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Progress in Delivering the Busan Partnership for Effective Development Co-operation in States of Fragility

This paper is in three parts

This is part A only: Provides a synopsis of the key lessons drawn from country case studies on progress made in implementing the Busan Partnership for Effective Development Co-operation.

If you have more time, please read the **full report**, which provides in-depth case study analysis of the progress made in implementing the Busan Partnership for Effective Development Co-operation. This is also available on the Global Partnership website.

Contacts

Daniel Coppard, Director of Research, Analysis and Evidence, Development Initiatives

T: +44 (0)1179 272505 E: Daniel.Coppard@devinit.org

Sarah Dalrymple, Senior Engagement and Advocacy Adviser, Development Initiatives

T: +44 (0)1179 272505 E: Sarah.Dalrymple@devinit.org

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PART A: INTRODUCTION AND KEY FINDINGS

1. Introduction

This report synthesises country-level evidence on the delivery of development cooperation and implementation of the Busan Partnership for Effective Development Co-operation in fragile states (Busan Partnership Agreement). Fragile states are diverse in terms of their contexts, processes and the challenges they face, and the lessons emerging from implementation of the agreement at country level are largely context-specific. But this report seeks to highlight broader lessons for success and overcoming challenges that may be relevant beyond the individual countries themselves and have implications for future delivery.

This report is structured around the four overarching principles set out in the Busan Partnership Agreement:¹

1. Country and democratic ownership
2. Inclusive partnerships
3. Results
4. Transparency and shared responsibility

The report draws on broad global surveys and the experience of the g7+ group of 20 fragile states where aid often constitutes above average proportions of government revenues and hence where development effectiveness issues are most critical. The report also draws on case studies and research in fragile states which, although outside the g7+ group, offer particularly important recent lessons. These include Lebanon, Malawi, Mali, Myanmar, Nepal and Uganda.

The report highlights the relevance of a broad spectrum of actors engaging in development cooperation in fragile states. These include humanitarian, development, and peace and security actors, public and private sector actors, civil society, and national and international actors. It also highlights the need to build coherence between these actors by connecting the Global Partnership for Effective Development Co-operation (GPEDC) to other relevant global development and humanitarian processes – particularly the World Humanitarian Summit in May 2016, and the 2030 Agenda for Sustainable Development (2030 Agenda).

1.1 Definitions and the shift towards states of fragility

While there is no internationally agreed definition of the term ‘fragile states’, for the purpose of this research and drawing on the definition given by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), the term will be used to refer to states that have state structures which lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations.²

In line with the new understanding of fragility adopted by the OECD DAC and set out in the report *States of Fragility 2015: Meeting Post-2015 Ambitions*, this paper recognises that fragility is universal in nature and extends beyond fragile and conflict-affected countries. Looking forward towards the implementation of the 2030 Agenda, this OECD report tests a new framework for categorising fragility and identifying vulnerable countries. Taking this new understanding of fragility forward, in addition to looking beyond national to sub-national manifestations of both fragility and progress, is an important consideration for the GPEDC and for others concerned with making development cooperation more effective.

The traditional list of 50 fragile states and economies used in the OECD DAC *States of Fragility 2015* report is used in this paper. This list is based on the 2014 World Bank/Asian and African Development Bank Harmonised List, and the 2014 Fragile States Index by the Fund for Peace. See Annex 3 for a breakdown of fragile states appearing on the different lists, including the list used by the OECD DAC and in this paper.

1.2 Selection of case studies

Case studies have been selected to cover a mix of states experiencing different types and stages of fragility. These include deteriorating governance environments, violent conflict, post-conflict contexts, prolonged crises, and countries experiencing political fragility exacerbated by natural disasters.

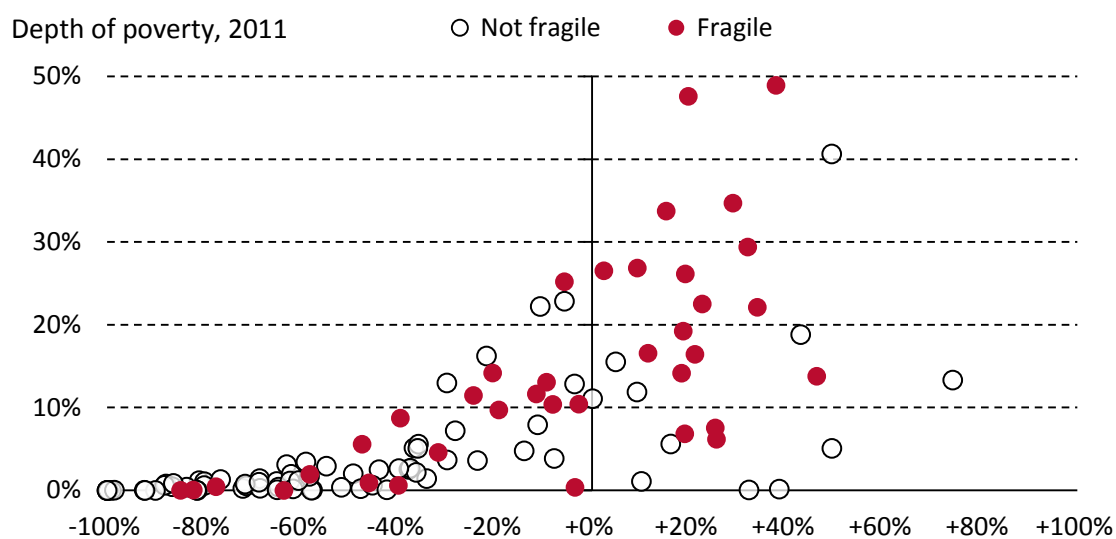
Case studies have also been selected to include a wide range of programmatic and thematic responses in fragile states. These include implementation of the New Deal for Engagement in Fragile States (see below), the response to the Ebola crisis in West Africa (as an example of a sudden-onset health disaster), and efforts to build resilience and respond to the protracted refugee crisis in Syria and the wider region, with a focus on Lebanon.

Case studies also include 14 least developed fragile states that have been so severely affected by conflict as to require UN peacekeeping/building support. This group includes all eight pilot New Deal countries.

1.3 A different approach to development cooperation in fragile states

There is broad recognition that vulnerability, fragility and crisis are interconnected in ways that can undermine development. Conflict and ongoing insecurity can set back development progress by decades, undermining previous investments and achievements. For example, progress in South Sudan following the 2005 Comprehensive Peace Agreement – including the building of new state institutions and economic and social development – has been undermined following the return to conflict in late 2013. As a result, fragile states have made less progress than other developing countries in reducing poverty and meeting the Millennium Development Goals (MDGs) overall. Depth of poverty (how far people are below the poverty line) is greatest in fragile states compared with non-fragile states and extreme poverty rates (based on the number of people living on less than \$1.25 a day) have risen faster (Figure 1). Of the 21 countries experiencing greatest depth of poverty (greater than 10%) and with the largest increase in the number of poor people between 2002 and 2011, 15 are fragile states.

Figure 1: Countries with the greatest depth of poverty and fastest rising numbers living in poverty are mostly fragile states

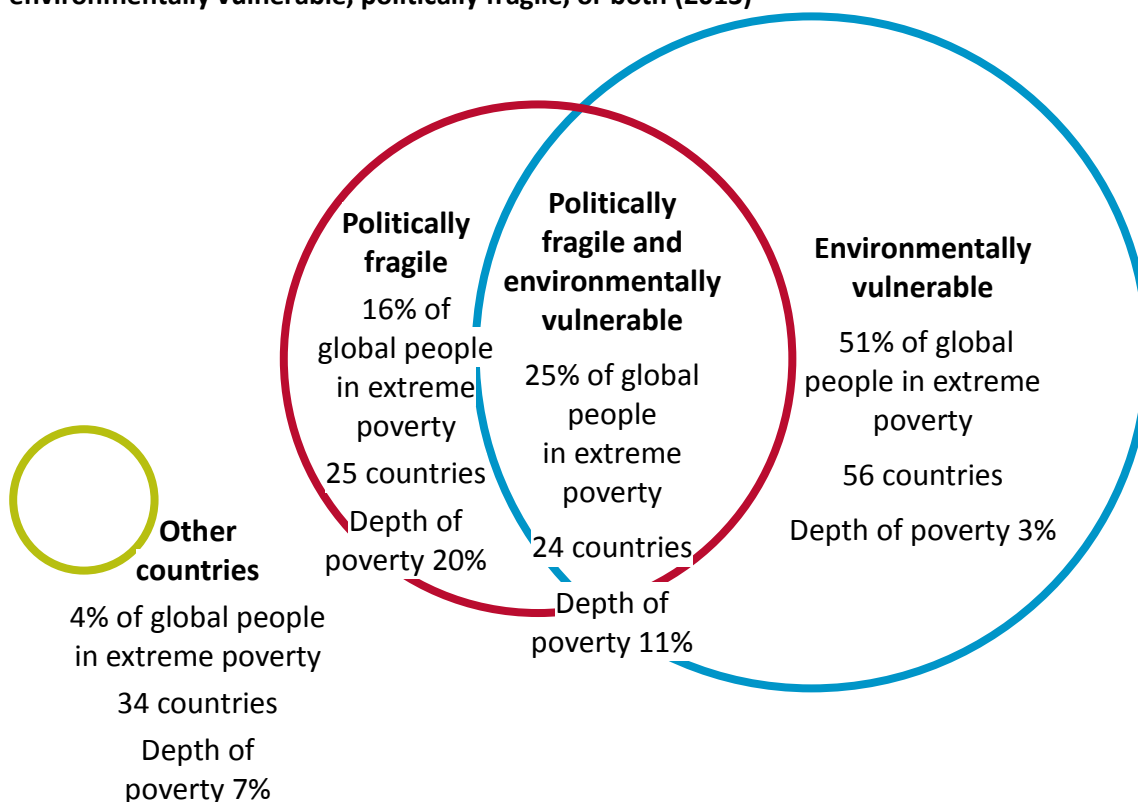


Change in the number of people living below PPP \$1.25 per day, 2002–2011

Source: Development Initiatives based on World Bank, PovcalNet and list of fragile states used in OECD DAC *States of Fragility 2015* report.³

At the global level, therefore, poverty, fragility and crisis often converge in the same places. Poverty makes people more vulnerable to conflict and disasters, while these shocks deepen their poverty, making them more vulnerable to risk. Four out of ten (41%) of people living in extreme poverty live in countries that are politically fragile, and 76% live in countries that are environmentally vulnerable (Figure 2).

Figure 2: The vast majority of people living in extreme poverty in countries that are environmentally vulnerable, politically fragile, or both (2013)



Source: Development Initiatives based on World Bank World Development Indicators, World Bank PovcalNet, INFORM, and list of fragile states used in OECD DAC States of Fragility 2015 report.⁴

The experiences of **Central African Republic** and **Mali**, among others, illustrate the uncertainty and persistent challenges associated with delivering development cooperation in fragile states, for governments and development partners alike, as a result of the ongoing risks of insecurity, political instability and violent conflict. As such, it has been increasingly recognised by the international community that the delivery of development cooperation in fragile states requires a fundamentally different approach to that taken in more stable developing countries.

This recognition culminated in the endorsement of a [New Deal for Engagement in Fragile States](#) at the Fourth High-Level Forum on Aid Effectiveness in Busan in 2011.⁵ The New Deal has since been endorsed by 43 countries and organisations, including the g7+ group of 20 fragile and conflict-affected countries. To date, it has been implemented in seven g7+ pilot countries – Afghanistan, Central African Republic, Democratic Republic of the Congo (DRC), Liberia, Timor-Leste, Sierra Leone and South Sudan, with an additional pilot in Somalia.⁶

The New Deal is underpinned by the logic that addressing the root causes of fragility through a focus on peace and security is a prerequisite for achieving sustainable and effective development in the longer term, placing country ownership and inclusive political dialogue at the centre. It sets out five Peacebuilding and Statebuilding Goals (PSGs) – legitimate and inclusive politics, justice, security, economic foundations, and revenues and services – as the foundation for building resilience and addressing the underlying causes of fragility. Annex 1 provides an overview of the New Deal principles and Annex 2 sets out the overlap between the Busan principles and the New Deal principles.

The New Deal builds on the earlier [Principles for Good International Engagement in Fragile States and Situations](#) (Fragile States Principles, or FSPs) that were developed and endorsed in 2007 by OECD

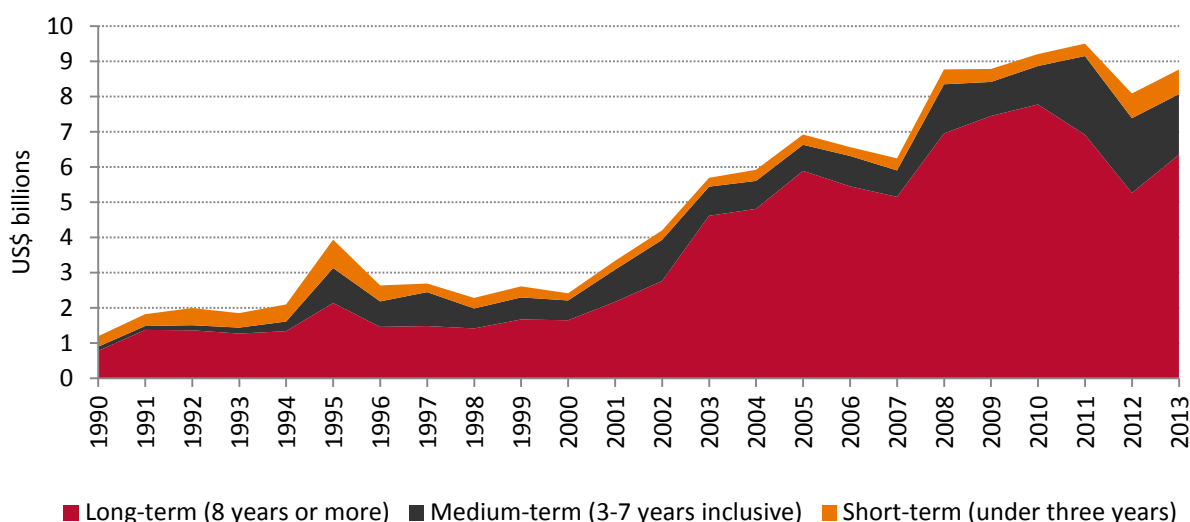
ministers as guidelines for actors involved in development cooperation in fragile and conflict-affected states.⁷

The inclusion of Sustainable Development Goal (SDG) 16 in the 2030 Agenda, on promoting peaceful and inclusive societies and reducing violence, marks the continued focus on peace and security as a central aspect of, and precondition for, effective development cooperation.

1.4 Significance of humanitarian assistance and actors in fragile states

Fragile states receive a much higher proportion of Official Development Assistance (ODA) as humanitarian assistance (14%) than non-fragile states (4%).⁸ Reliance on international humanitarian assistance is thus greater in fragile countries, where capacities for domestic spending are lowest. In addition, more than two-thirds (72%) of humanitarian assistance from OECD DAC donors went to long-term fragile state recipient countries⁹ in 2013 as a result of protracted and reoccurring crises. This highlights the overlap in the caseload between humanitarian response and development cooperation to fragile states, as humanitarian assistance often continues to provide basic services where other international and national investments are absent.

Figure 3: Most official humanitarian assistance from DAC donors is allocated to long-term fragile states (1990–2013)



Source: Development Initiatives based on OECD DAC and United Nations (UN) Central Emergency Response Fund (CERF) data and the list of fragile states used in the *States of Fragility 2015* report.¹⁰

Given the important role that humanitarian assistance continues to play in fragile and conflict-affected states, analysis of country experiences in this paper includes an assessment of humanitarian assistance, particularly where there is an overlap with longer-term development cooperation. One important example of this is the support given to Syrian refugees through the Regional Refugee and Resilience Plan (3RP) launched by the United Nations (UN) and partners in 2014, which builds on the capacities of humanitarian and development actors to address the underlying causes of fragility and build resilience.

1.5 Methodology for the research

The information presented in this report is based on a synthesis of evidence collected through a review of existing documentation on progress, at global and country level, in implementing the Busan Partnership Agreement in fragile states. It includes reviews/evaluations, policy briefings, research reports, and project implementation and monitoring reports and plans. This information has been drawn from a range of sources, including multilateral agencies, donors, partner country governments, the GPEDC, civil society and the private sector.

The review of available documentation has been corroborated with key informant interviews undertaken with representatives from partner country governments, donors, multilateral agencies (including OECD DAC), the International Dialogue on Peacebuilding and Statebuilding Secretariat, civil society, and the private sector.

The desk review and key informant interviews were undertaken during August and September 2015. Annexes 4 and 5 provide an overview of people interviewed as part of the research, and of the documents reviewed.

2. Synopsis of key lessons drawn from case studies

Fragile states are diverse in terms of their contexts, processes, and the challenges they face. Thus, lessons emerging from the implementation of the Busan Partnership Agreement in various fragile states as documented in this paper are often context-specific. However, the key lessons for success and for overcoming challenges and the implications for future delivery that are highlighted in this report may be relevant to other contexts. It is important to note that the lessons captured in this section are based on a limited number of case studies.

An overarching lesson emerging from the research, which is relevant across all Busan principles, is the importance of building coherence between the different actors engaging in fragile contexts – including those with humanitarian, development, and peace and security remits – in order to meet the needs of vulnerable people. Another related lesson is the need to link the GPEDC to other relevant global processes, including the World Humanitarian Summit in May 2016, and the 2030 Agenda for Sustainable Development.

Analysis of key lessons in this section is structured around the four overarching principles set out in the Busan Partnership Agreement: (1) country and democratic ownership; (2) inclusive partnership; (3) results; and (4) transparency and shared responsibility. A number of measures have been identified to assess progress against each principle. These measures have been drawn from the Busan Partnership Agreement but also include additional issues identified as critical (referred to as ‘critical issues’).

2.1 Country and democratic ownership

First measure of progress: government leadership in the development of, and ownership over, national development frameworks

There has been notable progress in terms of governments taking leadership and ownership over national development frameworks in fragile states, as illustrated in the delivery of the New Deal and the response to the Ebola crisis (Section 3.3). Key lessons emerging from country experiences include the following.

- Greater effectiveness is illustrated when international partners support the government's leadership, strategies and plans, rather than pushing their own, as illustrated in the response to the Ebola crisis (case study 1).
- Government leadership at national and sub-national levels is critical for ensuring adequate coverage in reaching affected/vulnerable communities and ensuring government legitimacy, as illustrated in the Ebola response (case study 1).
- For government-led national development frameworks to move beyond a technocratic exercise and begin to shape political dialogue and priorities in line with the New Deal Peacebuilding and Statebuilding Goals (PSGs), it is critical that these frameworks are based on a thorough and inclusive assessment of the drivers of fragility (Section 3.3).
- Inclusive political change in complex contexts takes time, possibly even generations, to achieve. It is therefore important that within fragile states, delivery plans, timeframes, budgets and results frameworks accommodate this reality (Section 3.3).
- As illustrated through the delivery of the New Deal, cross-government buy-in and leadership is critical to the effective delivery of government-led national development frameworks and priorities on peacebuilding and statebuilding (Section 3.3).

Second measure of progress: building alignment with national priorities

Development partners have made progress in aligning their priorities to those of partner country governments, as illustrated by the experience of Myanmar, the implementation of New Deal pilots, and support to education for Syrian refugees in Lebanon (Section 3.4). Reporting to the Global Partnership monitoring mechanism in 2014 shows that the proportion of aid provided on budget to fragile states has improved between 2010 and 2013, although at a slower rate than for non-fragile states.

The cases of Afghanistan and Lebanon demonstrate that some progress has been made at the country level regarding the alignment of priorities (Section 3.4). Key lessons emerging from country experiences include the following.

- Aligning development partner policy priorities to those set out in national development frameworks is key. This includes the development of mutual accountability frameworks such as the 'Compacts' established and delivered in a number of countries through the New Deal (Section 3.4).
- As illustrated through implementation of the New Deal, joint working groups that involve representatives from all relevant stakeholder groups (including governments, development partners and civil society) can be important mechanisms for coordinating the implementation of joint goals and policy priorities set out in national development and mutual accountability frameworks (Section 3.4).
- Lessons emerging from the Ebola response highlight that international partners are more likely to support government-led decisions and to work collaboratively and in line with national priorities if they are present at the meetings when these decisions are made (case study 1).
- It is critical that the government (as opposed to the UN) leads the first forum for development cooperation in a country. As the case of Myanmar shows, this sets a precedent for government leadership over development cooperation in the future (Section 3.4).
- As the case of support to Syrian refugees in Lebanon shows, to strengthen alignment, it is important that donors fund in line with government planning cycles; partner country governments can request that donors commit to this (case study 2).
- The experience of Afghanistan has highlighted that donors need to weigh up funding international private contractors as opposed to channelling funds through country systems in terms of costs, value for money, and the potential implementation of disjointed small-scale

projects through private implementers which are not able to work at scale, or be sustainable in supporting country ownership (Section 3.4).

Third measure of progress: building alignment through use of country systems

However, use of country systems continues to be a challenge in fragile states, largely as a result of donors averting risks associated with government systems that are potentially weak, slow or non-existent, which could potentially heighten vulnerabilities to corruption and undermine development effectiveness. This has, in some cases, resulted in the creation of parallel systems that can shift accountability for service delivery away from the state, undermining the potential to strengthen government institutional capacity (Section 3.5).

Whilst experiences have been mixed, as an overall trend, there has been an increase in the use of country and public financial management (PFM) systems in fragile states. Despite this, reporting to the Global Partnership monitoring mechanism in 2014 found that this is not correlated with an improvement in the quality of PFM (Section 3.5).

Examples of use of country systems presented in this report are predominantly drawn from pooled funding mechanisms and innovative approaches to budget support, with some coverage of Sector-Wide Approaches (SWAs), while recognising that other mechanisms exist (Section 3.5).

General lessons on the use of country systems include the following.

- In order to reduce risks for donors and improve the use of country systems in fragile states, more focus should be placed on strengthening the quality of government PFM systems as an overarching objective of development cooperation (Section 3.5).
- The experience of Timor-Leste highlights that the New Deal can be an effective framework for strengthening the use and quality of PFM in fragile states (case study 3).
- The provision of budget support to the Ministry of Finance (or a similar institution) in a particular country is an effective mechanism for supporting country-led PFM reform and, in turn, greater use of country systems by donors (case study 3).
- While there have been mixed experiences with SWAs, factors underpinning their success include: the existence of sector-wide and sub-sector-wide strategies supported by development partners; improved government leadership/ownership of policy formulation; the existence of basic sector coordination and information sharing processes; and basic budgeting processes and procedures at national levels (Section 3.5).

Lessons on pooled funds mechanisms

- The experience of supporting Syrian refugees in Lebanon has highlighted that partner countries can encourage donors to channel funds through Multi-Donor Trust Funds (MDTFs) by streamlining the process (case study 2).
- Fragmentation may result from the creation of more than one MDTF in a particular country, and as Lebanon's experience shows, it is important that partner country governments encourage donors to collaborate through a coherent approach to pooled funding (case study 2).
- The experience of the Somalia Development and Reconstruction Facility (SDRF) has identified that donors can take action to garner support from others by the being first donor to channel funding to a particular pooled funding mechanism (case study 3).
- The experiences of Afghanistan and Somalia have emphasised the importance of including partner country governments in the governance of pooled funding mechanisms from the outset in order to foster greater and more sustainable country ownership (case study 4).

- The experience of Nepal shows that despite the risks for donors, counter-funding by partner country governments to pooled funding mechanisms can be effective when the government takes a leadership role in national development, humanitarian, peacebuilding and/or statebuilding processes from the outset, and when technical and capacity building support is provided by development partners (Section 3.5).

Lessons on innovative approaches to budget support

- European Union (EU) State Building Contracts (SBCs) are useful mechanisms for budget support in contexts with high fiduciary risk. The SBC mechanism can be used to build government financial capacity and transparency while supporting a government to carry out its basic functions such as service delivery and economic recovery. Given the high risk of corruption in fragile contexts, the case of Mali highlights the importance of providing budget support accompanied by audits involving the Auditor General's Office (or similar institution), and linking these with a risk management framework (case study 5).
- The provision of budget support is critical in enabling state institutions to be formed – particularly in contexts where government regulation is absent – and as such should not be limited to states that already have government institutions and accountability systems in place (Section 3.5).
- As illustrated in the support provided by Norway in Somalia, the establishment of an on-budget financing mechanism to reimburse government salary payments is particularly important in facilitating the formation of government institutions, mobilising support from other donors, and building government capacities which enable them to lead national development processes (Section 3.5).
- The Fixed Amount Reimbursement Agreement championed by the United States Agency for International Development (USAID) – a process for reimbursing specific expenditure line items in a government's budget but only after the expenditure has been audited – is an important mechanism for ex-post budget support that has been used to great effect and could be rolled out in other countries/by other donors to promote greater use of country systems (Section 3.5).
- Following incidences of corruption partner countries can restore the trust of development partners and take steps to minimise future risks by formulating an immediate action plan for improvement, commissioning a forensic audit, strengthening internal controls, as illustrated by the Government of Malawi. They could also consult development partners in the formulation of a new or revised national development framework (Section 3.5).

Fourth measure of progress: provision of predictable development cooperation

In general, there has been slow progress in improving the predictability of development cooperation (Section 3.6). As illustrated in reporting to the Global Partnership monitoring mechanism in 2014, medium-term predictability is significantly better in non-fragile than fragile states. Key lessons emerging from country experiences include the following.

- Development partners need to develop accurate systems for providing partner countries with estimates 3–5 years in advance (rather than a year in advance, as now) in line with the Busan indicator on aid predictability. This is critical to enable partner countries to plan more effectively in the medium to long term (Section 3.6).
- Multi-year programming and funding is a reliable and efficient mechanism for providing rapid and predictable response (Section 3.6).

There has been greater progress regarding the establishment of rapid response mechanisms by development partners (Section 3.6). The EU SBCs – established as mechanisms for flexible and rapid budget support in fragile states – are one example of this, from which lessons can be drawn:

- SBCs can act as effective rapid response mechanisms as long as there is political backing from the international community, and priorities are aligned to those of the government from the outset (case study 5).
- It is critical that a risk management framework is in place and external risks are monitored regularly and proactively in consultation with donor headquarters, including the monitoring of political risks (case study 5).

First critical issue: challenges in conflict contexts

Supporting country ownership can be a challenge in situations of conflict where it is difficult to continue to work with government and in alignment with government priorities, particularly where the government is a party to the conflict (Section 3.7). Lessons regarding country ownership in complex contexts include the following.

- Donors need to focus on tackling marginalisation and supporting partner country governments to foster a legitimate and inclusive political settlement in immediate post-conflict contexts. Without an inclusive political settlement, there is a high risk of a return to conflict, which undermines any progress made on country ownership (Section 3.7).
- It is important that donors take a more nuanced approach in countries where cyclical conflict is likely by recognising that periods of calm offer limited options for longer-term development schemes. As such, donors should take steps to manage risks and make plans for responding in the context of a return to violent conflict (Section 3.7).
- A differentiated approach should be taken in fragile states, depending on, and responding to, the specific context and type of fragility experienced. This is in line with the new approach to fragility taken by the OECD DAC in its *States of Fragility 2015* report, which views fragile states as a heterogeneous group and moves beyond national classifications to include progress at sub-national levels (Section 3.7).

Second critical issue: role of non-state actors

Country ownership extends beyond government ownership to include the ownership of non-state actors. Support to non-state initiatives can drive long-term social and political change and help to address the underlying causes of conflict and fragility, including in complex contexts where it is difficult to work directly with the government (Section 3.8).

Some key lessons emerging from the experiences of supporting civil society and community-led initiatives in fragile states include the following.

- Given that community-based non-state initiatives do not usually work at scale and can be undone by wider forces, linking these initiatives with and generating the buy-in of the government at national/district levels is critical to long-term sustainability. As highlighted through the experiences of delivering non-state initiatives in South Sudan, where this is not possible in contexts of violent conflict, building the capacity of civil society, their networks and leadership can build the foundations for influence at the national level when the time is right (case study 6).
- In situations of violent conflict, it is important that regular local and national risk assessments are undertaken and responded to as a central aspect of non-state initiatives. Where possible, and as highlighted through the experience of South Sudan, it is important that these

assessments are undertaken and responded to jointly with local authorities and security providers (case study 6).

Third critical issue: role of local governments

Some key lessons emerging from the experiences of supporting initiatives led by local government in fragile states include the following.

- Supporting leadership by local government in the delivery of national development frameworks is critical to building trust with, and generating the buy-in of, communities (Section 3.9).
- As illustrated through the case of support to Syrian refugees in Lebanon, this in turn helps to strengthen legitimacy, country ownership and inclusion – by ensuring that all communities and regions are reached (case study 7).

2.2 Inclusive partnerships

First measure of progress: inclusion of communities and civil society in national development processes

Significant progress has been made in this area, as illustrated by the response to the Ebola crisis (case study 8) and implementation of the New Deal (Section 4.3). The focus is on moving beyond targeted interventions to achieve inclusive results. Key lessons include the following.

- Lessons emerging from the Ebola response highlight that involving civil society at the outset of responses to national emergencies and processes for establishing national development frameworks is critical to achieve inclusive results and to meet the needs and interests of all segments of society. Underpinning this is the need to create a space for civil society to operate (case study 8).
- Civil society can play a crucial role in reaching and raising the awareness of communities in a culturally sensitive manner and in collecting data at scale on community perceptions to inform the response and maximise impact (case study 8).
- Having pre-established mechanisms for community leadership and consultations in place prior to the outbreak of a crisis, such as the community relay system in DRC, is critical to achieving community ownership and inclusive results (case study 8).
- To move beyond a technocratic exercise and achieve meaningful political dialogue and lasting change, the experience of implementing the New Deal in g7+ countries has highlighted the importance of ensuring regional representation from communities and civil society when undertaking assessments and delivering national development frameworks. The case of Somalia highlights how representation from certain regions only can perpetuate marginalisation and the underlying causes of tension (case study 9). To achieve this, there is a need to address the logistical, access and financial barriers to consulting civil society from across different regions in contexts of violent conflict and extreme insecurity, through more realistic timeframes, results frameworks and budgets (Section 4.3).

Second measure of progress: inclusion of women and girls

To strengthen the inclusion of women and girls and achieve better results on gender equality, gender responsive budgeting is critical. The experiences of Ethiopia and Uganda highlight the importance of producing guidelines on how to mainstream gender into the budget process in order to strengthen uptake, as well as making this a mandatory task within governments (Section 4.4).

Third measure of progress: inclusion of the private sector in national development processes

The role of the private sector in disaster response is not an explicit component of the Busan Partnership Agreement. But it has been included in this report because of the importance of coordinating all actors engaging in fragile contexts and because disasters can play a role in exacerbating political fragility. Despite the higher risks often associated with private investment in fragile contexts, there are encouraging signs that the private sector is starting to play a greater role in building public–private dialogue in post-conflict contexts (Section 4.5). Key lessons emerging from country experiences include the following.

- The experience of the private sector in responding to the Nepal earthquake highlights the critical role it can play in disaster response, particularly its ability to respond flexibly, reliably, speedily and efficiently, utilising access to modern and innovative technologies and equipment (case study 10). As such, it plays an important role in providing predictable aid, which is a central component of the Busan Partnership Agreement.
- The Nepal case also highlights that in disaster response, it is important that partner countries lead in the planning of prevention and response strategies, and consult with private sector companies to develop joint response plans prior to a disaster to ensure speed of response in the event that one does occur (case study 10).
- Corporate partnerships between aid agencies and the private sector, often in the form of multi-year funding agreements, can provide reliable and efficient mechanisms for rapid and predictable responses to natural disasters (case study 10).
- Evidence from Nepal also highlights that public–private partnerships can create stable operating environments for businesses in post-conflict environments, and strengthen private sector development, public–private dialogue and trust, leading to peacebuilding outcomes (Section 4.5).
- The experience of Ethiopia highlights how domestic investments in infrastructure and human resources, and stronger incentives for investment in priority sectors, can make the domestic market more profitable and attract private investment in fragile states (Section 4.5).

Fourth measure of progress: South–South partnerships for development cooperation between fragile states

There has been notable progress in South–South cooperation, particularly within the framework of the New Deal and priorities on Fragile-to-Fragile cooperation, which focus on building resilience through natural resource management, PFM, and electoral processes (Section 4.6). Evidence to date, drawing on the case of support provided by Timor-Leste to voter registration in Guinea-Bissau, suggests that Fragile-to-Fragile cooperation is particularly valuable in terms of capacity building and sharing relevant and applicable lessons learnt between countries experiencing conflict and fragility (case study 11).

2.3 Results

First measure of progress: mutual accountability and alignment

Progress in aligning development partners' results frameworks to those of partner countries has reportedly been slow in fragile states (Busan Partnership Indicator 1). Measuring results in fragile states is particularly difficult given the contextual challenges experienced, including capacity constraints, weak access, poor communications and risks of insecurity and instability. A number of pilots are currently underway, which include a number of fragile states. Greater progress has been

made on the development of mutual accountability frameworks (Busan Partnership Indicator 7), as illustrated by the experiences of Myanmar and Burundi, and the implementation of the New Deal in Afghanistan, Sierra Leone and Somalia (Section 5.3).

Significant progress has been made in developing joint (development partner and partner country) targets for effective development cooperation. Less progress has been made in undertaking joint and inclusive assessments of progress, and in making the results of these assessments publicly available (Section 5.3). Key lessons emerging from fragile states' experiences on mutual accountability include the following.

- Measuring results in fragile states is a long-term process and is likely to face greater challenges than in non-fragile contexts. It is important that results frameworks accommodate this reality and that targets and indicators are set appropriately to respond realistically to the context (Section 3.3).
- Alignment and mutual accountability is most easily demonstrated when aid is brought on budget, as in the case of Afghanistan (Section 5.3).
- The experience of Haiti emphasises that political leadership is central to driving progress on mutual accountability and the development and delivery of results frameworks (Section 5.3).
- In Burundi, the establishment of a Monitoring and Evaluation Group – involving key representatives from development partners and government departments – was a useful mechanism for conducting joint reviews and assessments of progress against targets set out in mutual accountability frameworks (Section 5.3).
- Weak government capacity, as illustrated in Somalia, has undermined the ability of partner countries to develop indicators and country results frameworks. To strengthen delivery against the Busan principle on results within fragile states, there is a pressing need for development partners to invest in capacity building for partner countries on measuring results and collecting data to track progress against indicators (Section 5.3).
- To strengthen the quality of data for monitoring and evaluation purposes, and to improve the consistency and comparability of monitoring efforts across countries and donors, there is an overarching need for a blueprint to be developed on how partner countries should monitor commitments set out in the Busan Partnership Agreement, as well as a global results framework (Section 5.3).
- There have been few inclusive joint assessments in fragile states, and those that have been undertaken have tended to focus on the performance of the partner country (such as in Uganda). It is important that these joint assessments also reflect on the performance of development partners in meeting joint targets (Section 5.3).

Critical issue: meeting the needs of vulnerable people

Looking beyond results frameworks, and in line with Agenda 2030 which aims to “leave no one behind”, the extent to which the needs of vulnerable and poor people have been met through development cooperation in fragile states is also an important measure of impact and ‘results’ (Section 5.4). Key lessons emerging from experiences at country level include the following.

- Given that most humanitarian assistance goes to long-term recipients in response to protracted and reoccurring crises – often financing provision of basic services – it is worth exploring whether and under what circumstances there may also be a role for other actors in ensuring such provision, particularly through social protection programmes, as witnessed in Ethiopia. Forms of social protection programming include employment guarantees and cash vouchers (Section 5.4).
- It is important that the needs of vulnerable people continue to be met while long-term support on statebuilding, peacebuilding and security continues to be provided, in particular through

the simultaneous provision of basic services (Section 5.4), as USAID has done in Somalia, for example (case study 12).

- The experience in Somalia has highlighted that support to basic services can strengthen trust between the government and its citizens, which underpins state legitimacy and is the very essence of statebuilding and peacebuilding efforts. As such, the provision of basic services and statebuilding are mutually reinforcing (case study 12).

2.4 Transparency and accountability

First measure of progress: establish transparent PFM and aid information management systems (AIMS), and strengthen capacity to use this information

In a few fragile countries, there has been remarkable progress in establishing transparent PFM systems, but many fragile states still do not provide sufficient information. The Open Budget Survey 2015 found that many fragile states do not provide the public with sufficient information to monitor the budget. However, there has been some improvement in this area in certain fragile states, as illustrated by the experiences of Uganda and Malawi (Section 6.3).

Although AIMS have been established in many fragile states, they continue to face a number of constraints, which limit their ability to provide timely and appropriate aid information to government budget planning processes. Capacity constraints are a particular challenge – both for government departments and citizens – in using the AIMS data (Section 6.3). Key lessons regarding budget transparency and the establishment of AIMS include the following.

- To strengthen the use of AIMS, there is a need: to improve the capacity of governments to manage the system; for donors to provide data in a format that is compatible with that of the government's budget; for government institutions to avoid generating parallel data requests directly to donors; and for donors to strengthen the timeliness of submissions to the system (Section 6.3).
- Drawing on the experience of Uganda, creating a national budget website and accompanying this with outreach activities and the establishment of a civil society monitoring mechanism can strengthen government transparency (case study 13).
- For data to be useful it needs to be standardised and stored in a format that can be joined up with data from other sources. Experience of implementing a public AIMS in Nepal highlights that the data also needs to be complete, accurate, and disaggregated to a detailed level. When publicly sharing financial resource flow data, the needs of the data user must be identified, understood and designed for, and they should be supported to analyse and interpret the data (case study 14).
- Experiences in Nepal of creating open data on relief funding in response to the recent earthquake found that disaggregated data made accessible on an open platform can help the public to understand raw data behind the media headlines, dig deeper for analyses, and independently verify claims. It can also help donors identify gaps in what others are funding (case study 16).
- Supporting the use of open data in Kenya has highlighted that building the capacity of intermediaries to use data is essential for open data to benefit citizens. Strengthening capacity to use open data can require cultural change, which is a long process requiring sustained efforts. It is important to ensure that the data provided is driven by demand by regularly collecting and interpreting feedback (case study 15).

Second measure of progress: implementation of a common, open standard

Progress under this measure has been varied. Progress in publishing timely and comprehensive data has been greater than progress in producing forward-looking data, for example (Section 6.4). Key lessons emerging from country experiences include the following.

- For real transparency gains to be realised, monitoring of transparency in the GPEDC should go beyond a focus on the supply of information by providers of development cooperation to include the routine use of data at country level, through (for example) importing this data into AIMS and national budget systems (Section 6.4).
- The experience of implementing Myanmar's open source AIMS has highlighted how important it is for all providers of development cooperation to publish high-quality data to the IATI Standard, in order to facilitate automated data exchange with country-based systems. In turn, this would improve the quality of data available to partner country governments while offering significant efficiency gains to donors (case study 17).

Notes

¹ The analytical framework for this research is based on the four Busan principles as opposed to the New Deal principles, as the collection of evidence at the country level will extend beyond New Deal implementation to capture the broader spectrum of assistance – including the response to the Ebola crisis and to the protracted refugee crisis in the Syria region.

² OECD DAC (2008) *Concepts and Dilemmas of State Building in Fragile Situations: From fragility to resilience* <http://www.oecd.org/dac/governance-peace/conflictandfragility/docs/41100930.pdf>

³ Figure shows change in extreme poverty between 2002 and 2011 and poverty gap for 2011. Fragile states are defined based on the OECD DAC's definition. Data covers 113 developing countries.

⁴ Figure not to scale. 'Fragile states' as defined by the group of 'very high warning' countries (scoring over 80) on the 2013 Fragile States Index. Environmentally vulnerable countries defined as countries scoring 'high' and 'very high' across INFORM indicators 'natural hazard', 'vulnerability' and 'lack of coping capacity'. Poverty estimates use World Bank PovcalNet 2011 modelled data; regional poverty estimates have been applied to 33 countries with missing poverty data, 13 of which are under the classification of politically fragile, environmentally vulnerable or both.

⁵ International Dialogue on Peacebuilding and Statebuilding (2011), *New Deal for Engagement in Fragile States*. Available at: <http://www.pbsdialogue.org/documentupload/49151944.pdf>

⁶ Fragile State Principles (FSPs) were developed by representatives of the g7+ and bilateral and multilateral partners collectively known as the International Dialogue on Peacebuilding and Statebuilding.

⁷ OECD DAC website, 'International Engagement in Fragile States'.

<http://www.oecd.org/dac/governance-peace/conflictandfragility/iefs.htm>. Accessed on 26/08/2015.

⁸ Development Initiatives based on UN OCHA Financial Tracking Service. Data is in constant 2013 US\$, based on download dated 29 April 2015. HA is the sum of bilateral from DAC and EU institutions and imputed multilateral. List of fragile states based on list used in OECD DAC 2015 *States of Fragility* report based on the 2014 World Bank/Asian Development Bank and African Development Bank Harmonised List, and the 2014 Fragile States Index by the Fund for Peace.

⁹ Long-term recipients refer to countries that have received an above average share of ODA in the form of humanitarian assistance for eight or more years.

¹⁰ Long-term, medium-term or short-term classification is determined by the length of time the country has received an above-average share of its ODA in the form of humanitarian assistance. Calculations are based on shares of country-allocable humanitarian assistance. Long-term humanitarian assistance countries are defined as those receiving a greater than average proportion of ODA (excluding debt relief) in the form of humanitarian assistance for more than eight years between 1999 and 2013. 'Medium-term' refers to those receiving a higher than average proportion for between three and seven years inclusive, and 'short-term' means less than three years.