of fragility across the various programmes in the agency
- assist NZAID staff to apply these DAC principles to whole of government engagements in situations of fragility.

Who is this guideline for?
This guideline is for any NZAID staff member whose work requires them to engage with programmes in situations of fragility, or in whole of government discussions related to situations of fragility.

It is particularly relevant to Team Leaders, DPMs and NZAID Managers, other programme staff; and SAEG Advisors, but is also relevant for staff in the Contracts, Finance and Communications Teams.
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What is meant by the term “a fragile state”?

‘Fragile states’ is one of many terms that have been used to describe states that are weak in their institutional capacity, control of territory and ability or willingness to provide services to their people.

There is no clear consensus on which is the most appropriate term to use to categorise this wide range of states, although most multilateral and bilateral donors (and the DAC) have tended to use the term ‘fragile states’. There is now an increasing use of the term “fragile states and situations”. In addition to the usual sensitivities in applying any negatively perceived label to a state, the term has been criticised for not differentiating between the different causes and unique problems of individual states (eg those emerging as democracies c/f those emerging from conflict). The term ‘fragile states’ is often confusingly applied to countries that are not weak or fragile in terms of capacity, but are unresponsive to their citizens and to international pressure for policy reform.

DAC Principles

NZAID, along with other OECD DAC Development Ministers and Heads of Agencies, endorsed a Policy Commitment and set of Principles for Good International Engagement in Fragile States and Situations at the 2007 OECD DAC High Level Meeting.

Originally drafted at the January 2005 Senior Level Forum on Development Effectiveness in Fragile States, these Principles reflect a growing consensus that fragile states & situations require responses that are different from better performing countries. These principles were “piloted” by donors in a number of fragile states, including by New Zealand and Australia in Solomon Islands. The Principles recognise that:

- Fragile states confront particularly severe development challenges such as weak governance, limited administrative capacity, chronic humanitarian crisis, persistent social tensions, violence or the legacy of civil war.
- A durable exit from poverty and insecurity for the world’s most fragile states will need to be driven by their own leadership and people.
- Although international engagement will not by itself put an end to state fragility, the adoption of the shared principles can help maximize the positive impact of engagement and minimise unintentional harm.

The long-term vision for international engagement in fragile states is to help national reformers build legitimate, effective and resilient state institutions. Progress towards this goal requires joined-up and coherent action within and among governments and organisations. The Principles, therefore, emphasise the need to:

- Take context as the starting point
- Ensure all activities do no harm
- Focus on state-building as the central objective
- Prioritise prevention
- Recognise the links between, political, security and development objectives
- Promote non discrimination as a basis for inclusive and stable societies
- Align with local priorities in different ways in different contexts
- Agree on practical co-ordination mechanisms between international actors
- Act fast…but stay engaged long enough to give success a chance
- Avoid pockets of exclusion (“aid orphans”)

The Principles provide an important supplement to the Paris Declaration by reinforcing its messages on alignment and harmonization, providing further guidance on applying these principles in fragile situations and by extending the framework for aid effectiveness to encompass, conflict sensitive aid, whole of government approaches, and policy coherence in the political, security, and development nexus.

Ongoing work of the DAC’s Fragile State Group (soon to be amalgamated with another network to become the DAC Network on Conflict & Fragility) aims to offer more operational guidance consistent with the Principles in order to sharpen donor strategies and programmes in fragile states. Work completed or underway by this group includes: whole-of-government engagement, state-building, service delivery, security sector reform, etc. The Principles are also being used in DAC Peer Reviews to assess donor engagement in fragile states. The Principles aim to complement and inform the commitments set out in the 2005 Paris Declaration on Aid Effectiveness which notes the need to adapt and apply aid effectiveness principles to differing country situations, particularly fragile states.

**Applying the Principles**

The following provides some basic guidance to staff who are thinking about how to promote the principles in a relationship with a partner in a fragile state or situation.

**Take context as the starting point**

- How well does NZAID understand the context? Is there a shared understanding of the context with the partner government, other NZ government departments, other donors and international actors?
- Is there a conflict analysis that NZAID accepts? Should NZAID consider undertaking a conflict analysis (or political economy analysis) on its own or with others?

**Ensure all activities do no harm**

In order to ensure activities do no harm, it is essential to have a thorough understanding of the context (including historic, economic, political, ecological, and socio-cultural aspects).

- What are the expected impacts of the proposed activity? What unexpected impacts might there be?
- How will you monitor both expected and unexpected impacts?
- What management mechanisms can you put in place to receive monitoring reports, and consider changes to the activity in order to minimise negative effects and maximise positive effects?
Focus on state-building as the central objective

The fragile states “approach” is much more state-centric than other frameworks, such as the human security framework. It assumes that helping build stronger state-based institutions will help reduce fragility as a result of competing non-state institutions.

- Have you mapped the stakeholders and actors and their relationships?
- How does the government own the activity? How will the activity interface with stakeholders? Will they see a donor face or a government face?
- What are the lines of accountability for the activity? What impacts might the activity have on perceptions of the government’s legitimacy?
- Have you undertaken a capacity analysis? Is a capacity development plan part of the activity?
- If capacity is currently so limited that the Activity will be implemented in parallel to government, how will it be subsumed in future? Can you ensure that the modality and activity management mechanisms are “shadow aligned” with state systems?

Prioritise prevention

- Do you have a good (and shared) understanding of the causes of conflict (structural, proximate and triggers)?
- Does the activity strengthen local capacities to manage conflict?
- Are you able to act quickly to support conflict prevention measures or adapt your intervention in order to minimise the risk of conflict?

Recognise the links between, political, security and development objectives

Particularly in fragile states, links between the political, security and development spheres are particularly important. Whole of government coherence is vital. It may be necessary to think through the sequencing of goals and objectives (eg in the short term peace building objectives may take priority over development objectives).

- Do you have a good (and shared) understanding of the context amongst all players?
- Do you have a shared understanding of priorities and sequencing?
- How can you strengthen key relationships between NZAID and other departments? Are information flows between departments adequate?

Promote non discrimination as a basis for inclusive and stable societies

Real or perceived discrimination are often destabilising factors in fragile states. It is important that service delivery and state-building strategies in particular, address discrimination.

- Who is the target group of the proposed activity? Who is excluded?
- Have you examined the different impacts of your proposed activity on stakeholder groups (eg women, children, young people, ethnic groups, ex-militants etc)?
- How will the proposed activity be perceived by various groups? Will it be seen as reducing or increasing inequalities?
- If the intervention targets a particular group (eg ex-combatants), have you ensured sufficient measures are in place to manage perceptions of privilege or bias?
Align with local priorities in different ways in different contexts

- What local planning processes exist? Do these have legitimacy? Can NZAID align with these? If full alignment is not possible, what is the next best option?
- Have you aligned with local priorities and systems to the maximum extent possible?
- Where capacity does not exist to undertake planning and prioritisation locally, have your consultation processes been effective and sufficient?
- Is your activity designed so that it builds on pockets of capacity?
- If your activity must be managed in parallel to weak local institutions, have you designed it in such a way as to enable it to be easily absorbed at a later date?

Agree on practical co-ordination mechanisms between international actors

- How can you support the partner government to coordinate donors?
- If the partner government is not in a position to take the lead, what practical donor coordination mechanisms can be put in place? How can you ensure partners do not feel excluded by these processes?
- How can you work with others to develop shared understandings of the context and priorities? Can analysis be shared? Are their opportunities for a division of labour?
- How can you work with others to minimise the burden on the partner government?

Act fast…but stay engaged long enough to give success a chance

- Do you have effective processes in place for information flows between post and Wellington, and mechanisms for speedy decision making?
- Are you thinking long-term enough? Are the timeframes for meeting objectives realistic (eg at least 10 years for capacity development, and longer for meaningful state-building)? Are you able to lock in commitments beyond the three year multi-year appropriation?
- Is the whole-of-government process thinking in the long-term, or stuck on short term crisis management?
- Are you able to communicate realistic timeframes and objectives to Ministers? How will you ensure that short-term setbacks don’t result in decisions that will have negative effects on the achievement of long-term goals?

Avoid pockets of exclusion (“aid orphans”)

- Do you have a good understanding of poverty? (eg geographic areas, particular groups)
- Are key priority sectors being supported adequately by donors? Are their opportunities for a more effective division of labour?
Annex 1
Andrea- currently in an adobe file

Annex 2
Andrea- currently in an adobe file

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Other terms that have been/continue to be used include “difficult partnerships”, “poor performers”, “LICUS (Low Income Countries Under Stress)”, “Failed / failing states”, “Weak states”, neopatrimonial states, collapsed state.