



POSITION PAPER

Aid, Governance and Fragility

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Preface

This position paper on Aid, Governance, and Fragility was prepared by UNU-WIDER under the ReCom programme of Research (Re) and Communication (Com) on foreign aid. It aims to provide an up-to-date overview and guide to two topics of central importance to international development: governance and fragility. This discussion is grounded in the central questions of the ReCom programme: What works, what could work, what is scalable, and what is transferable in foreign aid? We also consider the related question, what does not work?

Governance and fragility are sometimes treated as entirely separate topics for donors, but we argue in this position paper that they are closely related and that considering them together makes good sense. Simply put, a useful way of understanding fragile states and situations is as extreme cases of ‘poor’ governance. In operating in fragile states and situations, donors face—in amplified form—many of the same core challenges related to political and economic governance that they face in all states and situations (fragile and not). The lessons of past experience with governance reform in developing countries more generally thus help to inform programming in fragile situations. Likewise, many of the core challenges for governance reform identified in the literature on fragility are core challenges for governance reform in developing countries more generally. Indeed, the five Peacebuilding and Statebuilding Goals (PSGs) proposed by the International Dialogue for fragile states and situations, are relevant to aid and governance in all situations. They provide a framework for discussion in this position paper.

The topic of aid, governance, and fragility covers broad ground and diverse sub-topics, from state-building in post-conflict societies to rights-based approaches to development assistance, from the development of political parties to the establishment of ‘good’ economic governance and regulatory policy. As discussed in this position paper, what works, could work, is scalable, and is transferable in foreign aid for each of these sub-topics is necessarily quite varied. However, several broad lessons are also clear with respect to ‘what works’ in how donors design and implement governance-related interventions in fragile and non-fragile states, including the importance of paying attention to local contextual factors, creating an authorizing environment for local ownership and decision-making, engaging broad sets of agents, and taking into account political factors. Building on the literature, we highlight the ReCom work on ‘Problem Driven Iterative Adaption’ (PDIA) as one key way forward for donors in programming in this area. PDIA is a set of principles that can be adopted in a wide range of situations. Rather than attempting to transfer a particular solution it transfers approaches and techniques that can be applied to a variety of country and sector contexts.

This position paper is designed for a broad audience of development and foreign policy professionals. It is also intended to offer for a more specialist audience, a thematic introduction to the research conducted under the ReCom Governance and Fragility theme, including discussion of how this research

contributes to the broader policy and scholarly literature. For this reason, the paper is structured to provide a broad overview of key issues with particular attention to findings developed in the ReCom background papers. Specialists working in the areas of governance and fragility are invited to review these background papers for further detail. For ease of reading, each of the background papers discussed in the text is presented in bold.

Over a hundred background papers have been prepared under the ReCom Governance and Fragility theme, each commissioned with careful attention to identified gaps in the existing literature. Of these, ten were prepared by DIIS and the rest by UNU-WIDER. All are introduced in the text (and thus also cited in the reference list). Some are only briefly discussed, but abstracts for all ReCom Governance and Fragility background papers that are published or forthcoming are included in Appendix 3. Appendix 5 includes a sample of the two-page research briefs prepared for these background papers. All UNU-WIDER background papers, research briefs, and other outputs from ReCom are available at <http://recom.wider.unu.edu/results>. DIIS's papers, briefs, and other outputs are available at <http://www.diis.dk/>.

This position paper relates to the ReCom results meetings on 'Democracy and Fragility', held in Stockholm on 10 May 2012, and on 'Challenges in Fragility and Governance', held in Copenhagen on 23 October 2013. The initial draft of the position paper was completed in January 2012 and made available for comment before the meeting on 'Democracy and Fragility'. It has been regularly revised since January 2012 based on comments and research inputs received from a wide range of stakeholders. Written comments were received from Danida in October 2013 and from DIIS in November 2012 and November 2013. The paper has also benefited from the deliberations at the two results meetings and from comments and discussions at other related meetings and presentations. A complete listing of ReCom-related presentations is included as Appendix 2.

The theme leader for the final position paper on Aid, Governance, and Fragility is Rachel M. Gisselquist. Preparation of earlier drafts was led by Danielle Resnick and Rachel M. Gisselquist. Other UNU-WIDER contributors include Tony Addison, Heidi Kaila, Omar McDoom, Lant Pritchett, Salimah Samji, Roger Williamson, Michael Woolcock, Lumi Young, and Adam Ziegfeld. We have been ably supported by the UNU-WIDER communication and position paper production support team consisting of: Kennedy Ambang, Dominik Etienne, Heidi Kaila, Anu Laakso, Carl-Gustav Lindén, Susan Servas, James Stewart, Paul Silfvenius, Minna Tokkari, Janis Vehmaan-Kreula, Annett Victorero and Tuuli Ylinen. We also thank in particular Lars Engberg-Pedersen and Ole Therkildsen for contributions with respect to DIIS's ReCom studies, as well as for extensive comments and suggestions for revision. We acknowledge with appreciation the significant contributions of all of the contributing authors to the ReCom background papers.

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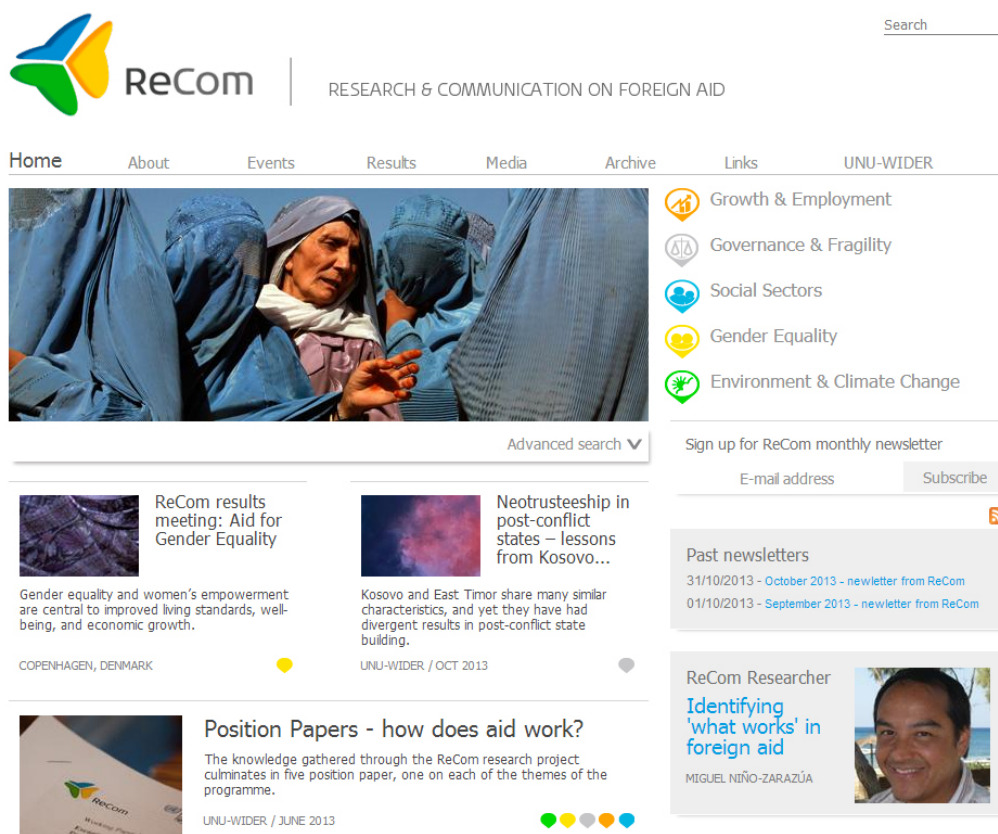
Granlund, Lena Johansson de Château and Pernilla Sjöquist Rafiqi. It is our hope that this innovative effort in combining research and development practice has provided material that will be of help to our three main audiences, including aid agency staff alongside researchers and national policy makers, in their combined efforts to further the effectiveness of foreign aid in the years to come.

Finn Tarp
Director, UNU-WIDER
14 March 2014

About ReCom

ReCom—Research and Communication on Foreign Aid is a UNU-WIDER co-ordinated research programme implemented over 2011-2013 in partnership with Danida (Ministry of Foreign Affairs of Denmark) and Sida (Swedish International Development Cooperation Agency). The Danish Institute for International Studies (DIIS) and the UNU-WIDER global network of partner institutions and researchers were also involved in ReCom research. The aim of the programme was to research and communicate what works and what can be achieved through development assistance. For this purpose, a specific programme website <http://www.wider.unu.edu/recom> created.

IMAGE 1
The ReCom website



Source: <http://www.wider.unu.edu/recom>

Foreign aid is a complex and multi-faceted issue, involving many countries, institutions, and people—researchers, aid officials, policy makers, NGOs, companies and civil society organizations. Currently, the evidence for what works in aid is fragmented and not easily accessible thereby limiting, in particular, the transfer of successful interventions across countries. There is limited evidence for what works on a large scale—understanding this is a key

objective if more aid is to be used well, and if challenges such as adaptation to climate change are to be met successfully.

To better understand and improve the effectiveness of aid requires a multi-disciplinary approach—bringing together the best from social sciences, in particular economics and political science, as well as other relevant disciplines. Better understanding can only come from mobilizing a global network of development researchers and practitioners to share their knowledge. No single actor can grasp all of the dimensions of aid, especially when we take into account the number of complex issues—such as conflict, climate change, the emergence of new aid donors—involved in the context that aid is operating in. Many developing economies are growing, a success in part due to aid itself, but immense development challenges remain, not least in adapting to climate change and reducing poverty. It is the power of the network that guarantees ReCom its credibility as a source of knowledge on development and aid when communicating these new trends and challenges, and what they mean for aid practice and for achieving aid effectiveness.

Over 2011-2013, ReCom has been bringing together some 300 social scientists from all parts of the world—in fact from 60 different countries, including 21 African countries—to research and communicate what works, and what could work, in development assistance, including the potential to scale-up and transfer small but successful interventions as larger aid programmes. Some 240 individual studies have been published or are forthcoming, mainly in the WIDER Working Papers series—each of them summarized in a research brief published on the ReCom website (see Appendix 5). An important part of the quality assurance process of ReCom is to publish studies in peer-reviewed fora. A large number of the studies have been submitted to, or have already been published in, internationally refereed journals and as UNU-WIDER books (see Appendix 1).

The thematic focus of the research programme covered five key issues in international development assistance: growth and employment; governance and fragility; social sectors; gender equality; and environment and climate change. Poverty and inequality cuts across all these issues, for there can be no sustained poverty reduction without achievements for aid in each. By these means, ReCom is also helping to shape the debate on the Millennium Development Goals (MDGs) and the post-2015 development agenda.

To be of use the new knowledge generated by research must be customized and shared. This is done by effective communication with national policy makers, aid officials, parliamentarians, and other practitioners in NGOs and social movements. Communication has been as important to ReCom's success as research.

ReCom's knowledge-sharing process therefore involved the exchange of information and views. Discussion of the research results set up new questions for further investigation. These exchanges were designed to capture the insights of policy makers and practitioners, which then fed back into further rounds of knowledge creation and sharing. This has been the core of ReCom.

Through more than 75 presentations and seminars, seven ReCom results meetings, and a website (www.wider.unu.edu/recom) dedicated to communicating the research, ReCom has focused on adding to the existing evidence base and communicating with policy makers as well as the broader audience ‘what aid has done, and what aid can do better in the future’ thereby improving aid practice and policy, ultimately increasing the benefits of aid for recipient countries. Appendix 2 provides a list of all ReCom presentations and seminars that took place during 2011-2013. In addition, social platforms (YouTube, Twitter, Facebook, etc.) and a monthly ReCom newsletter have been used to disseminate the knowledge produced through ReCom.

Box 1: ReCom results meetings

People-to-people knowledge sharing has been a central part of the overall communication strategy of the co-ordinating partners of ReCom. Especially the ReCom results meetings have been the anchor of the communications activities as they have proven to be an excellent vehicle for bringing researchers, practitioners and policy makers together to exchange knowledge on key development and aid issues, and because the knowledge transferred and communicated in them contained the essential facets of each research theme. During the programme period, the following seven ReCom results meetings took place in Copenhagen and Stockholm:

- ‘Aid, Growth and Macroeconomic Management’, Copenhagen, 27 January 2012
- ‘Democracy and Fragility’, Stockholm, 10 May 2012
- ‘Jobs – Aid at Work’, Copenhagen, 8 October 2012
- ‘Aid and the Social Sectors’, Stockholm, 13 March 2013
- ‘Aid and Our Changing Environment’, Stockholm, 4 June 2013
- ‘Challenges in Fragility and Governance’, Copenhagen, 23 October 2013
- ‘Aid for Gender Equality’, Copenhagen, 16 December 2013

IMAGE 2
UNU-WIDER Seminar ‘Fragility and Aid - What Works?’



Source: © UNU-WIDER

The ReCom research findings have been compiled in five substantive position papers, one for each theme, that speak to a broad audience interested in foreign aid and the respective theme. The position papers specifically target

policy makers in donor agencies and their partner countries, as well as private foundations and civil society organizations.

Governance and fragility

The Governance and Fragility theme was initially tasked with addressing two broad topics, governance and fragility. Each of these topics is often treated separately and is the subject of large and distinct academic and policy literatures. As we demonstrate in this position paper, however, governance and fragility are also closely related and considering them together makes good analytical and policy sense.

Addressing governance and fragility are major challenges for development policy. These topics are also relevant to multiple areas of foreign aid, including each of the other four ReCom themes. Not surprisingly, Governance and Fragility has been one of the largest ReCom themes in terms of research output. Experiences from a variety of countries – some fragile, some more stable – are drawn upon in this paper. These countries include Afghanistan, Ghana, Timor Leste, Kosovo, Liberia, Malawi, Nicaragua, and Tanzania, among others. Analysis of these varied experiences helps to improve our understanding of what works, could work, is transferable, and is scalable in development aid.

Over a hundred background papers have been prepared under this theme. Section 3 discusses the analytical approach underlying this theme in greater depth, including the related rationale for the commissioning of each of the ReCom background papers. The commissioning strategy also built upon collaboration with other ReCom themes, in some cases involving joint commissioning on cross-cutting issues.

In addition to the preparation of a number of standalone papers, UNU-WIDER's research strategy under this theme has included seven collaborative projects or research collections, under which many of the background papers were commissioned. Each of these projects draws on the diverse expertise of its contributors to develop collective findings. With the exception of the 'Experiments' project (which focuses on thematic topics), these collaborative projects combine broad synthesis with in-depth case studies to examine the topic at hand. The seven collaborative projects developed by UNU-WIDER under the Governance and Fragility theme are:

- *Building State Capability through Problem Driven Iterative Adaptation (PDIA)*. Led by Lant Pritchett and Matthew Andrews (Harvard Kennedy School)
- *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases*. Led by Rachel M. Gisselquist (UNU-WIDER)
- *Good Aid in Hard Places: Learning from What Works in Fragile Contexts*. Led by Rachel M. Gisselquist

- *Foreign Aid and Democracy in Africa*. Led by Danielle Resnick (IFPRI) and Nicolas van de Walle (Cornell University)
- *Decentralization and Urban Service Delivery: Implications for Foreign Aid*. Led by Danielle Resnick
- *Aiding Government Effectiveness in Developing Countries*. Led by Rachel M. Gisselquist and Danielle Resnick
- *Experimental and Non-experimental Methods to Study Government Performance: Contributions and Limits*. A joint project of the ReCom Governance and Fragility, and Social Sectors, themes, led by Rachel M. Gisselquist and Miguel Niño-Zarazúa (UNU-WIDER)

All of the ReCom background papers commissioned under the Governance and Fragility theme inform this position paper, and are cited in the text as well as in the reference list. Although there is not space here to discuss all in depth, an annotated bibliography of all background papers prepared under this theme is included as Appendix 3. Appendix 5 includes a sample of the two-page research briefs prepared for these background papers. Background papers, research briefs, and other outputs prepared by UNU-WIDER under the ReCom programme are available at <http://recom.wider.unu.edu/results> papers, briefs, and other outputs are available at www.diis.dk.

Since the ReCom programme began just under three years ago, research under the Governance and Fragility theme has already made its way into a number of internationally recognized peer-reviewed publications. UNU-WIDER studies prepared under the Governance and Fragility theme are published or forthcoming in the *ANNALS of the American Academy of Political and Social Science*, *Development Policy Review*, *Evaluation*, *The Journal of Development Studies*, *The Journal of Globalization and Development*, *PS: Political Science & Politics*, *Public Administration and Development*, and *World Development*. Appendix 1 provides details. This list is expected to grow as a substantial number of other studies are under review or are in preparation for submission.

Acronyms and abbreviations

AfDB	African Development Bank
ARA	Autonomous revenue authority
CPR	Civil and political rights
DAC	Development Assistance Committee
Danida	Danish International Development Agency
DfID	UK Department for International Development
DIIS	Danish Institute for International Studies
DRC	Democratic Republic of Congo
EC	European Commission
EITI	Extractive Industries Transparency Initiative
ESCR	Economic, social, and cultural rights
EU	European Union
FDI	Foreign direct investment
GDP	Gross domestic product
HDI	Human Development Index
HRBA	Human rights-based approach
IBRD	International Bank for Reconstruction and Development
ICG	International Crisis Group
IDA	International Development Association
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
INCAF	International Network on Conflict and Fragility
LGBT	Lesbian, gay, bisexual, and transgender
MDGs	Millennium Development Goals
MMM	Mixed member majoritarian
MMP	Mixed member proportional
NGO	Non-governmental organisation
NORAD	Norwegian Agency for Development Cooperation
NSF	National Solidarity Programme, Afghanistan
ODA	Official Development Assistance
ODI	Overseas Development Institute

OECD	Organisation for Economic Co-operation and Development
OHCHR	Office for the High Commissioner on Human Rights
PDIA	Problem Driven Iterative Adaptation
PEFA	Public Expenditure and Financial Accountability
PFM	Public financial management
PR	Proportional representation
PSGs	Peacebuilding and Statebuilding Goals
Sida	Swedish International Development Agency
SMDP	Single member district plurality
SSA	sub-Saharan Africa
UCDP	Uppsala Conflict Data Program
UDHR	Universal Declaration of Human Rights
UN	United Nations
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
UNU-WIDER	United Nations University, World Institute for Development Economics Research
US	United States
USAID	United States Agency for International Development
USIP	United States Institute of Peace
WDI	World Development Indicator (World Bank)
VAT	Value-added tax

Executive summary

Governance, or the exercise and organization of political power to manage a community's affairs, has become a major concern for both donors and aid recipient countries since the late 1980s. Good governance in particular, which refers to efficient and transparent public sectors, stable and effective institutions, and support for citizen engagement and participation in political processes, is widely seen as an important objective in and of itself, as well as a critical influence on economic development.

Fragility is also of key importance. An estimated 1.5 billion people are affected by conflict and fragility and fragile states are furthest away from achieving the Millennium Development Goals (MDGs). Discussions about the post-2015 agenda further underscore its continuing significance for development policy, including its relevance to other core goals, such as sustainable development, gender equality, and inclusive growth.

Addressing both governance and fragility, this position paper is grounded in the central questions of the ReCom programme: What works, what could work, what is scalable, and what is transferable with respect to foreign aid? It also considers the related question, what does not work? It draws on over a hundred background papers prepared under this research theme and commissioned with attention to identified gaps in the literature.

It has four central messages:

Governance and fragility are two sides of the same coin

First, governance and fragility are sometimes treated as entirely separate topics, but they are in fact closely related and considering them together makes good analytical and policy sense. Indeed, they can be understood as two sides of the same coin; in fragile states and situations, public institutions by definition fail to provide governance—or provide it extremely poorly—in the sense of not fulfilling basic functions of providing security, the rule of law, and core public goods. This argument is considered in more depth in Section 3 of this position paper.

This approach means that in operating in fragile states and situations, donors face—in amplified form—many of the same core challenges related to political and economic governance that they face in all states and situations (fragile and not). Thus, rather than addressing aid for governance in fragile states as distinct from that in non-fragile states, as is often done, the lessons of past experience with governance reform in developing countries in general can inform programming in fragile situations, and vice versa.

Section 4 of this position paper illustrates this approach, addressing in turn each of the five Peacebuilding and Statebuilding Goals (PSGs) proposed by the International Dialogue for fragile states and situations—Legitimate Politics, Security, Justice, Economic Foundations, and Revenues and Services.

From macro-level to meso- and micro-level analysis: Disaggregation is essential

A second central message concerns the value of disaggregation and analysis at the micro- and meso-levels. Much of the existing literature focuses on ‘governance’ or ‘fragility’ at the macro-level—each in the aggregate—as both causes and consequences of various factors. The OECD’s report *Think Global, Act Local*, for instance, considers the global factors that influence the risk of conflict and fragility (OECD 2012c). Such analysis is important and can help to inform broad policy priorities and planning. However, it is not as useful in the design of specific policies, projects, and programmes—much less in their situation-specific adaptation.

Whether or not we can agree on a theory of the causes of fragility or good governance in the aggregate, we should not expect foreign aid to work in the same way when we disaggregate—for instance, to influence in the same way both political party development and the emergence of effective human rights regimes. Nor should we expect that best practices from one country will apply seamlessly to other countries; that ‘what works’ in aid to a particular governance area will also work in another sectoral area; or even that ‘what works’ in one governance area will continue to work in the same governance area, in the same country, as political actors and environments change over time.

In short, a highly disaggregated, contextual, and political approach is necessary to understand aid and governance in fragile and non-fragile states and to effectively craft policies, projects, and programmes across multiple sectors. This argument is closely related to the importance of situation-specific analysis that has been emphasized in other work, such as the 2011 *World Development Report*. However, it goes beyond that emphasis to highlight the importance of disaggregated analysis of each of the sectors and activities through which donors may work to address poor governance and fragility.

As this position paper illustrates, this approach does not lend itself well to brevity and simple messages. Reform processes are messy and the details matter. Section 4 underscores this point through discussion of key sub-topics under each of the PSGs, reviewing a number of examples that can convey this complexity.

Problem-Driven Iterative Adaptation: The new ‘best practice’ⁱ

The fact that fixing fragile and poorly governed states is not a simple mechanical process challenges the traditional approach of elaborating blueprints, models, and one-size-fits-all best practices for development interventions. A third key message of this position paper is that Problem-Driven Iterative Adaptation (PDIA) offers donors a promising alternative approach to improve aid effectiveness. PDIA shows ‘what could work’ in terms of *how* to engage in developing countries and in fragile situations in particular.

UNU-WIDER’s PDIA project, led by Lant Pritchett and Matt Andrews, highlights the four core components of this approach:

- aim to solve particular problems in local contexts,
- through the creation of an ‘authorizing environment’ for decision-making that allows ‘positive deviation’ and experimentation,
- involving active, ongoing and experiential learning and the iterative feedback of lessons into new solutions, doing so by
- engaging broad sets of agents to ensure that reforms are viable, legitimate and relevant—i.e., politically supportable and practically implementable. **(Andrews et al. 2012b)**

Building state capability remains a core challenge

Fourth, building state capability is a core challenge in fragile states and weak institutional environments. This is an area that will require long-term commitment on the part of donors, and it is also one in which there are major knowledge gaps. As Section 4.1 discusses, this is reflected in the work of the PDIA project and is also a focus in other ReCom background studies.

This focus on building state capability is different to that in other recent work on fragility in several ways. For one, much recent work highlights other aspects of fragility, such as state-society relations and the role of non-state actors (see, e.g., OECD 2012a). In addition, much work focuses more on fragile states in conflict situations or immediately post-conflict, rather than on longer-term processes of institution-building (see, e.g., World Bank 2011).

The point is not that these other aspects of fragility are not important, but that building state capability is also important. If donors are serious about

ⁱ For a recent presentation by Matt Andrews on this approach, see in particular the recent ‘Seminar on Capacity Development and Reform Challenges’ hosted by Danida in December 2013. Video is available through <http://um.dk/en/danida-en/activities/technical-advisory-services/events/newsdisplaypage/?newsid=a067fb35-98e5-44f8-9c55-a24a3463657d>.

addressing governance and fragility challenges, building state capability should also receive focused attention.

Donors should further recognize and plan for clear challenges in building state capability: Addressing chronic institutional weaknesses may require longer term and more substantial commitment. In addition, maintaining support for such efforts may prove challenging in a political sense because media and public attention tend to be more focused on conflict and post-conflict situations.

Organization of the position paper

This position paper covers a large literature on a wide range of interlocking subjects. An extended summary of the topics covered in this position paper is included as Appendix 4.

Section 1 provides an introduction and statement of the issue, including a more detailed discussion of this theme and its significance, the four key messages, and the approach taken in the paper.

Section 2 offers a summary of outcomes, structured to speak directly to the four ReCom questions: What works? What could work? What is scalable? What is transferable? It also includes a chart to illustrate the approach and how the background studies speak to these questions. Section 2 is intended a quick overview on these topics for practitioners short on time; other readers may wish to skip this section.

Sections 3 and 4 present the core analytical work of the paper. Section 3 provides an overview of the analytical approach and the state of the debate. Within this context, section 3.4.2 summarizes how each of the background papers relates to the key themes covered in this paper. Section 4 discusses key research areas and main areas of aid interventions. It begins with discussion of Building State Capability and then turns to each of the five PSGs in turn.

Section 5 concludes, summarizing key findings and considering future challenges.

The appendices provide further information on the background research conducted under the ReCom programme. In particular, Appendices 1 and 2 list externally peer-reviewed publications and presentations and events, while Appendix 3 provides an annotated bibliography all background papers. Appendix 5 includes a sample of the two-page research briefs prepared on these background papers. Full papers are available on the UNU-WIDER website.

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1 Introduction

Governance, or the exercise and organization of political power to manage a community's affairs, has become a major concern for both donors and aid recipient countries since the late 1980s. Good governance in particular, which refers to efficient and transparent public sectors, stable and effective institutions, and support for citizen engagement and participation in political processes, is widely seen as an important objective in and of itself, as well as a critical influence on economic development. The commitment by donors to promoting good governance has been reaffirmed in multiple declarations and policy documents. The 2011 Busan High Level Forum, for instance, emphasized, among other objectives, 'Strengthening of the role of parliaments and local governments (point 21)' and 'Support for civil society organizations (point 22).'

Fragility is also of central importance to international development policy. Frequently cited statistics show that 1.5 billion people are affected by conflict and fragility and that fragile states are furthest away from achieving the Millennium Development Goals (MDGs).¹ The importance of fragility is further underscored in discussions about the post-2015 agenda. As the Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda highlights, core challenges will include both how to build peace and how to build effective, open, and accountable institutions for all. Fragility further exacerbates the challenges of addressing other core post-2015 goals, including sustainable development, gender equality, and inclusive growth.

In 2008, the International Dialogue on Peacebuilding and Statebuilding was established to address the challenges of fragility and conflict. In 2011, building on the Dili Declaration, G7+ statements, and the Monrovia Roadmap, the members of the International Dialogue announced the *New Deal for Engagement in Fragile States*, which elaborates broad principles for donor engagement. Fragility and conflict are also core themes of other major policy and research initiatives. Major reports such as the World Bank's 2011 *World Development Report: Conflict, Security and Development* and the OECD's *Fragile States 2013: Resource Flows and Trends in a Shifting World* identify a number of findings and recommendations that can help to guide and inform future development policy in this area (World Bank 2011; OECD 2012a).

The international community devotes considerable financial resources to issues of governance and fragility. Assistance in these areas has also increased over time. Between 1995 and 2011, for instance, ODA in the area of 'government and civil society' rose from US\$4.02 billion to US\$20.39 billion (constant 2011 US\$).² As *Fragile States 2013* details, ODA to fragile states was US\$50 billion in 2010, or 38 per cent of total ODA. It represents the largest financial inflow to fragile states, followed by remittances and foreign direct investment, which were an estimated US\$47.38 billion and US\$27.59 respectively in 2010 (OECD 2012a: 43, 45).

At the start of the ReCom programme in 2011, the Governance and Fragility theme was tasked with addressing two broad topics, governance and fragility. This position paper, prepared by UNU-WIDER under the ReCom programme, aims to provide an up-to-date overview to the topics of aid, governance, and fragility and a guide to the research conducted under the programme. It grounded in the central questions of ReCom: What works, what could work, what is scalable, and what is transferable in foreign aid? It also considers the related question, what does not work?

This position paper draws on over a hundred background papers that have been prepared under this research theme, each commissioned with attention to identified gaps in the existing literature. Of these, ten were prepared by DIIS and the rest by UNU-WIDER. Some readers may wish to review some of these background studies directly. To facilitate this, each is cited in this position paper in bold.

This position paper has four central messages: *First*, although governance and fragility are sometimes treated as entirely separate topics, they are in fact closely related and considering them together makes good analytical and policy sense. As discussed more fully in Section 3, a useful way of conceptualizing and understanding fragility is in terms of states and situations in which public institutions fail to provide governance—or provide it extremely poorly—in the sense of not fulfilling the basic functions of states to provide security, the rule of law, and core public goods. This approach to fragility and governance builds on classic discussions of the state and public institutions. It is also broadly consistent with definitions of fragility in common use. As discussed in more depth in Section 3, there is considerable debate in the research and policy literature over what fragility means. Box 2 summarizes the two definitions that we highlight in this paper.

Box 2: Defining fragility

‘States are fragile when state structures 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’

-- OECD/DAC, *Principles for Good International Engagement in Fragile States and Situations*, 2007

‘A fragile region or state has weak capacity to carry out basic governance functions, and lacks the ability to develop mutually constructive relations with society. Fragile states are also more vulnerable to internal or external shocks such as economic crises or natural disasters. More resilient states exhibit the capacity and legitimacy of governing a population and its territory. They can manage and adapt to changing social needs and expectations, shifts in elite and other political agreements, and growing institutional complexity. Fragility and resilience should be seen as shifting points along a spectrum’

-- OECD, *The Missing Piece: Improving International Support to the Peace Process*, 2012. This definition is also used in the OECD’s *Fragile States 2013* report.

Sources: (OECD/DAC 2007; OECD 2012b).

The core implication of our approach for the topic at hand is that work on fragility and work on governance are inextricably linked: In operating in fragile states and situations, donors face—in amplified form—many of the same core challenges related to political and economic governance that they face in all states and situations (fragile and not). Thus, the lessons of past experience with governance reform in developing countries more generally clearly should inform programming in fragile situations. Likewise, many of the core challenges for governance reform identified in the literature on fragility are core challenges for governance reform in developing countries more generally. Indeed, the five Peacebuilding and Statebuilding Goals (PSGs) proposed by the International Dialogue for fragile states and situations, are relevant to aid and governance in all situations.

Section 4 thus addresses in turn each of the five PSGs—Legitimate Politics, Security, Justice, Economic Foundations, and Revenues and Services. Under each PSG, a number of sub-topics are discussed. For each of these sub-topics, the paper provides an introduction to core themes, with particular attention to findings from ReCom research. Section 4 begins with discussion of Building State Capability, which we argue is a sixth key goal in the area of aid, governance, and fragility that is related to—but extends beyond—the five PSGs.

It is important to highlight that many of the examples and findings discussed in this position paper thus are drawn from cases that are not ‘fragile’ according to standard classifications, but these examples and findings are nevertheless relevant to consideration of fragile situations. As argued in Section 3, fragile situations in many ways can be understood as amplifying the standard challenges of governance reform for donors. It is also clear that situations of fragility and conflict may pose some additional and distinct governance challenges as compared to non-fragile situations; these are considered throughout, and we also note in Section 5 that establishing precisely how and why governance differs in fragile and non-fragile environments, and what this means for aid, is an area for continuing research.

A *second* core argument of this position paper is that a highly disaggregated, contextual, and political approach is necessary to understand aid and governance in fragile and non-fragile states and to effectively craft policies, projects, and programmes across multiple sectors. This argument is closely related to the importance of situation-specific analysis that has been emphasized in other work. For instance, the 2011 *World Development Report* emphasizes the importance of differentiated country strategies and policies based on situation-specific analysis, taking into account types of violence, transitional opportunities, institutional challenges, stakeholders, and stresses, as summarized in Table 1.

TABLE 1
Spectra of situation-specific challenges and opportunities

Types of violence: Civil and/or criminal and/or cross-border and/or sub-national and/or ideological	
Transition opportunity: Gradual/limited to immediate/major space for change	Key stakeholders: Internal versus external stakeholders; state versus nonstate stakeholders; low-income versus middle-high income stakeholders
Key stresses: Internal versus external stresses; high versus low level of divisions among groups	Institutional challenges: Degree of capacity, accountability, and inclusion

Source: World Bank (2011).

However, it also goes beyond that argument to highlight the importance of disaggregated analysis of each of the various sectors and activities through which donors may work to address poor governance and fragility. A number of studies focus on ‘governance’ or ‘fragility’—each in the aggregate—as both causes and consequences of other factors. OECD (2012c), for instance, considers the various global factors that influence the risk of conflict and fragility. Such analysis is important and can help to inform broad policy priorities and planning. However, this position paper argues that such analysis is not as useful in the design of specific policies, projects, and programmes—much less in their situation-specific adaptation (Baranyi and Desrosiers 2012).

As Sections 3 and 4 of this position paper illustrate, a number of sub-topics are key to addressing the five PSGs, from state-building in post-conflict societies to rights-based approaches to development assistance, from the development of political parties to the establishment of ‘good’ economic governance and regulatory policy, and so on. Whether or not we can agree on a theory of the causes of the risks of ‘fragility’, or of ‘good governance’, in the aggregate, we should not expect foreign aid to work in the same way when we disaggregate—for instance, in influencing in the same way both political party development and the emergence of effective human rights regimes. Nor should we expect that best practices from one country will apply seamlessly to other countries; that ‘what works’ in aid to a particular governance area will also work in another sectoral area; or even that ‘what works’ in one governance area will continue to work in the same governance area, in the same country, as political actors and environments change over time.

In short, ‘fixing’ poorly governed societies and fragile situations is in no way a simple mechanical process for which an instruction manual can or should be written. Perhaps more than in any other area of development policy, what works, could work, is scalable, and is transferrable in governance and fragility is complex, multidimensional, highly political, and contextual. Details matter. We can summarize some answers to the questions what works, could work, is

scalable, and is transferable in foreign aid based on examples and findings from our research and other work—as is done in Section 2—but we caution readers that it should not be read as a compendium of ‘best practices’ for seamless adaptation across diverse contexts. In considering how to develop specific projects and programmes, specialists in donor agencies are essential. Sections 3 and 4 of this position paper speak to some of the considerations that they should keep in mind and consider the core ReCom questions in greater depth.

A *third* core argument of this position paper is that the policy and research literature nevertheless underscores a number of core lessons about *how* donors should engage and provide assistance in the areas of governance and fragility. In this respect, we can speak of ‘best practice’ or ‘principles’ for engagement. As discussed further in Section 3.2, a series of major policy documents from the *Paris Declaration* to the *New Deal for Engagement in Fragile States* provide a synthesis in this respect. The core principles and priorities described in the *New Deal* are summarized in Box 3.

Box 3: New deal for engagement in fragile states (2011)

The *New Deal* aims to change the nature of intervention in fragile states. To do this, the agreement sets out five *Peacebuilding and Statebuilding Goals* to guide priorities and engagement in fragile states. These guiding priorities and areas of engagements are:

- *Legitimate Politics* - Foster inclusive political settlements and conflict resolution
- *Security* - Establish and strengthen people’s security
- *Justice* - Address injustices and increase people’s access to justice
- *Economic Foundations* - Generate employment and improve livelihoods
- *Revenues and Services* - Manage revenue and build capacity for accountable and fair service delivery.

The *New Deal* further shifts focus from donors to fragile states, emphasizing the need for *country-led* and *country-owned transitions* out of fragility. State-society relations are supported through shared commitment of recipient governments to be responsible and responsive to their societies and donors to support these efforts. Moreover, to improve mutual accountability five key areas of co-operation are highlighted: *enhancing transparency, risk-sharing, strengthening national capacities and timeliness of aid, improving the speed and predictability of funding to achieve better results.*

Source: OECD (2011a).

These principles and priorities are broadly accepted by the international community, including Danida and Sida, and underlie the analysis in this position paper.

Nevertheless, implementation of such principles and priorities in programming remains a major challenge for donors (OECD 2011b). This position paper argues that one promising way forward in improving aid effectiveness along these lines is offered by the ‘Problem-Driven Iterative Adaptation’ (PDIA)

approach elaborated in a UNU-WIDER project led by Lant Pritchett and Matthew Andrews. Building on the literature, the project elaborates an approach with four core components that offers for donors an important example of ‘what could work’ in terms of principles for engagement in developing countries, and in fragile situations in particular. These four core components are as follows:

- aim to solve particular problems in local contexts,
- through the creation of an ‘authorizing environment’ for decision-making that allows ‘positive deviation’ and experimentation,
- involving active, ongoing and experiential learning and the iterative feedback of lessons into new solutions, doing so by
- engaging broad sets of agents to ensure that reforms are viable, legitimate and relevant—i.e., politically supportable and practically implementable. **(Andrews et al. 2012b)**

This approach is reviewed in greater depth in Section 4.1 below.

Finally, a *fourth* core argument of this position paper concerns fragile states and situations, and the importance for donors of addressing long-term challenges of building state capability. As suggested by the discussion above, this focus is somewhat different to that suggested by some other recent work on fragility. For one, there is a tendency in some work to focus more on other aspects of fragility such as state-society relations and non-state actors (see, e.g., OECD 2012a). Second, there is a tendency in some work on fragility to focus more on conflict and reconstruction in the immediate post-conflict period (see, e.g., World Bank 2011). The point here is not that these other aspects of fragility should not be addressed, but that building state capability is also important. If donors are serious about addressing governance and fragility challenges, the challenge of building state capability should not be ignored or minimized. . Indeed, the ‘central message’ of the 2011 *World Development Report* is ‘that strengthening legitimate *institutions* and governance to provide citizen security, justice, and jobs is crucial to break cycles of violence’ (World Bank 2011, italics mine).

It is also important for donors to recognize and plan for clear challenges in working in this area: Addressing chronic institutional weaknesses may require longer term and more substantial commitment, and may be more politically difficult on the home front, among other reasons, because violent conflict and humanitarian emergencies are much more likely to make the headlines than the day in, day out challenges of weak institutions and poor governance.

As Section 4 elaborates, it is also our assessment that the long-term challenge of building state capability and fostering legitimate politics are areas in which there are major knowledge gaps. UNU-WIDER’s background research and commissioned papers under the Governance and Fragility theme have thus focused on consolidating and critically examining what we know and think we know in these two areas in particular, as well as elaborating possible ways forward. Three of the seven collaborative projects developed under this theme

focus on these areas: *Building State Capability through Problem Driven Iterative Adaptation (PDIA)*, *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases*, and *Foreign Aid and Democracy*.

This position paper necessarily covers a lot of ground, drawing on diverse bodies of work, both by scholars and practitioners. In condensing a large amount of work into a single paper, it leaves off discussion of a number of important issues. Specialists also may note particular areas that they would have framed or developed differently. We believe nevertheless that it offers a broad framework highlighting priority areas for donor policy within which additional issues can be considered.

The core analytical work of this paper is presented in Sections 3 and 4. Section 3 provides essential information on the approach adopted by the research team, including methodological considerations and choices, discussion of the current state of the debate, and the rationale for the commissioning of ReCom background papers under this theme. Section 4 addresses main areas of aid interventions. It begins with discussion of Building State Capability and then turns to each of the PSGs in turn—Legitimate Politics, Security, Justice, Economic Foundations, and Revenues and Services. Various sub-topics are reviewed under each PSG.

Grounded in the discussion in Sections 3 and 4, Section 2 provides a summary of outcomes structured to address the four key ReCom questions: What works? What could work? What is scalable? What is transferable? It also includes a brief chart summarizing how the ReCom research addresses these questions.

Section 5 concludes. It summarizes key arguments and considers future challenges.

Appendices 1 and 2 list externally peer-reviewed publications, and presentations and events, resulting from this and the other themes of the ReCom programme. Appendix 3 describes the papers commissioned under this ReCom theme. It has three sub-sections. Section A3.1 provides an annotated bibliography of the UNU-WIDER working papers commissioned under this theme (some in collaboration with other themes). It is organized in alphabetical order by author's surname. As discussed above, a number of these UNU-WIDER studies were commissioned as part of seven research collections and collaborative projects. Section A3.2 provides a listing of the papers under each project. Section A3.3 provides an annotated bibliography of DIIS studies prepared under this theme.

Appendix 5 includes a sample of the two-page research briefs prepared by UNU-WIDER on these background papers. All UNU-WIDER background papers, research briefs, and other outputs from ReCom are available at <http://recom.wider.unu.edu/results>.

2 Summary of outcomes

2.1 Introduction

The purpose of this section is to give a quick overview of some of the outcomes emerging from the huge range of studies and the analytical work presented in the position paper, with explicit attention to the underlying questions of the ReCom programme—what works? What could work? What is scalable? What is transferable? Indirectly, these questions also suggest what does not work—although it was not one of the explicit questions for the ReCom programme. *What works?* refers to proven examples/case studies of initiatives with positive outcomes. *What could work?* highlights unproven approaches that seem theoretically sound. In *What is scalable?*, the emphasis is on ‘from small to big’ (e.g., project to programme, local to national). *What is transferable?* refers to approaches that could be applied elsewhere, for instance, to another country, sector, or region.

This summary of outcomes is intended primarily for practitioners needing a quick overview. Those with more time may wish to skip this section and move on to the next section, which details the analytical approach of this position paper, explaining the relevance of the five Peacebuilding and Statebuilding Goals (PSGs), plus an additional goal—Building State Capability—in understanding aid, governance, and fragility. Section 4 addresses each of these six key areas in turn.

Table 2 provides a snapshot of this framework for analysis: Each row corresponds to one of the six key areas, and each column to each of ReCom’s guiding questions. In order to illustrate the framework, we provide just one example in each box of the many answers discussed in this position paper.

The rest of this section provides a fuller summary of outcomes in relation to the ReCom questions.

TABLE 2
Outcomes: framework and examples

Key areas	What works?	What could work?	What is scalable?	What is transferable?
Building state capability	External support for post-conflict state-building in some places (e.g., post-Second World War Germany, Japan)—but <i>not</i> everywhere (see Monten 2013)	‘Problem Driven Iterative Adaptation’ (PDIA) as an approach to guide donor programming (see Andrews et al. 2012b)	PDIA’s ‘scaling through diffusion’: organizations build capability through discovering solutions to concrete problems. This process of defining problems and searching for solutions itself creates the dynamic of diffusion of these practices across the organization (see Pritchett et al. 2012b)	Application of the PDIA approach from Mozambique to Uganda to South Sudan, etc. (see Andrews and Bategeka 2013; Larson et al. 2013; Andrews forthcoming)
Legitimate politics (PSG 1)	Basket funds in the provision of electoral assistance (e.g., Bangladesh, Burundi, DRC, Sierra Leone, Tanzania, Rwanda, Sudan, Zambia, Malawi) (see Resnick and Van de Walle 2013)	Support for consociational settlements to manage ethnic and communal divisions and support inclusive politics. Consociational systems have a mixed record in practice, but this approach could work in some contexts (see Stroschein 2013)	Public debates after electoral violence (see Resnick and Van de Walle 2013)	Donor support for Human Rights Commissions to increase the capacity of duty-bearers and rights-holders (e.g., Ghana)
Security (PSG 2)	Donor-supported police reform in situations that meet four criteria: a political settlement, shared values of governance, administrative capacity, and a vibrant civil society (e.g., Northern Ireland, South Africa) (see Marenin 2013)	‘Whole of government’ approaches in challenging environments such as Afghanistan, DRC, and Somalia (see Stepputat and Greenwood 2013)	Initiatives to make national policing more gender sensitive (e.g., Liberia - see Bacon 2013)	An approach to security sector reform that reflects local power structures on the ground (e.g., Sierra Leone - see Onoma 2014)
Justice (PSG 3)	Voluntary paralegal programmes to support access to justice (e.g., Judicial Facilitators in Nicaragua - see Barendrecht et al. 2013)	Conditioning assistance on rule of law performance	The ‘judicial facilitators’ programme from rural to urban areas in Nicaragua (see Barendrecht et al. 2013)	Laws and legal systems adopted across countries

Key areas	What works?	What could work?	What is scalable?	What is transferable?
Economic foundations (PSG 4)	Donor assistance to reform regulations concerning enterprise registration and licensing procedures (e.g., comprehensive review of procedures, the introduction of ‘one stop shops’, fixed registration fees regardless of company size, the separation of registration from licensing regulations (see Kirkpatrick 2012)	Regulatory Impact Assessment, which is in wide use in OECD countries and has also been a prominent (and as yet unproven) feature of reform programmes in developing countries (see Kirkpatrick 2012)	Economic recovery and support for the ‘economics of peace’ in post-war Liberia, beginning with ‘reconstruction zones’ (see del Castillo 2012)	Lessons in post-conflict economic management—how to tap internal and external sources of growth (see Addison 2012)
Revenues and services (PSG 5)	Public financial management reform in post-conflict Sierra Leone—a comparatively successful example due to strong ownership and commitment to reforms by the Ministry of Finance and Economic Development, capacity for reform, and considerable international support, among other factors (see Tavakoli et al. forthcoming)	Improving public spending in weak institutional environments through independent ratings of public spending systems, independent public service agencies, and sovereign development funds (see Collier 2012)	Community driven development programmes which expand coverage over time to include more communities (e.g., National Solidarity Programme in Afghanistan - see Beath et al. 2013)	Tax reform strategies to simplify and streamline tax structures, with the objective of raising revenues. Common reforms adopted across countries include simplification of structures and procedures; reduction of tariffs; elimination of export taxes; introduction of dual income tax systems with simplified progressive labour tax and flat, and relatively low, corporate tax; and expanded reliance on the value added tax (VAT) and other goods and services taxes (see Fjeldstad and Heggstad 2012)

2.2 Building state capability

The ReCom project on *Building State Capability through Problem-Driven Iterative Adaptation (PDIA)*, a collaborative research effort led by Lant Pritchett and Matt Andrews (Harvard Kennedy School), focusses primarily on ‘*what could*

work?. That on *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases* concentrates more on ‘*what has worked?*’. The DIIS background report ‘Capacity-Development of Central State Institutions in Fragile Situations’ (Petersen and Engberg-Pedersen 2013) draws on five relatively successful examples in Afghanistan, Rwanda, Sierra Leone, Liberia and South Sudan.

A shorthand account of some of the PDIA results suggests that the following approaches *have worked*. Notable progress has been recorded in aspects of human development, particularly school enrolments and infectious diseases. This progress is recounted in much greater detail in the position paper on the Social Sectors. Progress has been made in ‘implementation light’ policies. These are often issues which require a concerted effort by an elite set of policy makers. A key group needs to be convinced of the wisdom of a policy and to have the tenacity to carry it through. An example given is that of the control of inflation by better Central Bank action. Unlike the 1970s and 1980s, hardly any countries now face high (above 50 per cent) or medium (above 20 per cent) inflation.

The PDIA typology distinguishes between five levels of task (see below). Tasks which are relatively simple or procedural such as vaccinating children are much easier to achieve than stamping out corruption among all state officials or regulating the banking sector effectively. Pritchett’s Annual WIDER Lecture ‘Folk or Formula’ provides examples and an easy insight into the different levels of complexity for ‘delivering like a state’ (Pritchett 2013a).

This clearly relates to *what does not work* at the level of the state. Section 4.1.1 summarizes the capability trap—the stagnant or falling performance suffered by the many states which have not yet been able to develop effective state capacity. A strength of the PDIA analysis is to argue that the complete package of ‘accelerated modernization through transplantation of best practice’ (Pritchett et al. 2013) only succeeds in logistical tasks. It provides an explanation for the ability of corrupt and brutal police forces, low learning school systems and corrupt public procurement practices to persist.

The project has also introduced further powerful explanatory concepts such as *isomorphic mimicry*, the ability to adopt the form and outward appearance of a functioning state, without the standards of delivery. Putting on smart uniforms does not guarantee a reformed police force. A further powerful concept is *premature load-bearing*. The two papers on Afghanistan (**de Weijer 2013**) and South Sudan (Rashidi et al. forthcoming) show in detail how dependent these two states are on external support, expertise and funding.

An approach which *could work* as articulated in ‘Escaping Capability Traps’ (**Andrews et al. 2012b**) suggests that ‘success builds institutions’ rather than the other way round. PDIA studies have examined this approach in detail.

The ReCom project on *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases* (see Section 4.1.2) addresses success and failure in transition from fragility to being a more robust state, based on careful comparative case studies. The studies are reviewed in Box 7 in Section 4.1.2. Findings underline

that there is no substitute for careful contextual study. To pick out a few aspects of the studies, it is worth highlighting that there are limits to externally-led state building even when considerable resources are invested (Iraq, Afghanistan); that European countries such as Italy and Greece in 1945 had much better prospects than much weaker states such as Haiti, Liberia, Sierra Leone, and Somalia today; that large inputs do not guarantee stability—Bangladesh and Pakistan have each received a total of c. US\$50 billion in aid, but Pakistan is considered to be much more fragile.

2.3 Legitimate politics

Democracy assistance, which aims to enhance political liberalization or strengthen democracy, represents only one of many tools for democracy *promotion*.³ Although democracy assistance has a long history, its visibility increased during the early 1990s when much of the developing world was experiencing significant political openings. Existing cross-country studies examining the impact of democracy assistance on political liberalization offer some encouraging findings (Finkel et al. 2007; Kalyvitis and Vlachaki 2009a; Scott and Steele 2011). Nevertheless, there remain some key challenges facing the democracy assistance field. There is little harmonization of donor initiatives, little consensus on what can be ‘imported’ and what needs to be ‘home grown’, and little agreement on the transferability of successful models (see Carothers 2009a). Negatively, these faults can be defined as *what does not work*, or more positively, if the faults are corrected, they could be considered as *what could work* and *what is transferrable*. Lessons learned about how to address these and other challenges can be best explored by disaggregating democracy aid into its major sub-components, including electoral assistance, political party assistance, and the strengthening of legislatures.

Democratic trajectories in Africa have been a major focus for study within the project (Resnick and Van de Walle 2013)—with the impact of aid carefully analysed within that topic. New ReCom work has been conducted on Benin, Ghana, Malawi, Mozambique, Tanzania, and Zambia. The policy recommendations from the project highlight enhancing the effectiveness of democracy through sustainability and donor harmonization and minimizing the weakness of budget support. Such approaches *could work* better.

Electoral assistance (Section 4.2.1) highlights the need to support the entire electoral cycle and build a democratic culture, not just support elections in a narrow sense. Basket funds (often co-ordinated by UNDP) co-ordinate the resources of multiple donors. They have been used in a number of countries including the Democratic Republic of Congo (DRC), Bangladesh, Burundi, Sierra Leone, Tanzania, Rwanda, Sudan, Zambia, and Malawi.

For instance, in the DRC’s 2006 elections, a common basket fund contributed to the registration of 25.7 million voters, the training of 300,000 electoral agents, and the establishment of 50,000 voting stations (United Nations Development Programme (UNDP) 2007).

Certain aspects of basket funds work better than others. Malawi and Sierra Leone are cited in the position paper as positive results emerging from donors pooling funding. Increasingly, basket funds are used to treat democratic elections as a process, not an event, using the Electoral Cycle Approach.

Basket funds have therefore *worked, proved scalable and transferrable*. But, they are not infallible (cf the shortcomings in Nigeria's 2007 election, despite a US\$30 million UNDP-administered fund).

Other key strategies include support for electoral commissions and ensuring robust elections (at the correct time interval after fighting stops) in post conflict situations—such as East Timor, El Salvador, and Kosovo. Civic education programmes have also been widely used.

Viable political parties are essential for competitive elections but often lacking in many developing country democracies. Party support aims to address such weaknesses by, among other things, enhancing internal party organization, building inter-party relations, and providing adequate party regulation. Yet, party support is a highly controversial area of democracy assistance because it is perceived as meddling in the domestic political affairs of sovereign states (Burnell and Gerrits 2010). It has not been among the higher spending areas of democracy assistance.

Among donors that do engage in party assistance, there is a distinction between partisan/fraternal and multi-party approaches. The former historically has been most associated with Germany's party foundations, including the Friedrich Ebert Stiftung (FES) and the Konrad Adenauer Stiftung (KAS), and involves directly supporting those specific parties with which they share a similar ideological orientation. The latter approach supports all democratically-oriented parties and is used by most other donors, including the US party institutes, such as National Democratic Institute (NDI) and the International Republican Institute (IRI) as well as the Netherlands Institute for Multi-party Democracy (NIMD). The partisan approach is likely to be much more successful if the donor can flexibly adapt to the needs of the party as it evolves over time. Indeed, in South Africa, the close work of FES with the African National Congress (ANC) evolved from civil society dialogues in the 1970s and 1980s to providing organizational and material resources in the 1990s to working with the ANC parliamentary group more recently (Weissenbach 2010). Both the partisan and multiparty approaches *work* but in different ways.

A snapshot of the range of issues, countries and donors engaged in political party support is given in Table 3.

TABLE 3
Political party support: issues and examples

Issue	Country	Donor/partner
Lack of public awareness of party policies	Liberia 2005	NDI/IRI
Augmenting party funding	Mozambique	Donors' fund of US\$1.4 million
Funding proved disincentive to smaller parties to fund raise	Ghana	
Support based on previous year's party income	Uganda	DfID
Commodity support to parties	East Timor	UNDP
Commodity support to parties	Bosnia	OSCE
Cross party dialogue	Malawi 2009	NIMD via Centre for Multiparty Democracy – Malawi
Cross party dialogue	Uganda	NIMD
Dialogue between youth league members	Nepal	Norwegian Embassy
Dialogue between youth league members	Malawi	KAS

Source: Table collated by UNU-WIDER (see section 4.2.1. for more details).

Examples of political party support given in position paper

The position paper mentions a number of approaches which *work* including funding political resources centres, grants for parties based on their previous year's income (to discourage external dependence and encourage building up a party base) and public debates on radio.

After a major, protracted conflict, a further challenge concerns how to transform rebel movements into political parties. The common tactic, which is to provide funding and technical assistance to former rebel groups, risks rewarding bad behaviour and often involves picking 'champions'. A more inclusive approach allows former rebel groups to participate in party training programmes with other parties. This approach most recently has been adopted in Afghanistan, Burundi, and Sudan. Participation in such workshops is aimed at sensitizing former rebels to the workings and requirements of multi-party democracy (Kumar and de Zeeuw 2008). Training workshops, inter-party dialogue, and commodity assistance are also scalable to the sub-national level to help parties prepare for local elections—e.g. in Romania.

After electoral violence, approaches which *work* include inter-party-dialogue on contentious issues, involving former rebel leaders in training, dialogue between youth leagues, public debates and training workshops. These approaches are also *scalable* and *transferable*.

A number of problems remain associated with party assistance. It is often short-term, senior members of parties often do not participate, and there has been too little systematic evaluation of its effectiveness. Nonetheless, there are still strong advocates for the approach that democracies need functioning parties—and that these need support.

Promoting effective state legislatures, particularly the budget oversight function in Parliament, is a favoured way of ensuring transparency and accountability. Zambia, Benin, Uganda, and Kenya are cases in point.

Parliaments play a critical role in democracies by communicating the views of constituents to government, debating and passing legislation, and scrutinizing government budgets. However, many parliaments in developing countries suffer from low technical and oversight capacity, insufficient administrative support, and a lack of independence from the executive. Some donor practices indirectly have further marginalized parliaments by privileging the role of civil society over elected officials and by promoting the idea of ‘country ownership’, which often is tantamount to ‘executive ownership’. While direct support to parliaments historically has been low, more and more donors are recognizing the importance of supporting legislative bodies. Even non-traditional donors have been involved, with China constructing Malawi’s new parliament building and providing a grant of GBP1.5 million to construct a new parliamentary chamber in Uganda (Waddell 2008).

The position paper gives promising examples of issue-based support to help Parliamentarians be more effective e.g.:

- donors enabling Parliamentarians for Global Action (PGA) to assist parliaments on conflict-related issues (small arms and light weapons in Tanzania and Uganda (Ljungmann and Adser-Sørensen 2006) and
- the Parliamentary Forum of the Southern African Development Community (SADC-PF) working with donors on HIV/AIDS, poverty reduction, gender, and monitoring regional elections (Hubli and Schmidt 2005).

The position paper further refers to projects to monitor the effectiveness of parliamentarians in Uganda, Sierra Leone, and Kenya. Reference is also made to the Parliamentary Network on the World Bank (PNoWB) providing a platform for parliamentarians around the world to lobby for increasing accountability and transparency in international lending.⁴ Post-conflict environments provide opportunities for interventions such as reforming the security sector, addressing human rights abuses, and building trust in a potentially-divided community (European Union (EU) 2010).

TABLE 4
Parliamentary strengthening: issues and examples

Issue	Country/recipient	Donor/partner	Reference
Conflict-related issues e.g. small arms/light weapons	Tanzania, Uganda	Parliamentarians for Global Action (PGA)	(Ljungmann and Adser-Sørensen 2006)
HIV/AIDS, poverty reduction, gender, monitoring regional elections	Parliamentary Forum of the Southern African Development Community (SADC-PF)	Multiple donors	(Hubli and Schmidt 2005)
Overseeing budgets	Zambia – strengthening Public Accounts Committee (2004-10)	DfID	(DfID 2011)
	Benin – Unit of Analysis, Control and Evaluation of State Budget (UNACEB)	UNDP	(Murphy and Alhada 2007)
Co-ordination of parliamentary strengthening programmes	Uganda – Parliamentary Development and Co-ordination Office (PDCO)		(Tsekpo and Hudson 2009)
	Zambia – Parliamentary Reform Project	Canada, Sweden, Ireland, the Netherlands, Denmark, and USAID	(Hubli and Schmidt 2005)

Source: Table collated by UNU-WIDER (see section 4.2.1. for more details).

Examples of issue-based parliamentary strengthening supported by donors

In weak parliamentary settings, the following approaches have *worked*:

- Issue-based technical assistance;
- Parliamentary scorecards;
- Open discussion programmes;
- Media diffusion of parliamentary debates;
- Strengthening public accounts committees;
- Parliamentary budget units; and
- Parliamentary donor groups and co-ordination offices.

Approaches which *could work* include:

- training visits to countries with comparable issues;
- training exercises involving government and opposition MPs;
- Creating local constituency offices for MPs; and
- Reducing extra-budgetary projects.

2.4 Human rights and development

The position paper outlines three different approaches to human rights and development. The World Bank for legal reasons does not integrate implementation of civil and political human rights into its operations. Other agencies such as USAID and CIDA (Canada) stress human rights as a dimension of governance. They and other donors actively support freedom of expression, the rule of law and the right to political participation for example. Finally, many donors have advocated a Human Rights Based Approach (HRBA) to all development programming. Given the wide range of civil and political rights, and economic, cultural and social rights, this presents real difficulties in terms of consistent and effective implementation. Techniques used include country-level assessments (Cambodia), disaggregated evaluations of impact on vulnerable groups (e.g. women, children, ethnic, religious, linguistic, and indigenous minorities) as DfID have done in Nepal, and the explicit recognition that human-rights based approaches require work with a wide range of stakeholders. The European Initiative for Democracy and Human Rights (EIDHR) is cited as the EU's main financial instrument to work on strengthening civil society organizations addressing such areas as democratization, the rule of law and abolition of the death penalty and torture. It also includes support for international tribunals and criminal courts. Internally, such institutions as Human Rights Commissions and the office of Ombudsman are examples of donor support to increase the capacity of duty-bearers and rights-holders (e.g. Ghana). Effective anti-discrimination legislation on caste (Nepal) and ethnic minorities (DRC) are also cited.

The relationship between foreign aid and human rights is highly complex and extremely broad. The position paper limits its scope to positive, rather than punitive, interventions by donors to augment respect for human rights by both governments and their citizens.

Donor support to promote human rights is wide-ranging. The position paper documents examples for freedom of expression from Serbia, Zimbabwe, and Ethiopia and also community radio projects such as those supported in Afghanistan by USAID (Kumar 2006), Mozambique and Zambia.

Support for freedom of expression and the media is adjudged to fit into all categories, *what works*, *what could work*, *the scalable* and *the transferrable* since it is a broad field and there are many examples of initiatives.

National legislation and ratification of international conventions on human rights are the first step towards achieving recognition for marginalized groups. For instance, the UN's Office for the High Commissioner on Human Rights (OHCHR) has worked with the National Dalit Commission in Nepal to draft legislation prohibiting discrimination related to caste and has supported the drafting of laws to protect the rights of indigenous peoples in the Republic of Congo (Office for the High Commissioner of Human Rights (OHCHR) 2011).

For those who have been victims of human rights abuses, facilitating access to justice is critical. To this end, gender-based violence desks in police stations are an important, donor-supported intervention that has been broadly replicated in a number of countries, including Kosovo, Kenya, Rwanda, Tanzania, and throughout Latin America. These desks allow victims of violence to report crimes in a private room to a female officer trained to provide advice as well as legal and medical referrals. These approaches *work* and are *transferrable*.

National institutions, such as human rights commissions and ombudsmen, have long been recognized as critical mechanisms for addressing abuses by government and citizens. The position paper profiles the examples of Human Rights Commissions in Malawi, Zambia and Ghana. Such examples show approaches which *work* and are *transferrable*.

An important consideration for donors is how their own lending policies might either facilitate or undermine respect for human rights. An extensive academic literature exists on whether and why donors provide aid to countries with questionable human rights regimes (e.g., Neumayer 2003; Carey 2007; Lebovic and Voeten 2009). Multilaterals such as the World Bank often have apolitical mandates that prevent explicit consideration of absolute human rights in the same manner as bilateral donors.

Economic, cultural and social rights including the rights to education, health, and water are addressed in the position paper, but analysed in much more detail in an equivalent study on the Social Sectors.

2.5 Security

Human security has attracted considerable attention at the level of the World Bank, UN, OECD, and others. Studies on the gender dimensions of police reform (Bacon 2013) and the DIIS study on pragmatic aid management in fragile situations (Bourgouin and Engberg-Pedersen 2013) with its treatment of post-conflict security sector reform in Sierra Leone provide nuanced accounts which show the difficulty of such reforms. Marenin (2013) provides an overview—see Box 9 in Section 4.3 ‘Policing Reforms in African States’. Reform of the police service *could work* and the chances of effectiveness are higher if a clear, contextual analysis is made. Four criteria for successful police reform (based on examples such as Northern Ireland and South Africa) are adduced—a political settlement; shared values of governance; administrative capacity; and a vibrant civil society.

Multinational Peace Operations are also subjected to scrutiny. A literature review conducted by DIIS for the ReCom programme concludes that ‘peacekeeping works, state-building fails’ (Andersen and Engedal Forthcoming). The UN peacekeeping apparatus has been strengthened and reformed in recent years. ‘Whole of government’ approaches which use the full range of political, security and development strategies, have been commended for application countries such as Somalia, Afghanistan and the DRC. The DIIS

study (Stepputat and Greenwood 2013) and other literature suggests that it is hard to reach a conclusive judgement because the approach is relatively recent (cf OECD/DAC 2007) and stakeholders have not been fully transparent. It seems though, that development assistance and service delivery cannot substitute for or create basic levels of security.

2.6 Justice

The rule of law is a central challenge for governments and states—and increasingly it has become a focus in conflict and post-conflict states (UNDP 2008). Using the analytical scheme of O'Donnell (2004) which identifies five key flaws (in the legal system, application of law, issues of access, flawed relations between state agencies and citizens and finally situations of lawlessness), the position paper makes comments on each and provides practical examples.

Building the rule of law is a central challenge for governments and states. Increasingly, work on conflict and post-conflict states has also focused on rule of law issues (see UNDP 2008). Corruption has been one of the largest areas of research related to the rule of law, although there remains considerable debate over solutions. Growing bodies of work address security sector reform (see Marenin 2013) and issues of access to justice (Barendrecht et al. 2013).

Approaches to the rule of law are alternately formalist and ‘thin’, addressing adherence to a legal framework, or substantive and ‘thick’, focusing also on the justness of law, including human rights (see Carothers 2006). This section adopts a largely formalist approach as related issues of human rights and democracy are discussed above.

Efforts to measure and assess the quality of the rule of law – and thus to identify *what works* in a broad sense- are also instructive. One of the most comprehensive efforts, the World Justice Project’s Rule of Law Index, assess nine dimensions: limited government powers, the absence of corruption, order and security, fundamental rights, open government, effective regulatory enforcement, access to civil justice, effective criminal justice, and informal justice.

TABLE 5
Five key ‘flaws’ that hinder the full realization of the rule of law

Types of flaw	Response	Organization addressing issue / Reference
Overall	Recognize limited role of donor community in building the rule of law and combating corruption.	
	Develop more coherent strategies, taking into account the systematic nature of changes and the importance of sequencing reforms.	
	The ‘easiest’ rule of law interventions by donors focus on the passage of particular laws and the setup of formal institutions.	Mungiu-Pippidi (2011) is sceptical that ‘anti-corruption’ measures at a formal level necessarily decrease corruption.
	Consider conditioning aid on progress in establishing the rule of law – the success of this approach is questioned.	Millennium Challenge Corporation and European Neighbourhood Policy do so explicitly.
Flaws in existing law, judicial criteria, and administrative regulations: e.g. the law discriminates against women or minorities	Provide technical assistance in using existing laws and statutes as models, drawing on best practices from different countries rather than imposing one specific system.	The Center for International Legal Cooperation (CILC), for instance, is developing a toolkit.
	Be attentive to indigenous models of justice and work with traditional authorities	
Flaws in the application of the law: e.g., the law is applied in a discretionary manner and used against political enemies	Support judicial independence as a means of promoting impartiality in judicial decision making	(see USAID 2002).
	Be realistic about the payoffs to judicial training Relatively straightforward to fund and implement, popular among donors, impact is debatable. Programmes may be made more effective and sustainable by working with local experts and adopting ‘train the trainer’ approaches.	

Types of flaw	Response	Organization addressing issue / Reference
Flaws in access to the judiciary and fair process: e.g., the poor do not have access to the justice system	Address cost issues for both for citizens and states, e.g., by developing mechanisms to provide legal information free of charge to citizens and by using volunteers to advise and work with citizens in their interactions with the judicial system.	(Barendrecht et al. 2013)
Flaws in relations between state agencies and citizens: e.g., state agents demand additional payments from citizens for services that are their legal right	Combine monitoring of corruption with positive incentives within the system	(Hanna et al. 2011)
	Promote transparency in budgeting, legislation, etc. Projects such as the Open Budget Initiative offer models.	
	Support the role of the media and information technology in improving transparency.	(Gronlund et al. 2010; Hanna et al. 2011; Mungiu-Pippidi 2011)
	Support civil society ‘watchdogs’ and whistle-blowers.	
	Be cognizant of the political implications of combating corruption and especially cautious in fragile state situations.	(Johnston 2011)
Flaws due to sheer lawlessness: e.g., regions far from the capital are governed by informal laws rather than the legal state	Addressed through broader state-building efforts (see discussion of Building State Capability in Section 4.1).	

Sources: The list of flaws is based on O'Donnell (2004). Table collated by UNU-WIDER.

Building along these lines, UNU-WIDER’s study on the Judicial Facilitators programme in Nicaragua is a volunteer-based programme started by the Organisation of American States (OAS) in collaboration with the Nicaraguan Supreme Court, which offers an example of *what works* in improving access to justice, contributing to the legal empowerment of the poor, strengthening conflict prevention mechanisms, and introducing alternative dispute resolution methods (see Barendrecht et al. 2013). The programme has also been transferred to other countries (Argentina, Ecuador, Guatemala, Panama, and Paraguay) under the Interamerican Judicial Facilitators Programme. This augments experience from other community-based para legal programmes in countries such as Bangladesh, India, Malawi, the Philippines, Sierra Leone,

South Africa, and Zimbabwe, suggesting that such schemes are *transferrable* and cost effective.

Barendrecht et al. (2013) builds on previous analyses to evaluate the expansion of the programme to urban communities in Nicaragua. While its findings are generally positive, they also highlight some challenges in the process of *scaling up*.

Many other approaches *could work* including:

- Making assistance on rule of law programmes conditional on delivery;
- Judicial training programmes;
- Household crime surveys;
- In-service training for police; and
- Various low cost administrative reforms.

The work on transitional justice by dealing with the legacy of massive human rights violations covers a wide range of issues—arguably too wide (Hellsten 2012). It is also vital to distinguish between transitional measures and longer-term reform which establishes a viable and durable society.

There are particular issues related to gender justice which transitional justice mechanisms have often failed to address adequately. The application of UN Security Council Resolution 1325 on Women, Peace and Security is a standard which is hard to achieve. With attention to these aspects, work on transitional justice *could work more effectively*.

Other WIDER research identifies five challenges faced by transitional societies: transitional justice, distributive justice, prosperity, participation and peace (Addison 2009).

2.7 Economic foundations

The position paper argues that donors, in operating in fragile contexts, face development challenges in exacerbated form. Although not all fragile countries are poor nor all poor countries fragile, the overlap between the lists of fragile and Least Developed Countries underlines the importance of considering economic foundations in addressing weak governance and fragility. Governments of the poorest countries are unlikely to be able to provide the basics for their citizens, in terms of security, human rights and the rule of law, health and education. States which cannot make even the basic requirements of social existence available to their citizens face additional challenges in uphold human rights and building participatory governance.

Domestic mobilization of resources is one route out of the development traps. One of the studies commissioned by ReCom (Kirkpatrick 2012) specifically focusses on regulatory reform: Improving the regulatory environment for private sector development can be understood to involve three broad types of

reform: easing the ‘burden’ of regulation, such as through administrative simplification and reduction in regulatory compliance costs; achieving ‘better’ regulation, such as by improving the quality of new regulations; and improving regulatory management, through strengthening of institutional and human capacity. Although regulatory reform has long been a core component of donor work on governance, research in this area has largely focused on the desirability of regulatory reform in general. As Kirkpatrick (2012) shows, considerable work remains to be done. Several of the key findings from existing research reviewed in this study include aspects which can be said *to work*:

Economic gains from regulation: Evidence since the 1980s suggests that privatization alone does not necessarily introduce competition and raise productivity, thus greater attention is now placed on improving the regulatory state.

The value of improving enterprise registration and licensing procedures: Entrepreneurship and the entry of new businesses are key drivers of employment creation and economic growth (Djankov et al. 2002; Klapper et al. 2006). Reform of regulations concerning enterprise registration and licensing procedures has thus been an area of significant donor assistance. Measures have included comprehensive review of procedures, the introduction of ‘one stop shops’, fixed registration fees regardless of company size, and the separation of registration from licensing regulations. The World Bank’s *Doing Business* surveys suggest that such efforts have yielded results: Between 2003 and 2011, for instance, the average time to start a business fell from 50 to 31 days.

Regulatory Impact Assessment (RIA) as a tool for reform: RIA is in wide use in OECD countries and has also been a prominent feature of reform programmes in developing countries, although methods in use vary widely (Rodrigo 2005; Kirkpatrick and Parker 2008).

ReCom has also commissioned work on extractive industries and how these resources could benefit the population more widely. The DIIS ReCom study (Buur et al. 2013) on extractive industries examined how industrial policies *could work* to create linkages between the extractive industry sector and the rest of the economy, thereby generating jobs, sustaining growth and alleviating poverty. The study combined review of the academic literature and fieldwork in Mozambique, Tanzania, and Uganda. Two of the comparative studies in the project on *Aid and Institution-Building in Fragile States* are of relevance here—one contrasted the experience of aid-dependent Mozambique with oil rich Angola (Pérez Niño and Le Billon 2013); the other looked at policies in Indonesia and Nigeria—two oil rich states (Fuady 2014)—providing examples of what has *worked and could work*.

2.8 Revenues and services

Relevant work has been conducted in the ReCom programme on (1) tax policy and administration (2) public administration reform and (3) service delivery. The last mentioned is a central theme of the position paper on Aid, Poverty and the Social Sectors—so the emphasis here has been focused on (a) service delivery in fragile situation and (b) decentralization and urban service delivery.

A number of countries have been able to escape the ‘low-tax trap’, including Bangladesh, Cambodia, Ghana, Kenya, Nepal, Rwanda, Sierra Leone, Uganda, and Vietnam. One of the ReCom emphases has been to analyse ways to strengthen tax systems. The UNU-WIDER study by Fjeldstad (2013) finds that issues relevant to aid and tax reform can be grouped into three broad areas: improving tax policy and design, creating more effective tax administrations, and encouraging more productive state-society engagement around taxation. For each of these areas, the paper reviews *what has and has not worked*, and why, as well as providing specific recommendations for future engagement. In general, in the first area, assistance has focused on the simplification and streamlining of tax structures, with the overarching objective of raising revenues. A second core area for reform is the creation of more effective tax administration, which Hadler (2000) estimates could increase revenue in many sub-Saharan African countries by 30 percent or more. It is suggested that such efforts *do or could work*, depending on the national experience, and that successful models are *transferrable*, as they provide insights into relevant experience

Semi-autonomous revenue authorities (ARAs) are another initiative in this area that has received considerable donor attention in the last two decades. Evidence suggests that the record of ARAs is mixed with success in Mozambique, Rwanda, South Africa, and to a lesser extent, Tanzania, but a relatively lack of success in some other cases, such as Sierra Leone, Zambia, and Uganda (Fjeldstad and Heggstad 2011; House of Commons 2012; Keen 2012). Again, depending on national experience—as recorded above—such models *do or could work*, and the learning is *transferrable*.

A final core area involves encouraging constructive state-society engagement around taxation (see Braütigam et al. 2008; Ayee et al. 2010). This area includes the discussions around the merits of broadening the tax base—which may be more important for state building than income generation. For most African countries, in particular, much more *could* be done to broaden the tax base and successful models would be *transferrable*.

The difficulty of achieving successful civil service reform is documented in Repucci (2012). It is increasingly accepted that civil service reform to date has been largely unsuccessful. A variety of factors have contributed to poor outcomes, including the complexity of civil service systems, the conflicting interests of stakeholders, and lack of consensus on objectives. The particularly slow process of reform in this area also complicates evaluation. This study gives pointers in turning the field from *what does not work* to the more promising

what works and what could work, offering several examples of initiatives that may also be *transferrable*. It highlights the recognition that context is crucial, reform takes time, sequencing and timing require careful attention; there also has to be national ownership of the reform process and donors must co-ordinate. Practitioners are divided over whether to go for ‘big bangs’ or ‘quick wins’.

As an example of public financial management, ReCom commissioned a detailed study on Sierra Leone—a country identified by the World Bank as having made substantial success in this regard (Tavakoli et al. forthcoming). This case offers an example of what *worked* and may be *transferrable*.

Paul Collier provided a ReCom study on public spending in weak institutional environments. This analyses how essential it is for the delivery capacity of fragile states to be strengthened if aid is to be spent effectively, highlighting *what could work*.

The entire ReCom programme on *Good Aid in Hard Places* considers particular aid-supported projects and programmes that *work* in the fields of health, education, social funds and community-driven development, access to justice, policing and public administration more generally. The initiatives studied are not unconditional successes as the project shows, but analyses of these cases can shed light on what could be *scalable and transferrable* to other contexts.

The position papers on Gender and the Social Sectors are also relevant at this point. Decentralization and urban delivery is also highly important given the pace of urbanization in Africa in particular, and the needs of heavily concentrated urban populations.

2.9 Overall evaluation

The clearest argument of what *does not work* is any assumption that ‘fixing’ poorly governed societies and fragile situations is a simple task for which a universal manual or ‘blueprint’ can be written.⁵ The position paper’s disaggregation of the Peacebuilding and Statebuilding Goals shows how many aspects of each require attention. To agree broad, headline statements in favour of ‘security’ and ‘justice’ is easy. To work out how to move from fragile situations where all or most of the desired characteristics are lacking towards an effective, resilient state is a huge challenge.

3 Analytical approach and state of the debate

This section discusses the analytical approach taken in the ReCom research on aid, governance, and fragility and how it relates to the state of the debate on these topics.

It begins with a discussion in Section 3.1 of key analytical issues related to conceptualization and measurement. The discussion goes into considerable detail, but there are three key takeaway points. First, ‘good’ governance and ‘fragility’ are both generally loosely defined and highly contested terms, used in multiple and inconsistent ways by international actors (see, e.g., Weiss 2000; Andrews 2008; Engberg-Pedersen et al. 2008; Hagmann and Hoehne 2009; Keefer 2009). This lack of conceptual clarity contributes to a number of difficulties for work in this area, including measuring and assessing the quality of governance and identifying fragile states and situations; measuring and assessing how the quality of governance and the degree of fragility may change due to donor interventions; and developing and testing hypotheses about the causes and consequences of governance quality and the state of fragility.

Second, good governance in particular is best understood as a catch-all concept, which groups together a wide variety of sub-topics under a single heading. In terms of theory, there is no reason to expect that each of the sub-topics (or ‘components’) commonly associated with good governance operate in the same way or go together with reference to any clear theoretical framework. Thus, in order to analyse and understand changes in the quality of governance and in particular how aid can contribute to ‘better’ governance, it is essential to disaggregate this catch-all collection of sub-topics.

Third, a promising way to conceptualize and analyse fragility is in terms of states and situations in which public institutions fail to provide governance—or provide it extremely poorly—in the sense of not fulfilling the basic functions of states to provide security, the rule of law, and core public goods. In other words, although governance and fragility are sometimes treated as entirely separate topics, they are in fact closely related and considering them together makes good analytical and policy sense. In operating in fragile states and situations, donors face—in amplified form—many of the same core challenges related to political and economic governance that they face in all states and situations (fragile and not).

Building on this discussion, Section 3.2 provides an overview of the official state of the debate on how donors should engage in the governance area and in fragile situations in particular. In particular, this discussion briefly reviews the general principles and commitments now accepted by the international community through the *Paris Declaration to The New Deal*. These commonly accepted principles and commitments provide a solid starting point for future work in this area.

However, although these principles and commitments are clear, their implementation and execution in donor programming remain problematic. Two general points emerge from this discussion that are relevant to our consideration of aid, governance, and fragility: First, more nuanced analysis and discussion is needed about how these principles can be taken into account and applied. For instance, while we might all agree that ‘context matters’, how exactly, and what this means for policy design and implementation remain open questions for research. Second, although these principles and commitments are sometimes considered ‘best practice’ based on experience, their evidence-basis—including the evidence on the tensions and tradeoffs that may be involved in their application—are not always clear. Many of the ReCom background studies speak to these two empirical gaps.

A third broad issue relevant to consideration of aid, governance, and fragility—and indeed of development policy more generally—concerns human rights and development, and specifically the Human Rights Based Approach, which has been adopted by many donors. Section 3.3 provides an overview of these issues. It also considers several tensions to be considered with respect to development policy and programming. Specific examples of ‘what works’ in donor approaches to human rights are further discussed in Section 4.2.

Section 3.4 provides an overview of the research strategy adopted under this theme. Building on the preceding discussion, it first reviews the significance of the particular sub-themes highlighted in Section 4. It also discusses what is not covered in this position paper. It then summarizes the rationale for the commissioning of each background study under this ReCom theme.

3.1 Conceptualization and measurement

3.1.1 Governance: conceptual challenges and the value of a disaggregated approach

Governance can be generally understood as the exercise and organization of political power to manage a community’s affairs. We focus here primarily on governance at the country level, but as the UNDP (2000) notes, ‘Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe’ (as cited in OECD 2009a: 24). Although there is broad agreement about what ‘governance’ refers to, discussions of governance reform and aid for governance generally rely on some understanding of what constitutes ‘good’ versus ‘poor’ governance (the quality of governance) and there is considerable disagreement in the research and policy literature about these terms. This definitional ambiguity is well noted in existing work and has implications for donor programming (e.g., Weiss 2000; Doornbos 2001; Andrews 2008; Keefer 2009; OECD 2009a; Grindle 2010). (Further illustration of this point is provided in Appendix 6 on ‘Definitions of Governance and Fragility’, which includes a table on ‘Working definitions of good governance from selected multilaterals’.)

Box 4 discusses the significance of this definitional ambiguity.

Box 4: What does good governance mean?

Almost all major development institutions today say that promoting good governance is an important part of their agendas. The outcome document of the recent 2011 Busan High-Level Forum on Aid Effectiveness further reflects these commitments. In a well-cited quote, former UN Secretary-General Kofi Annan noted that ‘good governance is perhaps the single most important factor in eradicating poverty and promoting development’.

Despite this consensus, ‘good governance’ is an extremely elusive objective. It means different things to different organizations, not to mention to different actors within these organizations (to make matters even more confusing, governance experts also routinely focus on other types of governance—global governance, corporate governance, IT governance, participatory governance, and so on—which may be related only peripherally to the good governance agenda vis-à-vis domestic politics and administration which is our focus here.)

Good governance as a concept

In general, work by the World Bank and other multilateral development banks on good governance addresses economic institutions and public sector management, including transparency and accountability, regulatory reform, and public sector skills and leadership. Other organizations, like the United Nations, European Commission, and OECD, are more likely to highlight democratic governance and human rights, aspects of political governance avoided by the Bank. Some of the many issues that are treated under the governance programmes of various donors include election monitoring, political party support, combating corruption, building independent judiciaries, security sector reform, improved service delivery, transparency of government accounts, decentralization, civil and political rights, government responsiveness and ‘forward vision’, and the stability of the regulatory environment for private sector activities (including price systems, exchange regimes, and banking systems).

In short, working uses of the term ‘good governance’ include a variety of generally ‘good’ things. But these ‘good’ things do not necessarily fit together in any meaningful way. Indeed, good governance would be a great example of a poorly specified concept for an introductory course in social science methodology. What makes a concept good? In a 1999 article, political scientist John Gerring spelled out eight ‘criteria of conceptual goodness’ that provide a useful framework. Four of these criteria are especially relevant here:

- First, ‘good governance’ lacks parsimony. Unlike good concepts, good governance has endless definitions, and we always need the details of each to understand if we are talking about the same thing.
- Second, ‘good governance’ lacks differentiation. Well-governed countries often sound a lot like functioning liberal democracies, for instance, and it is not clear how they differ.
- Third, ‘good governance’ lacks coherence. Its many possible characteristics—from respect for human rights to efficient banking regulations—do not clearly belong together.
- Fourth, and most important, ‘good governance’ lacks theoretical utility. It confuses, rather than aids, in the formulation of theory and the related project of hypothesis testing, not least because the concept is so fluid that analysts can easily define it in the way that best fits their data.

Methodological discussions are often esoteric and best kept within scholarly circles, but this one has real world relevance to development policy. Donor agencies regularly measure and assess the quality of governance, and may condition assistance on these measurements. The Millennium Challenge Corporation of course is one of the most explicit in doing so, but it is in good company. Donors also purport to design and implement evidence-based policies on governance reform. They further justify this focus on good governance partly on the basis of evidence that better governance promotes economic development.

Difficulties

The weakness of the good governance concept, however, calls into question each of these projects. Without stronger concepts, donor agencies have no clear basis upon which to argue the merits of one measurement versus another or to evaluate the relative importance of various components of governance in any classification. Without better measures, donor agencies cannot, in a rigorous manner, empirically test hypotheses about how political and economic institutions change, much less develop evidence-based strategies about how to positively influence this change. Nor can they be very convincing about the rigor of quantitative findings suggesting a causal relationship between (weakly-conceptualized) measures of governance and development outcomes.

Rwanda provides just one illustration of some of these issues. As many observers note, Rwanda has made clear progress in terms of economic growth, public sector management, and regulatory reform since the genocide in 1994. As many other observers note, its record with respect to democracy and respect for civil and political rights has been extremely problematic. Should Rwanda be considered well governed because of its economic progress, or poorly governed because of its democratic deficits? The UK's Department for International Development (DfID), for instance, has been the largest bilateral donor in Rwanda, effectively arguing the former. Human Rights Watch, among others, sharply criticized DfID policy last year, effectively arguing the latter.

The question of 'how to improve governance?' is of course the most pressing from a policy perspective. However, this question cannot be rigorously answered without better addressing the concept of good governance: 'how to improve what exactly?'. These points are discussed in greater depth in the UNU-WIDER working paper, 'Good Governance as a Concept, and Why This Matters for Development Policy'. The paper provides a review of donor approaches to governance, discusses conceptual issues in greater depth, and argues that one promising way forward is to disaggregate the concept of 'good governance' and to refocus our attention and analysis on its various disaggregated components (e.g., democracy, civil and political rights, public sector management). In short, the term 'good governance' has become a catchy shorthand way to describe a variety of political and economic institutions and outcomes and is thus likely to remain in common public usage, but, as is, it is not a useful concept for development analysts and policy makers.

Source: Originally printed as Gisselquist (2012b). Reprinted here with minor revisions to the final paragraph. See also Gerring (1999).

3.1.2 Fragility

Fragility likewise is a generally loosely defined and much debated term, used in multiple ways by international actors, also with implications for donor programming (see e.g. Cammack et al. 2006; Engberg-Pedersen et al. 2008;

OECD 2008a; Fabra Mata and Ziaja 2009; Naudé et al. 2011; OECD 2012a). (Further illustration of this point is also provided in Appendix 6 on ‘Definitions of Governance and Fragility’.) As OECD (2008a: 16) summarizes, ‘The term fragility has been widely criticised as both historically and analytically imprecise—a criticism that applies even more to its less nuanced correlate failed state’. Tony Addison (UNU-WIDER)’s chapter in *The Elgar Handbook of Civil War and Fragile States* (2012) underscores the diverse nature of what is included in the ‘fragile’ state category:

‘Fragile states have very mixed characteristics. Some are experiencing violent conflict, some are ‘post-conflict’, some have avoided large-scale violence—so far. Many are resource-poor, but some are resource-rich. Many are land-locked, but certainly not all. What they do have in common is that aid donors find it tough to work with them. Weak governance and weak implementation-capacity dominate donor discussion of fragile states’ (Addison 2012).

Like ‘good governance’, ‘fragility’ as commonly used in the policy literature is a poorly specified concept, in particular because it lacks ‘coherence’ and ‘theoretical utility’ (see Gerring 1999). For instance, the well-cited definition from the *Principles for Good International Engagement in Fragile States and Situations* (2007) treats states as fragile ‘when state structures 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’. However, the two key aspects of fragility in the definition, lack of ‘political will’ and lack of ‘capacity’, do not obviously fit together in a coherent way. The reasons underlying why a state may lack political will to provide for its population are not necessarily the same as the reasons underlying why a state may lack capacity to provide for its population. Likewise, the ways in which donors might try to influence a lack of political will are not necessarily the same as the ways in which donors might try to build capacity. As discussed further below, common uses of fragility also lack coherence in other ways.

As with ‘good governance’, this lack of conceptual clarity contributes to a number of difficulties for analytical and policy work in this area, including for the common identification of fragile states and situations; for analysis of the more generalized causes of fragility; and for the evidence-based measurement and assessment of the degree to which fragility may change due to donor interventions—and states and societies may become less fragile and more ‘robust’ or ‘resilient’ due to such interventions.

Several studies discuss such challenges in considerable depth. For a useful users’ guide to fragility measures, for instance, we refer readers to Fabra Mata and Ziaja (2009). For our purposes in this position paper, Table 6 illustrates such measurement challenges simply: There is considerable variation even across what are considered to be standard classifications of fragile states and situations, such as the World Bank’s Harmonized List of Fragile Situations and the OECD’s 2013 list of fragile states and economies. (Indeed, the World

Bank’s ‘Harmonized List’ itself also illustrates variation across its underlying sources.)

TABLE 6
List of states considered fragile by the OECD and the World Bank

Afghanistan	Libya
Angola*	Madagascar**
Bangladesh*	Malawi
Bosnia and Herzegovina	Mali**
Burundi	Marshall Islands
Cameroon*	Micronesia, FS
Central African Republic	Myanmar
Chad	Nepal
Comoros	Niger*
Congo, Rep.**	Nigeria*
Côte d’Ivoire**	Pakistan*
Democratic Republic of Congo	Rwanda*
Democratic Republic of Korea*	Sierra Leone
Egypt*	Solomon Islands
Eritrea	Somalia
Ethiopia*	South Sudan
Georgia*	Sri Lanka*
Guinea*	Sudan
Guinea-Bissau	Syria
Haiti	Timor-Leste
Iraq	Togo
Islamic Republic of Iran*	Tuvalu **
Kenya*	Uganda*
Kiribati	West Bank and Gaza
Kosovo	Yemen
Kyrgyz Republic*	Zimbabwe
Liberia	

Notes:

* Categorized fragile by OECD, but not the World Bank

** Categorized fragile by the World Bank, but not OECD

Source: OECD (2012a) and World Bank (2013a)

In short, ‘fragility’ as used in the current policy and research literature relevant to the analysis of aid and fragility tends to be poorly conceptualized, providing a weak basis upon which to develop evidence-based policy.

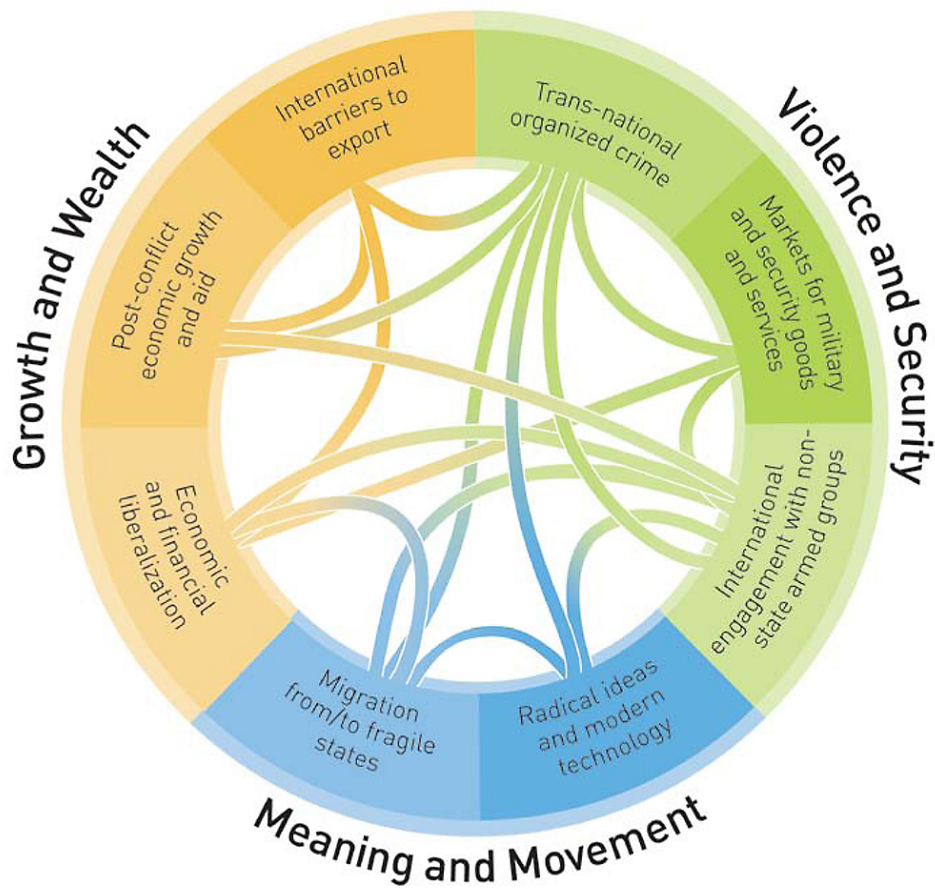
However, there are obvious links between the concept of fragility and more developed theoretical and empirical literatures on the state and public institutions more generally (see also, e.g., OECD 2012c). Review of this

literature, as presented below, suggests several promising ways forward in thinking about and developing evidence-based policy on fragility.

In particular, a promising way of thinking about fragility is in terms of situations in which governments and public institutions fail to fulfil the basic functions of a state to provide security, the rule of law, and core public goods. These basic functions are broadly similar to the core components of ‘good governance’ as discussed above, and so we might restate this as, a useful way of conceptualizing and understanding fragility is in terms of states and situations in which public institutions fail to provide ‘good governance’—or provide it extremely poorly. This approach is broadly consistent with the much cited definitions given in Section 1 of this position paper. The literature reviewed here, second, also suggests multiple theories about the factors that cause and influence fragility in the aggregate. These include theories pointing to a lack of political will (e.g., kleptocratic regimes, patrimonial politics) and others pointing more to a lack of institutional capacity (e.g., institutional legacies of long-running, historic state weakness). However, this body of work also highlights other factors that may be more or as important, including the relationship between the state and society and structural factors such as geography and natural resource endowments.

Some of these arguments about the causes of fragility are treated at greater length in other work. For detailed discussion of this topic, we refer readers in particular to OECD (2012c), which analyses the causes of conflict and fragility, detailing nine ‘entry points’ and ‘global initiatives for action’ to confront the global factors that contribute to conflict and fragility. Each of the eight thematic areas covered in the analysis are given in Figure 1, which also shows how these factors are interlinked and interdependent, according to their analysis. This report provides detailed summaries of each factor, designed to ‘take stock of the debate on each issue, contour the knowledge frontier and take account of the policy response to date’ (OECD 2012c: 21). This work is drawn on in other recent reports, including the OECD’s *Fragile States 2013* (2012a).

FIGURE 1
Global factors influencing conflict and fragility



Source: OECD (2012c), [Think Global, Act Local: Confronting Global Factors that Influence Conflict and Fragility](#), also available in OECD (2012a), [Fragile States 2013](#).

There is not space to review and critically re-examine the hypotheses proposed by this report here, but as the discussion in this section suggests, our analytical framework highlights some of these factors over others and suggests some additional factors might be worth including, such as those related to natural resources and environmental issues. For further discussion of issues related to ‘growth and wealth’ in the figure above, we refer readers to the *ReCom position paper on Aid, Growth, and Employment*. For further discussion of environmental issues, we refer readers to the *ReCom position paper on Aid, Environment, and Climate Change*.

Continued consideration of the theories and findings summarized below with respect to the causes, correlates, and manifestations of fragility can help to refine our knowledge of the channels through which donor intervention may help to make fragile states and situations more resilient in the aggregate, as well as key macro contextual factors that should be considered in analyses of aid effectiveness.

Fragility and state strength

Although scholars have offered a variety of definitions of the state (Weber 1958; North 1981; Tilly 1985), most scholars agree that two common features characterize the state: (1) the ability to coerce a population and (2) rule over a given territory (Clark et al. 2012). In other words, a state is an entity that can rule through coercion within a given territory. Of course, the reference to force does not imply that states necessarily make a habit of actively coercing their citizens. Some do, but many rule through the implicit threat of force—in fact, resulting in societies where the state is rarely called upon to use force. For instance, in most well-functioning states, citizens routinely pay their taxes. Few of them do so purely out of altruism. Most pay their taxes because of the implicit threat of coercion; if they do not pay their taxes, the state will force them to, by taking their property or depriving them of their freedom. In this way, even states that provide their citizens with high levels of material well-being and a vast array of freedoms ultimately rely on coercion. If a state is an entity with the ability to coerce its population and rule over a given territory, then a failed state is a state-like entity that cannot successfully coerce its population and/or does not exert effective control over the territory that it is meant to govern (King and Zeng 2001; Rotberg 2002; Milliken 2003). Fragile states fall somewhere short of being fully failed but experience significant difficulties in their ability to coerce their populations and project their power over their full territory.

Beyond simply coercion and rule over territory, one can also conceive of fragile states as those that routinely fail to perform the key functions of a state, such as the provision of basic public goods. A useful concept in thinking about state fragility in this context is what Mann (1984: 113) calls a state's infrastructural power, which is its ability to 'penetrate its territory and logistically implement decisions'. A state with infrastructural power is one that can carry out the decisions that it makes, which usually entails to the provision of basic public goods. Relatively 'thin' understandings of the basic public goods that a state provides would focus primarily on law and order and public safety. Somewhat thicker definitions would include public services: health, education, and basic infrastructure, such as roads and irrigation. Though seemingly distinct, a public goods-based understanding of state fragility is very similar to an understanding that relies on the traditional definition of the state. For one, the provision of law and order and public safety or even the provision of basic public goods is usually difficult to accomplish without coercion. If the state cannot coerce, it cannot punish (and hopefully deter) law-breakers and therefore provide public safety. If the state cannot coerce, it is usually in a weak position to collect sufficient tax revenues that would allow it to provide public services. Another way in which these conceptions are related is that citizens are often thought to be willing to submit to the coercion of the state because of the benefits that it provides. Thus, even a definition of state fragility that references the provision of public goods is closely tied to the two core components of 'stateness'.

States and regimes

Throughout any discussion of fragile states, it is important to distinguish between states that are fragile and regimes or governments that are fragile. If states are the entities that (in principle) govern their territories through coercion or the threat of coercion, then governments are the set of actors who control the state. Regimes, in turn, are the method through which governments are constituted. Many political scientists simply classify regimes as either democratic or dictatorial (Alvarez et al. 1996; Przeworski 2000; Cheibub et al. 2010). Others treat regimes as a continuum ranging from a complete democracy to a complete dictatorship (Marshall et al. 2010) or introduce one of a variety of terms to differentiate between full democracies and full dictatorships. Such efforts at creating intermediate categories often focus on dictatorships that allow some measure of democratic competition (Schedler 2002; Brownlee 2009; Levitsky and Way 2010). Whereas, in the modern era, states relatively rarely die, democracies and certain types of dictatorships typically witness frequent change in government—for example, alternation in power between governments led by different political parties—and occasional changes in regime.

The distinction between regimes and states is important for two reasons. First, regimes may be fragile even if states are not, and the causes of regime instability and state fragility may be entirely unrelated. For instance, Weimar Germany is an example of a fragile democratic regime that governed a stable German state. In retrospect, many of Eastern Europe's former communist dictatorships were, by the 1980s, quite fragile. Yet the Polish or Hungarian states would not have been classified as fragile. In both cases, the states persisted, even as the regimes changed dramatically. In addition, even when states and regimes are both fragile, the causes of the two kinds of fragility may be unrelated. For example, many might argue that Pakistan is a fragile state because of its inability to control parts of the Federally Administered Tribal Areas (FATA) and the province of Khyber Pakhtunkhwa and frequent bouts of severe lawlessness in the city of Karachi. These problems have largely persisted as Pakistan moved from a democratic regime to a dictatorial one in 1999 and back to a democratic regime in 2008-09. Whereas Pakistan's regime instability stems from the persistent threat of military intervention in civilian politics (Staniland 2008), Pakistan's state fragility reflects the near absence of state institutions along its northwest border with Afghanistan and its difficulty in ensuring law and order in some places, such as Karachi, where the state is ostensibly present.

The Pakistani example highlights the second important reason to differentiate state fragility from regime stability, which is that problems of state fragility often persist even as regimes change. In other words, installing a stable democracy is not necessarily going to solve problems of state fragility. The introduction and entrenchment of competitive elections may do nothing to improve a state's ability to project power over the entirety of its territory. More broadly, when considering a public goods-based notion of fragility, the link between the stability of regimes (especially democratic ones) and state strength is especially questionable. For example, while some have shown that

democratic regimes better protect property rights (Leblang 1996; Rigobon and Rodrik 2004), others have shown otherwise (Barro 2000). The literature on regime type and economic growth is similarly inconclusive, with various scholars suggesting no link between the two (Sirowy and Inkeles 1991; Przeworski and Limongi 1993; Przeworski et al. 2000), a positive association (Barro 1989; North 1990; Olson 1991; 1999), and a negative association (Huntington and Domínguez 1975). One highly influential theory, selectorate theory, posits that a state's likelihood of producing public goods is not a function of regime type. Rather, public goods provision depends on (1) the size of the winning coalition needed for a government to hold power and (2) the size of the winning coalition relative to the size of the selectorate (the group who can participate in the selection of leaders) (Morrow et al. 2001). In sum, all of this research suggests that regime type may have little influence on a state's ability to perform its basic functions. Even as governments and regimes come and go, a state's presence throughout its territory and its basic effectiveness in coercing citizens and providing basic services may persist unperturbed.

Sources of state fragility

If fragile states can be thought of as those having difficulty (1) coercing their populations, (2) projecting their power over the full extent of their territory, and (3) by extension, providing basic public goods, then what causes state fragility and how can fragile states become stronger and more resilient? Undoubtedly, an important part of understanding state fragility involves states' geographic, historic, and economic endowments. In terms of geography, Herbst (2000) argues that African states, in particular, face particularly difficult challenges in the creation of strong states because of relatively low population densities throughout much of the continent. Because of their geography, African states have historically been unable to project their power into the large, thinly populated hinterlands. In terms of history, Tilly (1990) argues that modern states arose in Europe out of a near-constant war-making enterprise. To finance these wars, rulers had to establish structures to extract taxes from their populations, eventually leading to the modern state. Finally, and perhaps most intuitively, states with little in the way of economic resources face considerable challenges in establishing strong states and providing basic public goods.⁶

A country's geography and its history cannot be changed, and although public policy can improve a country's economic conditions, wealth alone cannot guarantee state strength. Therefore, instead of focusing on a country's geographic, historic, or economic endowments, much research has instead focused on the interactions between states and the societies that they aim to govern. Research in this vein broadly reflects three main perspectives.

The first perspective, in the liberal tradition, dates back to the 19th century and Tocqueville's assertion that the American state and its democratic form of government owe much to the country's social structure and associational life. In more recent decades, political scientists have similarly argued that strong, effective, democratic states can only thrive in societies that are largely middle

class (Lipset 1960), embrace certain cultural norms (Almond and Verba 1963), or exhibit high levels of social capital (Putnam et al. 1994). Put another way, states are only as strong and effective as their societies allow them to be. This perspective therefore implies that changes in society must precede effective changes to the state.

The second perspective—the statist response—argues that states are actors in their own right. They can be thought of as entities autonomous from their societies. In this view, states are not simply reflections of their societies or aggregations of society’s members; they are instead independent actors, with their own interests (Skocpol 1985). According to the statist perspective, the state has the ability to impose its will on society (Stepan 1978) and can even help to generate social capital (Heller 1996). Of course, the statist perspective does not necessarily tell us where such capable, effective states come from.

More recently, a large body of research has arisen that adopts a third, hybrid, approach. Pioneered by the work of Joel Migdal (1988), this perspective pushes back against both the liberal and statist traditions, focusing on the relations between states and societies. Consistent with the statist perspective, Migdal sees states as potentially formidable actors, with their own preferences and the desire to exert social control over their populations. However, in line with the liberal perspective, Migdal sees an important role for society. So-called ‘strong societies’, particularly in developing countries, can frequently prevent states from achieving the levels of social control—understood as the ability to shape individuals’ behaviour—over their populations that they desire. Societal rivals to state control can be numerous within a country, taking the form of traditional social structures among ethnic groups or villages, organized crime, or insurgent groups seeking secession from the state. According to the state-in-society perspective, the key to understanding a state’s capabilities in carrying out its basic functions is to understand ‘how social control is actually distributed in society ... there is a struggle between state leaders, who seek to mobilize people and resources and impose a single set of rules, and other social organizations applying different rules in parts of society’ (Migdal 1988: 261). Ultimately, Migdal is not optimistic about developing countries’ likelihood of establishing strong states, except through factors beyond their control. He writes that ‘the relatively rare instances in which strong states did emerge in the Third World came only after another onslaught of highly disruptive forces, once again undermining existing bases of social control [in society]. But even such dislocation is not itself sufficient’ (Migdal 1988: 276). Migdal therefore remains sceptical of a state’s ability to strengthen itself in the face of a strong society.

States and societies

In spite of Migdal’s pessimism about weak states’ ability to increase their control over their populations and achieve desired policy goals, scholars in the last two decades have begun to engage the question of how states and societies can work together to arrive at optimal policy outcomes. They have to adopt a ‘more balanced state-in-society perspective to replace the old state-versus-society framework that rests on a view of power as a zero-sum conflict ...

They argue that states vary in effectiveness based on their ties to society' (Wang 1999: 232). Indeed, such scholars are far more optimistic about the ability of states and societies to work together to produce positive outcomes, particularly in terms of economic development. Evans (1995), for example, famously argues that developmental states should strive for 'embedded autonomy'. A bureaucracy that embodies embedded autonomy is autonomous in that it is rule-bound, highly skilled, and meritocratic; it has not been captured by societal actors and used exclusively toward their ends. Yet, such a bureaucracy is still embedded in social networks that allow it to obtain valuable information from societal actors and adjust to local conditions.

With such possibilities in mind, scholars have increasingly begun to identify and examine cases of synergy between state and society, or what Joshi and Moore (2004: 31) term institutionalized co-production—'the provision of public services ... through a regular long-term relationship between state agencies and organised groups of citizens, where both make substantial resource contributions'. For instance, Lam (1997) highlights a Taiwanese irrigation project whose success relied not only on the knowledge of local farmers for the appropriate allocation of water within the community but also on government officials to bring the locality into the broader irrigation networks. Ostrom (1997) focuses on the case of sewer and water systems in Brazil, whose building was greatly aided by sustained collective action among the public. However, local officials were crucial in organizing and sustaining the public's involvement. Ackerman (2004) goes so far as to argue for co-governance. Looking at cases of participatory budgeting, social audits, police and school reform and others, he argues that optimal outcomes are achieved when rather than 'sending sections of the state off to society it is more fruitful to invite society into the inner chambers of the state' (Ackerman 2004: 448).

In terms of the state's contribution to state-society synergies, students of development have long argued that Weberian bureaucracies—highly rationalized, meritocratic, and insulated from political interference—are crucial from components in the developmental project. If true, this naturally presents a problem in fragile states whose bureaucracies may be far from the Weberian ideal. However, relations with society can arguably help troubled bureaucracies achieve their goals. Amengual (2014) shows how even relatively resource starved and unprofessionalized bureaucracies in Argentina can enforce labour regulations through their relations with unions. Ha and Kang (2011) point to the South Korean case, where the authoritarian government failed to create the idealized Weberian bureaucracy but instead focused on recruiting highly loyal bureaucrats. In the end, however, 'a capable bureaucracy is not necessarily created only by recruiting competent personnel ... more loyal bureaucrats who are committed to overcoming backwardness ... can be as important as and perhaps more important than competent bureaucrats' (Ha and Kang 2011: 100). Indeed, Ha and Kang show that bureaucrats in the Ministry of Commerce and Industry used regional ties and school networks—societal ties—to achieve the state's developmental goals. Finally, Berenson (2010) similarly highlights that not all bureaucracies must achieve the Weberian ideal in order to be effective. He demonstrates how Russian and Polish social

welfare bureaucracies are highly responsive to citizens despite exhibiting few of the characteristics of an ideal civil service. Together, all of these studies suggest the possibility of fragile states overcoming significant challenges in order to provide public goods.

Important questions remain, however, about when states can engage in institutionalized co-production. Some have pointed to structural conditions, such as ethnic homogeneity (Hadenius and Ugglá 1996), common identity or social groups (Tsai 2007), or economic equality (Evans 1996). Unfortunately, there is little that fragile states can do if they find themselves without these fortuitous structural conditions. In her influential study, Tandler (1997) argues that states can, in fact, play a role in creating the conditions that are ripe for state-society synergies, finding that in the case of Ceará in Brazil ‘government was causing civil society to form, then, at the same time civil society was acting “independently” from the outside to challenge its wisdom and its actions, or to demand better public services’ (Tandler 1997: 146). However, neither scholars nor practitioners have yet to formulate a clear set of strategies for states to consistently leverage societal actors to overcome their own shortcomings.

3.1.3 Fragility and conflict

One important point to highlight about the approach taken here is that it defines fragility as distinct from conflict. By contrast, donor policies towards fragile states and situations are often indistinguishable from their policies in conflict-affected regions.

This is not to say that conflict and fragility are not closely related. Indeed, provision of law and order is among the basic functions of the state as discussed above. Many states and situations in conflict are fragile, fragile states are generally more likely to fall into conflict than stronger states, and conflict may also exacerbate fragility.

However, it is useful to distinguish fragility from conflict for at least four reasons. First, although many states and situations in conflict are fragile, not all are. For instance, many would consider that the United States has been at war with Al-Qaida since 2001, but the US is not considered a fragile state in any standard classification.⁷

Second, in some states regularly classified as fragile, fragility has no connection to the presence of recent armed conflict. The UNU-WIDER background paper on Haiti provides one illustration (Buss 2013).

Third, conflict and fragility more broadly do not necessarily imply the same activities and challenges for international actors. For instance, as illustrated in Figure 2, we might consider the relationship as follows: In the first sector, for fragile states and situations *in conflict*, peacemaking, peacebuilding, and addressing humanitarian emergencies connected to conflict are the most pressing challenges. In the second, for fragile states and situations *immediately following conflict*, issues such as disarmament, demobilization, and reintegration (DDR) and emergency reconstruction also demand urgent attention. In the

third, for fragile states and situations *outside of conflict* or for fragile states for which conflict may have ended some time ago, state-building and conflict prevention are core challenges.

FIGURE 2
Relationship between conflict, fragility, and policy priorities



Source: Author's illustration, UNU-WIDER.

These distinctions of course are not sharp: State-building, institutional reform, and conflict prevention efforts may be undertaken during or immediately after periods of violent conflict in an effort to address the root causes of war. In Somalia, for instance, donors have devoted considerable resources to reconstruction and development initiatives amidst on-going hostilities. UNU-WIDER's background paper on UNICEF's educational programmes in Somalia provides one illustration (**Williams and Cummings 2013**). However, in our view, recognizing these broad distinctions can be useful analytically and in the design of policy strategy and programming.

Fourth, more broadly, the UNU-WIDER collaborative project on *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases* suggests that periods of fragility due to war in historically strong states are qualitatively different to fragility in chronically weak states, and likewise that 'what works' in the former, will not necessarily be transferable to the latter (Gisselquist 2013b). This is why, for instance, the well-studied lessons of state-building from post-Second World War Europe and Japan do not necessarily translate well to more recent state-building efforts in Afghanistan and contemporary sub-Saharan Africa (SSA) more generally (Englebert and Tull 2008; **Monten 2013**).

3.1.3 Identifying 'what works'

A further methodological and conceptual challenge concerns the identification of initiatives that 'work' or could 'work'. In other words, how should success and failure be defined and what methods should be used to assess such

outcomes? This is complicated by the challenges of measuring governance quality and fragility outlined above.

The research and policy literature point to a number of different methods and considerable debate over which are best. In particular, there are obvious links with the major debate in development over the use of experimental methods and in particular randomized controlled trials (RCTs), which some researchers have argued are the best means of determining ‘what works’ in development policy (e.g., Druckman et al. 2006; Banerjee 2007). Meanwhile, critics have raised a number of strong concerns about the use of these methods to identify what works (see, e.g., Deaton 2009; Ravallion 2009).

Given the importance of this discussion to the analysis of what works in development policy, the ReCom Governance and Fragility theme, together with the Social Sectors theme, developed a collaborative project on *Experimental and Non-experimental Methods in the Study of Government Performance: Contributions and Limits*. Box 5 explains, although we identify clear value in experimental research, our work shows that there are limits to what can be learned from experimental approaches particularly in the areas of governance and fragility (see also Humphreys and Weinstein 2009; Moehler 2010; Olken et al. 2011).

Box 5: What can experiments tell us about how to improve governance?

Over the past decade, randomized controlled trials (RCTs) have become a staple of research in development economics. Proponents of RCTs have advocated for their use as the best means of identifying ‘what works’ in development, while sceptics voice strong concerns about their growing hegemony in the field. Last year, two influential books, Karlan and Appel’s *More Than Good Intentions*, and Banerjee and Duflo’s *Poor Economics*, summarized what RCTs can tell us about how to reduce global poverty. Sceptics such as Angus Deaton and Martin Ravallion point out that RCTs, even if well designed, are not the ‘gold standard’ to policy evaluation as they often rely on small samples (and small pilot interventions) that cannot tell us much about whether a policy would work if scaled up at national level, or transferred to different socioeconomic and political conditions.

Equally important are the concerns associated with the fact that RCTs are usually conducted under a short time window of analysis, and therefore are ill-equipped to deal with development processes that take place in the course of decades or even generations.

Building on this debate, UNU-WIDER initiated the project ‘Experimental and Non-Experimental Methods to Study Government Performance’ that explores the contributions and limits of RCTs in studying another major topic in development: governance. Despite a large literature on governance and on experimental methods, very little work has directly considered both subjects together in this way.

Studying governance

Governance is a contested concept, especially among development practitioners. This project adopts a definition of governance that builds on theories of government and the state, which point to two major roles for public institutions in providing public goods and representing public interests. How and how well governments govern is a matter central to the study of the politics of development effectiveness, and the field

of political science offers a variety of explanations. Major structural explanations, for instance, highlight levels of development, class structures, and ethnic divisions. Institutionalists point to how rules and norms shape the 'rules of the game', often in unexpected and long-running ways, and explore the impact of a range of institutions, including electoral rules, executive structures, decentralization, and federalism. Other work focuses on how political culture affects the functioning of democratic governance, as well as on the sometimes decisive influence of political leadership.

Theories tend to deal with the two roles of government separately, offering explanations either for better representation and accountability (often framed in terms of the emergence of liberal democracy versus other forms of government), or for more effective public goods provision. Many studies focus on disaggregated governance outcomes, such as effective policing, property rights, or universal health care. Indeed, far from having a single model of change in governance, the literature gives us diverse, multiple, and sometimes contradictory explanations. One simple example is [de]regulation—is more or less better?

Findings from RCTs highlight a range of strategies, projects, and other interventions that governments could adopt to improve specific aspects of governance. Some interventions that have been explored in multiple contexts include public information campaigns, financial incentives to improve the performance of public sector employees, community-based monitoring systems, and public deliberation at the local level. But a degree of uncertainty remains with regard to the underlying mechanisms (and theories) that explain the distribution of policy outcomes for a given treatment group (and its placebo) vis-à-vis the distribution for the entire population.

Limits of field experiments

Indeed, one common criticism of experimental studies is that they neither address 'big' questions nor 'big' theories of governance (or development). Comparing the questions explored in RCTs with those identified in major theories of governance suggests that there is something to this.

On the other hand, proponents of RCTs make a compelling argument that their micro approach offers more convincing explanations than grand theories, by looking at small policy reforms that at the margin can lead to desirable improvements in policy. Compelling as this may sound, this micro focus exposes one of the key weaknesses of RCTs: the low external validity of their findings. Precisely because experimental researchers tend to eschew high-level theorizing, they have little to say about what, within particular contexts, might be unique or have influenced the results, and why their findings should be expected to be generalizable. This is compounded by the fact that experiments are rarely replicated across multiple contexts.

A third limit to RCTs in the study of governance is in the type of causal factors that they can reasonably study. This constraint follows partly from the need for large numbers of units to be studied in order to gain precise statistical estimates (and low standard errors), which encourages researchers to focus on low-level factors, rather than those held by higher level units, such as national institutions. This also comes from the simple inability of researchers to manipulate some key variables, such as the level of development. In other cases, ethical considerations are the source of great concerns that should be appropriately weighted and assessed when studying a particular social phenomenon.

RCTs are similarly limited in terms of the unit of analysis upon which they can evaluate impacts, which is generally the individual or households, rather than

communities or the nation. Many theories of government focus on non-linear processes that evolve over decades, while RCTs rarely look at impacts beyond the linear trajectory between two points in time, usually a few years. Take, for example, the hypothetical case of a J-shaped curve derived from the long-term relationship between economic liberalization and political stability: In the short-term, economic liberalization leads to a sudden rupture between economic actors that causes an increase in political instability. An RCT may conclude that economic liberalization is bad for political stability. However, once markets and institutions are developed further, political stability may actually begin to improve.

A final issue is cost. Even if RCTs could be adapted to address some key theories of governance, it is not necessarily clear that they would be more cost-effective in testing theories than non-experimental methods.

In short, our research suggests that in the way RCTs have been designed so far they have some, but limited, utility in research to understand the underlying factors that affect the variation in government performance. They have made key contributions to knowledge by showing the effect of some targeted interventions with relatively rapid results, but major hypotheses about how government performance could improve will not be addressed using RCTs. A central question for us is to find out whether, and to what extent, the principles upon which RCTs are based could be reconciled with non-experimental (econometric) methods, to find an analytical middle ground. In the expectation that social experimentation relies on structural models of economic and political behaviour, this could potentially provide insights about whether an intervention that works in one context could work (and why) in other socioeconomic and political contexts. More on this project will be posted on our webpage: http://www.wider.unu.edu/research/current-programme/en_GB/Experimental-Methods-Study-Government-Performance/

Source: Reprinted with minor revisions from Gisselquist and Niño-Zarazúa (2012).

The collection of studies developed under the project on ‘Experimental and Non-experimental Methods in the Study of Government Performance: Contributions and Limits’ together outline an alternative middle ground between experimental and non-experimental methods.⁸ Three of the studies address specifically the use of experimental methods in the study of government performance. **(Gisselquist and Niño-Zarazúa 2012; Gisselquist et al. forthcoming)** draw on a review of the governance literature and a systematic review of experimental and quasi-experimental studies on governance to discuss the major contributions and limits of experimental research in this area. **Barrientos and Villa (2013)** explore the political economy of the use of experimental and non-experimental methods in the evaluation of anti-poverty transfer programmes in Latin America and SSA.

The other five papers in the collection focus on how researchers can address some of the key challenges to the use of experimental methods identified in these two studies by both (1) improving experimental approaches, and (2) using non-experimental methods and combining experimental and non-experimental techniques. Two papers focus on the first option, tackling two major challenges to experimental approaches: **Martel Garcia and Wantchekon (2013)** address the important issue of external validity, using the

structural causal language of directed acyclic graphs (DAGs) to argue that external validity should be not so much a matter of whether an experiment has been replicated in multiple contexts, but rather whether it addresses generalizable theories. **Humphreys (forthcoming)** explores the challenging topic of ethics in field experimentation, providing a detailed discussion and critique of various approaches to informed consent which might help to experimental researchers in the development of ethical guidelines.

Moving beyond experimental research, three papers discuss non-experimental and ‘mixed’ methods: **Dehejia (2013)** provides a synthesis of non-experimental methods and compares them with experimental methods in terms of internal and external validity; **Bratton (2013)** explores what can and cannot be learned from public opinion surveys and how experiments may complement survey-based approaches, drawing in particular on analysis of the Afrobarometer surveys; and **Baldwin and Bhavnani R. (2013)** explore what has been and can be learned from ‘ancillary’ experiments, which use existing experimental data along with newly-collected data to address new research questions.

The research findings we review here thus draw on a range of methodological approaches and tools, including experimental methods, quasi-experimental analysis, observational and survey research, comparative historical analysis, and interviews and fieldwork. As part of the UNU-WIDER collaborative project on *Building State Capability through Problem-Driven Iterative Adaptation*, **Woolcock (2013)** considers the use of case studies to examine the external validity of complex development interventions. As part of the same project, **Andrews (2013b)** speaks to core theoretical debates over the role of agency, particularly of leaders in development, arguing that change is complex and requires complex multi-agent leadership, not individual ‘heroes’. **Gisselquist (forthcoming 2014)** was prepared as a background paper to the UNU-WIDER collaborative project on *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases* and speaks to methodological debates over the use of comparative analysis in theory development, outlining the approach through which comparative cases were selected for analysis in the project. Several other methodological issues are discussed further in Section 4 in relation to particular analyses.

We also adopt a broad view with respect to defining ‘success’, which can be understood with respect to the creation of open, accountable, and self-sustaining public institutions and the achievement of development outcomes, in particular growth and poverty reduction. In other words, although success is assessed in some programme evaluations primarily against programme outputs and donor objectives, we are interested primarily in success in terms of outcomes in aid-recipient countries.

Finally, it is worth highlighting that in a number of areas discussed in this position paper the evidence basis for assessment of ‘what works’ is in our assessment quite weak. Although we have found a number of reports citing examples of successful programmes, we have in many areas found little rigorous evidence in the literature to back up such evaluations, as discussed

further below and in a number of the ReCom background studies. Examples of areas in which our background research has highlighted particular concern include ‘what works’ in donor approaches to human rights, civil service reform, and regulatory reform. In such instances, we have had to draw on donors’ own identification of successful interventions even though the bases upon which such judgements were made are often opaque. This is clearly an area for continuing research.

3.2 General principles and the Peacebuilding and Statebuilding Goals

3.2.1 General principles and goals: a brief review

The general principles and commitments accepted by the international community with respect to improving aid effectiveness underlie the analysis in this position paper. As they are well known and have already been well elaborated in the literature, we discuss them only briefly here.

The *Paris Declaration on Aid Effectiveness* (2005) set out five key principles aimed at harmonizing development assistance, facilitating donor-partner country co-operation, as well as balancing donor and partner country priorities (OECD 2005):

- Ownership: Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions.
- Alignment: Donors base their overall support on partner countries’ national development strategies, institutions and procedures.
- Harmonization: Donors’ actions are more harmonized, transparent and collectively effective.
- Managing of results: Managing resources and improving decision-making for results.
- Mutual accountability: Donors and partners are accountable for development results.

The *Accra Agenda for Action* (2008) was subsequently designed to strengthen and deepen implementation of the Paris Declaration, highlighting three key areas for improvement (OECD 2005/2008):

- Ownership: Countries have more say over their development processes through wider participation in development policy formulation, stronger leadership on aid co-ordination and more use of country systems for aid delivery.
- Inclusive partnerships: All partners—including donors in the OECD Development Assistance Committee and developing countries, as well as other donors, foundations and civil society—participate fully.

- Delivering results: Aid is focused on real and measurable impact on development.

With specific reference to fragility, the OECD *Principles for Good International Engagement in Fragile States and Situations*, which were formally endorsed at the Development Assistance Committee's High Level Forum on 3-4 April 2007, elaborated ten key principles (OECD/DAC 2007):

- Take context as the starting point
- Do no harm
- Focus on state-building as the central objective
- Prioritize prevention
- Recognize 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.

Many of the principles outlined above are further echoed in the *New Deal for Engagement in Fragile States*, announced at the 2011 Busan High Level Forum. As summarized in Section 1, the *New Deal* emphasizes country-led and country-owned transitions out of fragility, as well relationships of mutual accountability between donors and recipient countries, by enhancing transparency, risk-sharing, strengthening national capacities and the timeliness of aid, and improving the speed and predictability of funding to achieve better results. The *New Deal* further sets out five *Peacebuilding and Statebuilding Goals* (PSGs) to guide priorities and engagement in fragile states:

- Legitimate Politics—Foster inclusive political settlements and conflict resolution
- Security—Establish and strengthen people's security
- Justice—Address injustices and increase people's access to justice
- Economic Foundations—Generate employment and improve livelihoods
- Revenues and Services—Manage revenue and build capacity for accountable and fair service delivery.

The members of the International Dialogue on Peacebuilding and Statebuilding, the first forum for political dialogue bringing together conflict-affected and fragile countries, international partners, and civil society, use the PSGs as the foundation of their work in fragile and conflict-affected states. Frameworks and indicators for each goal PSG have further been elaborated and debated, with the objective of measuring progress and results (e.g., International Dialogue on Peacebuilding and Statebuilding 2012).

3.2.2 Challenges

Despite the general acceptance of these principles and goals by members of the international community, several key challenges remain.

First, it is clear that acceptance of such principles does not mean that they have been effectively incorporated into development policy. The OECD's periodic assessments of progress in the implementation of the Paris principles illustrate this well, as summarized in Box 6.

Box 6: Aid effectiveness 2005-10: progress in implementing the Paris declaration

Donors and partners have had varied success in achieving the targets set in the Paris Declaration as illustrated in the table from OECD (2011a) below. Substantial progress has been achieved in only two targets and on a number of indicators only little or no progress has been seen. However, the report finds that when responsibility for change lay mainly with the partner countries notable progress was made. In contrast, donor dependent indicators such as untying aid and joint mission have achieved only minimal or no progress due to issues such as donor rigidity and bureaucracy.

Level of progress	Indicator	Baseline (2005)	Actual (2010)	Target (2010)
Substantial	Operational development strategies	19%	52%	75%
	Results-oriented frameworks	7%	22%	38%
Moderate/Mixed	Reliable public financial management (PFM) systems	0%	38%	50%
	Strengthen capacity by co-ordinated support	49%	50%	51%
	Use of country PFM systems	40%	48%	55%
	Strengthen capacity by avoiding parallel project implementation units	1696	1158	565
	Aid is untied	87%	>87%	89%
Low or no progress	Aid flows are aligned on national priorities	44%	46%	85%
	Aid is more predictable	42%	43%	71%
	Use of common arrangements or procedures	43%	48%	66%
	Joint missions	20%	22%	40%
	Joint country analytic work	41%	44%	66%
	Mutual accountability	44%	50%	100%

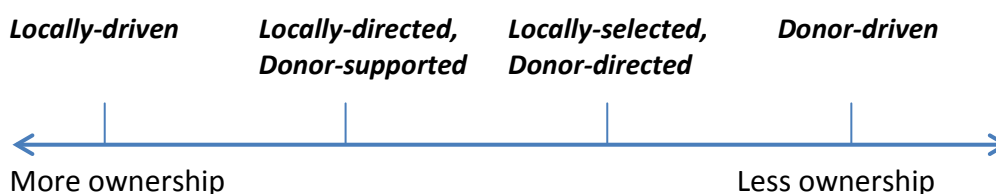
Source: OECD (2011a).

A second and related challenge concerns tensions and challenges in the implementation and execution of these principles in donor programming. For instance, few would disagree that context should be taken as a starting point or that activities should be aligned with local priorities in different ways in different contexts. However, as the ReCom research illustrates, what exactly this means is not always clear. One of the themes that emerges in our collection on *Aiding Government Effectiveness in Developing Countries*, for instance, is that much greater precision is needed about what this means for the design and evaluation of donor interventions. Context refers to any number of factors. As **Gisselquist and Resnick (2013)** summarize, some of the contextual variables highlighted by the studies in this collection include ‘colonial heritage and history more generally, the level and distribution of wealth, geographic and population size, ethnic divisions, the history of conflict, political will and leadership, the distribution of power, the nature of the state, and characteristics of specific political institutions such as electoral rules and the party system. In short, the range of contextual factors that may influence governance interventions cover such vast terrain that a recommendation that context be taken into account without any further elaboration, is not operationally or analytically useful’.

There are also some instances in which context appears not to matter, and it is worth considering what these might be: In the same collection, **Finkel (2013)**, for instance, analyses civic education programmes across multiple country contexts (Dominican Republic, Poland, South Africa, Kenya, and the DRC), showing that specific design features work in much the same way across a variety of contexts.

The principles of local ownership and alignment by donors with partner countries’ objectives also pose challenges and tensions for donor programming in the governance and fragility area. In particular, if fragile states by definition lack political will to provide basic services for their populations, it is unclear whether local ownership and alignment are in fact consistent with donors’ objectives in supporting development. The UNU-WIDER collection on *Aiding Government Effectiveness in Developing Countries* also considers this issue. As **Gisselquist and Resnick (2013)** describe, ‘Ownership ... is not a dichotomous concept but rather consists of multiple degrees along a continuum’ as illustrated in Figure 3:

FIGURE 3
A spectrum of ownership



Source: Gisselquist and Resnick (2013).

Discussion of ownership sometimes collapses the possibilities to the two ends of the spectrum in this diagram: on the far right ‘donor-driven’ initiatives without any ownership and completely out of sync with local priorities, and at the other end, the opposite, ‘locally-driven’ initiatives. In fact there are multiple possibilities in the middle. In fragile states and situations, locally-driven ownership may not be feasible, but considering at a minimum movement towards ‘locally-directed, donor supported’ or even ‘locally-selected, donor-directed’ options, may help donors to better implement the principles of ownership and alignment.

DIIS’s background report on pragmatic aid management in fragile situations (**Bourgouin and Engberg-Pedersen 2013**) also speaks to these topics, considering to what extent interventions being pragmatic, context specific, politically sensitive, risk-robust, flexible, and goal-oriented produce qualitatively different results across sectors and themes, and examining the relationship between aid management and results in the context of fragile situations. The success of aid-supported activities in fragile situations is highly uncertain, yet aid programmes do sometimes succeed. The report discusses the extent to which relatively positive results can be explained by ‘pragmatic aid management’, which is conceptualized in terms of policy liberty, flexibility, responsiveness, context dependence, and political sensitivity. It concludes that a high degree of pragmatic aid management appears to be linked to relatively positive results of aid-supported activities, but other factors are important as well. These include high-level political commitment, the quality of aid management staff on the ground, and a process of transferring ownership and responsibility to actors and institutions in fragile societies.

Finally, as discussed further in Section 4.1, one promising way forward in improving aid effectiveness broadly along the lines summarized in the preceding discussion is offered by the UNU-WIDER project on *Building State Capability through Problem Driven Iterative Adaptation*, developed by Lant Pritchett, Matthew Andrews, and Michael Woolcock (**Andrews et al. 2012b**). Building on the literature, the project elaborates an approach with four core components that offers for donors an important example of ‘what could work’ in terms of principles for engagement in developing countries, and in fragile situations in particular.

3.3 Human rights and development co-operation

Over the course of the last two decades a striking consensus has emerged among many major aid donors, especially those of a liberal democratic orientation, that the realization of human rights should form part of their development co-operation. Notwithstanding this broad consensus, however, there remain equally striking conceptual and practical differences in how best this should be achieved. The range of donor approaches is broad. At one end, some multilateral donors, notably the World Bank and the Asian Development Bank, intentionally avoid the language of human rights altogether in policy

statements. They fear the promotion of civil and political rights in particular would represent a violation of their legal mandates to avoid political activities and have instead developed ad hoc standards for specific areas of operation. For other donors, such as USAID and CIDA, human rights are conceptually either subsumed within or alongside the notion of good governance. Development co-operation here typically comprises specific projects to promote a particular right, usually a civil or political right, or else to support a particular group that is deprived or marginalized in some way. At the other end of the spectrum, for a growing number of donors, most prominently but not exclusively the UN agencies and Nordic donors, the importance of human rights has been elevated to the point that these donors seek to fully integrate them into all development programming in what is now most commonly described as a ‘rights-based’ approach to development, distinguishing itself from the ‘needs-based’ approach that characterized much of these donors’ earlier co-operation.

As human rights thinking has gained traction within the development community, it has brought with it the possibility of several distinct advantages that we describe here. Yet it is worth considering the potential risks and challenges it brings as well. In fragile and conflict-affected settings, some of these arguments both for and against human rights considerations hold even greater significance. More broadly, it is premature to weigh these possible merits against the putative risks for the simple reason that we do not yet know enough. The various approaches donors are pursuing are still relatively young and we lack systematic evidence of their long-range effects on basic development outcomes such as poverty-reduction and economic growth, or more specifically evidence of whether these effects are in fact superior to those observed under earlier approaches. While there exists a strong normative push towards even greater human rights integration into development co-operation, as indicated by their inclusion in the post-MDG agenda, it is too early to judge the overall impact given the absence of consensus on how best to realize them and given the embryonic empirical foundation on which our knowledge presently rests.

3.3.1 The conceptual evolution of human rights in development

This position paper naturally captures only a snapshot moment in the evolution of the human rights paradigm as it continues to be integrated into donors’ development co-operation. An observer of the recent past may reasonably conclude that the trajectory is inevitably upwards and outwards—a deeper institutionalization among a greater number of donors—at least among those of a liberal internationalist outlook (Davis 2009). Yet it is worth briefly taking a longer historical look to remind ourselves that this trajectory has not been straightforward and to underscore that perspectives on the normative desirability of human rights will likely continue to evolve.

The Universal Declaration of Human Rights (UDHR) of 1948 was both a foundational moment and an unexpected zenith for the early human rights movement. The Cold War that followed constrained the rise of human rights on the international agenda. Enforcement was generally subordinated to strategic and geopolitical exigencies and the ideological rift led to the separation of civil and political rights (CPR) from economic, social, and cultural rights (ESCR). It was not until the end of the Cold War that human rights would re-enter international relations as an issue of substantive political significance.

With the close of the intense ideological and political rivalry between the USSR and the USA, the human rights edifice enjoyed a remarkable ascendancy and development co-operation has found itself gradually drawn deeper and deeper into its orbit. The intellectual journey, however, has been convoluted. The Right to Development, first declared in 1986 and re-affirmed in the Vienna Declaration of 1993, was an initial but inconsequential move. It implied no transfer of resources and it was not intended to be enforceable (Uvin 2007). In contrast, the advent of the concept of good governance in the early 1990s was a significant step. Its wholehearted embrace by donors presented an opportunity to incorporate human rights promotion into development programming and thus put resources behind the rhetoric. The focus, however, was limited primarily to a subset of civil and political rights. In the early 2000s, an effort to broaden the conceptual ambit of development emerged. Amartya Sen's landmark treatise, *Development as Freedom*, provided an intellectual link between human development and human rights (Sen 1999). Poverty was understood to be a multi-dimensional phenomenon that occurred when individuals were deprived of their capabilities. At around the same time, the idea that freedom from poverty was itself a human right also emerged, though its influence on donor thinking was less pronounced (Pogge and Unesco 2007; Costa 2008). These efforts to conceptually expand development would pave the way to what has become known as the human rights-based approach (HRBA) to development. HRBA represents the current conceptual frontier in donor thinking on how human rights should be integrated into development programming. It also represents an opportunity to reunify CPR and ESCR, at least within development circles, since their divorce almost fifty years earlier.

3.3.2 The international human rights framework

It is worth briefly surveying the extensive international human rights framework that has evolved as it represents the normative foundations on which donors can draw and is the sources of the norms that are shaping development discourse. Broadly, human rights norms may be categorized into (1) binding standards captured in nine core human rights treaties and (2) general principles reflected in these treaties as well as in various non-binding declarations. The nine core treaties (supplemented by eight optional protocols), in order of their ratification, cover or protect against racial discrimination (1965), civil and political rights (1966), economic and social rights (1966), discrimination against women (1979), torture and degrading treatment (1984),

children's rights (1989), migrant workers' rights (1990), protection against disappearances (2006), and disabled persons' rights (2006). The framework then comprises a wide-ranging set of norms but in general donors, historically, have chosen to narrow their focus to promoting a subset of civil and political rights including the rights of women and children. There remains considerable scope then for the integration of a broader set of human rights.

As donors have sought to expand the remit of development co-operation to take into account the broader human rights framework, perhaps unsurprisingly general principles have proved conceptually more useful than binding legal standards. Their principal, though not sole, advantage lies in their greater flexibility to be adapted to the highly varied contexts in which donors operate. We set out those principles that donors have drawn on in their policy statements and make a few observations on their significance:

Universality, indivisibility, inter-relatedness, and interdependence: Together these four principles provide a strong intellectual argument for the expansion of development co-operation to promote not only civil and political rights, but economic, social, cultural and other human rights as well. A closer look, however, suggests there is still a noteworthy gap between these principles' normative aspirations and empirical reality. While it is true that a very large number of countries have signed many of the nine core treaties, the claim of human rights universality is weakened by the fact that fewer countries have ratified them domestically and by the fact that many—interestingly primarily liberal democracies—have also filed numerous reservations to these treaties (Neumayer 2007). Similarly, while the notion that human rights are indivisible and are of equal worth has normative merit, rights-holders themselves may not share this perspective. Those living in conflict-affected areas would likely value physical security more highly than social security for example. Finally, while some human rights are evidently interrelated, not all of them are. The right to paid maternity leave has no obvious connection to the right not to be tortured for example. It would be circumspect for donors to remember the essentially normative character of these principles in order to prepare for and respond to likely resistance—at the national and international levels—to the wider implementation of human rights norms.

Non-discrimination: This potentially very powerful principle extends protections to vulnerable, deprived, or marginalized groups and has been interpreted to signify not only equal treatment but also the need to correct existing inequalities. Women, children, indigenous, ethnic, religious, and linguistic minorities, migrants, and the disabled are among those groups who could potentially benefit. Yet as we shall see, it is also one of the more difficult principles to implement as it often implies change to existing power relations and a redistribution of resources within societies. In fragile and conflict-affected settings, the potential for political and social instability such fundamental change may imply is likely to be amplified.

Accountability: The notion of accountability is one of the most important pieces of added value that human rights thinking brings to development co-operation. It implies that states are duty-bearers and citizens are rights-holders. The

principle represents an important restatement of the state-society relationship given the criticism that existing development co-operation often makes governments act as if they are more accountable to their donors than to their citizens. It is particularly useful in fragile settings where third parties such as NGOs and donors often provide important public goods and services instead of the government as accountability necessarily implies an eventual handover of these responsibilities back to the government.

Participation and inclusion: The principle of participation is relatively uncontroversial having gained acceptance in donor policy and practice some time before the human rights discourse intensified. It refers both to economic and political participation and is tied to the notion of empowerment. Inclusion is closely related to the notion of non-discrimination and in practice typically signifies identifying and supporting groups that have been historically excluded in society.

Progressive realization and non-retrogression: The idea that rights are to be progressively realized reflects the recognition that states vary in their capacity and in their resources and that it will take time to reach the standards set in the international human rights framework. As we shall see, the idea is particularly pertinent to fragile and conflict-affected settings where sequencing and trade-offs will often be necessary. The principle applies primarily to ESCR given that many CPR, such as freedoms of expression, association, and movement, do not obviously depend on a state's ability to provide them. Progressive realization is supplemented by the principle of non-retrogression which effectively protects citizens against any absolute decline in their rights. Rights standards should only increase.

Finally, it is also worth mentioning other major norms in the international human rights framework that donors—in the future—may take into consideration as development's conceptual frontier continues to expand. International humanitarian law, whose principal normative foundations lie in the Geneva and Hague Conventions, governs the protection of civilians and combatants in the course of armed conflict. International criminal law, solidified in the Rome Statute creating the International Criminal Court (2002), punishes individuals for genocide, war crimes, crimes against humanity, and the crime of aggression. Lastly, the Responsibility to Protect, although it lacks binding legal force, provides a conceptual foundation for limiting state sovereignty and for allowing the international community to assist states to prevent and halt mass atrocity crimes when they occur and, importantly, to intervene where necessary.

3.3.3 The merits, risks and challenges of integrating human rights and development

Although it is premature to assess the overall added value of incorporating human rights into development programming, there are several arguments—both for and against integration—of which donors should be aware as they continue to develop their policy and practice in this area.

Merits

Arguments for the integration of human rights into development programming include the following:

Moral basis: Invoking human rights principles to justify development interventions gives them a moral weight that strengthens the purely technical or needs basis on which an operation may otherwise have been approved. For donors, it helps answer the question of why we are doing this. This may be important for those donors who face domestic audiences at home critical of the use of taxpayer money for overseas causes when there are resources constraints affecting the provision of public goods and services at home. For the poor in recipient countries, it provides an important frame around which they can mobilize. Human rights provide a normative basis for their claims vis-à-vis those who govern them and in this way they help create the expectation that their governments should account to them.

Development as duty, not charity: The argument here is that the transfer of financial and technical resources from richer to poorer nations is undertaken out of a sense of obligation, not a sense of pity (Uvin 2004). As with the ethical argument, this may have popular appeal, helping to legitimize the development agenda and perhaps helping to overcome aid fatigue.

Strengthening accountability and setting standards: As mentioned, a human rights lens on development transforms governments into duty-bearers and the governed into rights-holders. It reinvigorates the idea of a social contract, often weak in developing societies where the modern state may be a post-colonial creation rather than an organically-evolved polity. In addition human rights norms can potentially serve to set standards against which citizens can judge the performance of their governments and thereby give them a basis on which to pursue the claims.

Assistance in state-building: A human rights approach can provide the rationale for the necessary processes of change that underpin the three key dimensions of state-building identified by the OECD-DAC (OECD-DAC 2011): (1) altering the existing political order/settlement: the principles of equal rights and non-discrimination provide a rationale for challenging a socio-political order that favours some groups but excludes others; (2) improving state capacity: a human rights-based approach necessarily involves increasing a state's capacity so that it can meet its obligation to fulfill the rights of those whom it governs; and (3) changing societal expectations: a human rights-based

approach involves making people aware they are rights-holders and their governments duty-bearers, as well as increasing people's capacity to claim their rights and to hold governments to account.

Normative basis for dialogue and intervention: It is generally accepted that the international human rights framework creates three kinds of obligations for governments: to respect, to protect, and to fulfill human rights (World Bank 2012a). The ability to invoke a government's human rights obligations provides donors with a legitimate basis with which to engage recipients in dialogue over their developmental record. The obligation to respect in particular, however, raises the question of whether it falls on donors to police states that themselves violate human rights. A human rights approach does provide a defensible basis for aid conditionality. However, it is worth pointing out that while many donors have made human rights part of their dialogue with country governments, in practice fewer have been willing to suspend or terminate aid for human rights violations.

Identification of groups suffering discrimination: The notion that human rights are universal and inalienable rights that all individuals possess equally and the notion that discrimination on the basis of membership of a certain group is unacceptable focuses a spotlight on those groups that have been historically excluded from or deprived of their rights. Women, ethnic, religious, indigenous and linguistic minorities, the disabled, and migrants are each examples of groups that receive explicit special protection in the human rights legal regime. A human rights-based approach then would encourage donors to assess the status of such groups in society to ensure development assistance does not directly or indirectly discriminate against them and furthermore to act to correct group inequalities if identified.

Challenges existing power relations: Often inequalities within society are entrenched by a power structure that prevents the weak from changing their situation. The notion that human rights are universal is empowering of such individuals as it gives them the normative rationale to question and to mobilize against the status quo. In short, human rights provide the weak with a basis to challenge inequitable power relations.

Risks and challenges

Risks and challenges in relation to the integration of human rights into development programming include the following:

Cultural relativism and the contextualization imperative: Notwithstanding the normative principle of universality, not all recipient countries—or at least their nationals—subscribe to the full set of norms contained in the international human rights framework. For example, the principle of non-discrimination against women clashes with local views on the importance of girls' education in Pakistan. In Uganda and others parts of SSA, lesbian, gay, bisexual, and transgender rights are not only non-existent, these individuals face severe discrimination and often worse. The wider implementation of human rights norms will inevitably create tension and resistance within societies whose

cultural values differ from the liberal values implicit in the international human rights framework. Resolving these differences will not be straightforward. While contextualization will and does inevitably occur, precisely how best to move from the recognition of cultural difference to the acceptance of a shared liberal outlook is not clear.

Top-down normativism: Related to the previous point is the fundamental but easily-overlooked observation that for many of the impoverished, excluded, and vulnerable groups that a human rights approach is intended to help, human rights themselves are a largely alien concept. Not all cultures naturally reason in terms of duty-bearers and rights-holders. For this reason donors engage in human rights education to encourage societies to internalize the cultural logic of the human rights paradigm. Donors then will find themselves in the business of cultural engineering.

Politicization of donor agencies: Donors may find themselves drawn increasingly into making explicitly political (as opposed to technical) judgements in at least two ways. First, as the importance of human rights in development cooperation rises, the pressure on donors to act when recipient governments violate human rights will also mount. Historically, donors have generally been reluctant to suspend or terminate aid for human rights violations. Cutting aid may hurt the poor more than the ruling elite. Moreover, donors find themselves having to weigh other political considerations that affect the broader country relationship against the importance of signalling disapproval of human rights violations. It is not an easy calculus and the independence of a bilateral donor agency may be compromised if it must follow instructions from its country's foreign policy establishment. Second, although donors may not intentionally engage in partisan politics within recipient countries, it would be difficult if not irresponsible to ignore the consequences of promoting a free press or strengthening the capacity of civil society organizations for example on a country's internal balance-of-power. Such interventions will require the capacity for political analysis, a skill set with which few donors are well-endowed.

Risk of political and social instability and other unintended consequences: For some, the objective of promoting human rights is precisely to change power relations in societies characterized by deep and widespread inequities (Cornwall and Nyamu-Musembi 2004; Darrow and Tomas 2005). Such fundamental change is an opportunity for those who are marginalized but it is also a threat to those who are in positions of advantage. An alternative way of looking at the issue is that whereas a needs-based approach typically called for more resources, a rights-based approach additionally calls for the redistribution of existing resources. The ruling elite or privileged groups within a society will not give up their interests easily and may take radical, even violent, action to preserve their advantage. Change then may come at the price of a transitional period of social and/or political instability. Moreover, such a change in the structure of power and the allocation of resources is not certain. It may provoke repression that ultimately worsens the position of disadvantaged groups. This is but one possible unintended consequence of using development assistance to promote human rights.

3.3.4 Specific implications for fragile and conflict-affected settings

The integration of human rights into development co-operation may have special significance for operations in fragile and conflict-affected settings. Again, there are both positive and negative arguments to be made but in general extra caution is required when operating in such situations (Evans 2009).

Advantages include the following:

Focus on exclusion and minority rights: The strong norm against discrimination in the human rights framework has encouraged donors to explicitly assess and address the plight of disadvantaged groups and this is particularly important in fragile situations where societies may well be divided or fractured along group lines, such as along ethnic, religious, or linguistic boundaries. Moreover, horizontal inequalities, that is inequality between groups, are associated with an increased risk of violent conflict (Stewart 2008). A human rights approach focuses attention on the underlying grievances that threaten social cohesion and state resilience.

Capacity-building: In fragile and conflict-affected settings, state capacity is typically weak and resources typically limited. It is thus not uncommon for third parties such as NGOs or even donors themselves to attempt to plug this gap and provide important public goods and services themselves. The risk, however, is that such substituting behaviour does not encourage states to strengthen their own capacity. A human rights focus emphasizes the notion of duty-bearer thereby encouraging such third parties to recognize that must design their intervention in a way to meet the demand in the short-term without compromising a state's capacity development in the longer run.

Conflict-risk reduction: Research conducted for the *World Development Report 2011* found an empirically strong relationship between human rights abuses and conflict onset. Improvements in a country's human rights record are consequently correlated with a reduction in conflict risk. Each one-step deterioration in the Political Terror Scale—which measures arbitrary detention for nonviolent political activity, torture, disappearances, and extrajudicial killings—results in a more than twofold increase in the risk of civil war in the subsequent year (World Bank 2011). An emphasis then on a country's obligations to respect (the state as perpetrator) and protect (non-state actors as perpetrators) human rights also represents an emphasis on conflict risk reduction.

Risks and challenges include the following:

Sequencing and trade-offs: Notwithstanding the principles of indivisibility and inter-relatedness, limited state capacity and resources in fragile settings mean donors will often have to make complex judgements about which 'human rights' to prioritize. A classic dilemma often arises in post-conflict settings between the desire to bring to account perpetrators of human rights abuses

and the desire for social stability for the war-fatigued population, popularly framed as the ‘peace-versus-justice’ conundrum. From the perspectives of the victims and survivors of these abuses, transitional justice is a strong imperative and important for restoring trust in state institutions and healing social divisions (Lockhart 2005). Yet from the perspective of the war-wearied population, the risk of the peace settlement unravelling and a return to war weighs just as heavily. There has not proven to be a simple or universal solution to such situations and successfully steering a path forward has required recognizing the contextual complexities of individual cases. It has been persuasively argued that opportunities for negotiating this dilemma in practice often arise in such situations (Sriram 2009). For example, the end to Sierra Leone’s second civil war allowed one of its principal protagonists, Charles Taylor, to seek sanctuary in Nigeria. However, once the political situation had stabilized it subsequently became possible to try Taylor for his war crimes in the Hague, and Sierra Leone has remained at peace.

A second sequencing/trade-off dilemma arises in fragile states wherein the impulse for democratic transition (consistent with the promotion of political participation and the principle of increased accountability) may conflict with the desire to provide important public goods and services (the fulfillment of certain ESCR for example). Electoral competition in transitioning democracies can be destabilizing and even increase the risk of civil violence (Hegre et al. 2001). As the socio-political order breaks down, the state’s capacity to provide healthcare and educational services for example also deteriorates. The timing of elections then—especially in states transitioning from conflict—is critical and requires careful assessment of issues such as the balance-of-power between incumbents and challengers.

The state as violator of human rights: In fragile settings, it is not uncommon for the state’s security apparatus—soldiers and police—to be involved in the perpetration of human rights abuses themselves: from arbitrary detentions to extrajudicial killings. On the one hand, such behaviour reinforces the need to sensitize the state’s security agents to the importance of human rights and to train them to become modern, professional security services. On the other hand, with such an intense spotlight on human rights, donors will find themselves under considerable pressure to respond to serious human rights violations on the part of those countries with whom they collaborate. As mentioned, this brings donors explicitly into the political arena where they will have to make judgements that involve balancing complex political interests. DfID’s record with Rwanda reflects the difficulty of such choices. In 2012, DfID appeared to prevaricate in its relationship with the country over the issue of human rights. It suspended, reinstated, and then suspended budgetary support to Rwanda following allegations of its involvement in supporting rebel actors in the Democratic Republic of the Congo.

International versus local standards: In fragile settings where the authority of the modern state is weak and that of traditional society strong, it will be likely that donors will encounter informal, traditional, or customary norms and institutions that do not sit easily with international human rights norms. Competing normative frameworks—for example the existence of both a

customary and a modern legal regime—pose a dilemma for donors (Corradi 2013). Both ignoring and attempting to change traditional institutions will likely generate resistance within societies. Dealing with the challenge of conflicting local norms will again require skill sets outside the traditional comfort zone of many donors. Cultural anthropologists and rural sociologists for example may have a role to play in helping donors identify complex normative environments at the local level.

3.4 Research strategy

As the analytical framework presented in this section suggests, the five Peacebuilding and Statebuilding Goals (PSGs) proposed by the International Dialogue for fragile states and situations, are also relevant to consideration of aid and governance more generally. Research under the ReCom Governance and Fragility theme addresses each of the PSGs and, in this position paper, the bulk of Section 4 focuses on each in turn—Legitimate Politics, Security, Justice, Economic Foundations, and Revenues and Services. Section 4 begins with discussion of Building State Capability, a sixth key goal in the area of aid, governance, and fragility that we argue is related to—but extends beyond—the five PSGs.

Under each PSG, a number of sub-topics are discussed. The paper thus provides an introduction to core themes, with particular attention to findings from ReCom research.

The selection of sub-topics in this position paper is guided in part by the indicators and frameworks that have been discussed by the International Dialogue for each PSG (see International Dialogue on Peacebuilding and Statebuilding 2012). It is also guided by the priorities identified in our analytical framework as described in this section, and our identification of knowledge gaps and priority areas for research. As outlined at the start of each sub-section in Section 4, our approach in discussing each of the PSGs differs somewhat from the analytical frameworks and indicators that have been proposed in discussions by the International Dialogue—although there are many overlaps.

Under Legitimate Politics, for instance, we focus on two key sub-topics: (1) democracy assistance, including electoral assistance, political party assistance, and promoting effective legislatures and (2) supporting human rights. These two sub-topics intersect well but not perfectly with the sub-topics that have been considered under this PSG by the International Dialogue, which include political institutions, checks and balances on the Executive, peace processes and political dialogue, societal relationships among groups, and civil society organizations. Building on the broad framework discussed above, we focus primarily on aspects of Legitimate Politics that are key to situations of chronic state weakness, rather than on interventions during conflict or immediately post-conflict. Thus, we leave aside the important sub-topic of peace processes and political dialogue in particular and refer readers to the rich research and policy literature on this topic.

3.4.1 What is covered, what is not

This selection of sub-topics under Governance and Fragility (and of ‘sub-sub-topics’) is guided by the UNU-WIDER team’s research and knowledge of the field. Specialist readers, in particular, will surely find some topics that they judge to be important that are not covered or are not covered in as much depth as they would like, or for which their review of the literature is different. This is unavoidable given the task at hand. Governance and fragility are each the subject of large bodies of work by both practitioners and scholars. Each also comprises multiple sub-topics, many of which are in turn also the subject of large bodies of work. This includes, for instance, established literatures in political science, international relations, political economy, public policy, development studies, economics, sociology, and the law, on the state, weak and failed states, state-building, nationalism and nationhood, state-society relations, the rule of law, human rights, democracy and democratization, political parties, electoral politics, civil society, public institutions, the provision of public goods, taxation, regulatory reform, fiscal policy, and so on. While this position paper is sure to leave off discussion of a number of relevant issues, what it does do is to provide an up-to-date overview and guide to aid, governance, and fragility, offering a broad analytical framework within which additional issues can be considered.

UNU-WIDER’s commissioning strategy under the Governance and Fragility theme can be summarized with reference to the major sub-topics identified in the preceding discussion. This coverage of key sub-topics was complemented by a handful of additional studies commissioned specifically to review and analyse issues related to global governance and aid governance, including focus on aid modalities. A number of the studies in this latter group in particular are also relevant to other ReCom themes and have been jointly commissioned with other themes.

As this position paper illustrates, we have paid particular attention in our research programme under this theme to Building State Capability and Legitimate Politics. We have also commissioned a number of studies to fill gaps in the literature in the area of Revenues and Services. This is not a statement on the comparative importance of Security, Justice, and Economic Foundations, but rather reflects our assessment of research priorities, knowledge gaps, and coverage of these topics elsewhere. For further discussion relevant to Economic Foundations in particular, we refer readers to the *ReCom position paper on Aid, Growth, and Employment*. For further discussion relevant to Revenues and Services, we refer readers to the *ReCom position paper on Aid, Poverty, and the Social Sectors*.

Given the sheer number of studies commissioned under Governance and Fragility, we have had to make some hard choices regarding what to include in this position paper and in how much detail. As such, one broad area of the ReCom work that we do not focus on in this position paper concerns global governance and aid governance. However, key findings of all studies are

summarized in the abstracts in Appendix 3, and a number of the papers jointly commissioned in this area have been discussed elsewhere.

More broadly, Section 5 of this position paper considers several other topics that we have not focused on under the ReCom programme, but which should be considered in future research.

The particular topic of each of the UNU-WIDER studies prepared under this theme was selected by our team based on review of the literature to address identified gaps in priority research areas. Some of these studies were jointly commissioned by multiple ReCom themes, and in other instances we balanced commissioning by other themes to focus on areas not covered elsewhere.

For instance, we did not commission a paper specifically on the conceptualization and measurement of fragility because, in our view, this topic was sufficiently enough covered in the research and policy literature that an additional ReCom review of the literature and summary of key points was not a priority (see, e.g., Engberg-Pedersen et al. 2008; OECD 2008a; Fabra Mata and Ziaja 2009; Naudé et al. 2011; OECD 2012a). Likewise, corruption was not a focus area in our research and commissioning given an already rich literature on the topic and several recent systematic reviews relevant to the analysis of aid and corruption (see, e.g., Hechler 2010; Banerjee et al. 2011; Mungiu-Pippidi 2011; Olken et al. 2011). We made similar judgements with respect to commissioning new work on human rights and on conflict. With respect to human rights and development, we are able to draw considerably on the existing literature, as discussed earlier in this section and below, but we identify it in Section 5 as an area in which further research is needed. In the case of conflict, the body of work upon which we build includes UNU-WIDER's own substantial previous research in this area (see, e.g., Addison 2003; Addison and Brück 2009).

Likewise, we did not focus on commissioning studies on aid and gender, and climate change and the environment, because these topics are addressed directly in other ReCom themes.

For the background studies prepared by DIIS, the particular topic addressed in each was also a consequence of consultation with Danida. These studies however also fit well within the framework outlined in this section as summarized below.

Although there is not space here to provide more extensive justifications for each of the ReCom background papers prepared under this theme, Appendix 3 provides a one paragraph abstract of each paper that speaks to the ways in which it contributes to the literature. Discussion of various ReCom studies included in Section 4 also speaks to the gaps filled by the background research.

3.4.2 An overview of the background papers commissioned under the governance and fragility theme

The background papers commissioned under the Governance and Fragility theme fall broadly into the following eight areas as summarized below. It is worth noting that a number of the studies commissioned under the Governance and Fragility theme speak to more than one of these areas. Simply to avoid repetition, studies are generally here only listed once, under the most central thematic topic. In this position paper, however, particular studies may also be discussed under other sections.

Conceptualization and Measurement: Several studies were prepared on the conceptualization and measurement of governance (**Gisselquist 2012a; 2013c**). The collaborative project on *Experimental and Non-experimental Methods in the Study of Government Performance: Contributions and Limits* speaks to the measurement of success and failure as discussed above (**Baldwin and Bhavnani R. 2013; Barrientos and Villa 2013; Bratton 2013; Dehejia 2013; Gisselquist and Niño-Zarazúa 2013b; Martel Garcia and Wantchekon 2013; Gisselquist et al. forthcoming; Humphreys forthcoming**). Several other background studies address the use of case study and comparative methods in the analysis of governance and fragility (**Woolcock 2013; Gisselquist forthcoming 2014**).

Building State Capability: A group of papers were prepared on this topic under the project on *Building State Capability through Problem-Driven Iterative Adaptation* (**Andrews et al. 2012b; Pritchett et al. 2012a; Pritchett et al. 2012b; Andrews 2013a; Andrews 2013d; b; Andrews and Bategeka 2013; de Weijer 2013; Larson 2013; Larson et al. 2013; Woolcock 2013; Pritchett 2014; Andrews forthcoming; Woolcock forthcoming**). The collaborative project on *Aid and Institution-Building: Lessons from Comparative Cases* also addresses this topic, through the comparative analysis of experiences in this area from the Second World War to the present (**Abegaz 2013; Buss 2013; Gray 2013; Howard 2013; Khan 2013; Kim 2013; Monten 2013; Pérez Niño and Le Billon 2013; Sotiropoulos 2013; Stroschein 2013; Fuady 2014; Menkhaus 2014; Onoma 2014; Cruz forthcoming; Curtis forthcoming**). A relevant DIIS report addresses capacity development of central state institutions in fragile states (**Petersen and Engberg-Petersen 2013**).

Legitimate Politics: A group of papers on democracy assistance in SSA were commissioned under the collaborative project on *Foreign Aid and Democracy in Africa* (**Dietrich and Wright 2012; Gazibo 2012; Gyimah-Boadi and Yakah 2012; Manning and Malbrough 2012; Rakner 2012; Resnick 2012a; b; Tripp 2012; van de Walle 2012; Resnick and Van de Walle 2013**). Several papers were also commissioned on aid and democracy support in North Africa (**Burnell 2011; Harrigan 2011**). As part of the collection on *Good Aid in Hard Places: Learning from What Works in Fragile Contexts*, **Lepistö and Ojala (forthcoming)** was commissioned to address the role that an NGO has played supporting peace in Somalia.

Security: One study commissioned under the collaborative project on *Aiding Government Effectiveness in Developing Countries* provides a broad review of key findings on policing and security sector reform in African states (**Marenin 2013**). One of the studies commissioned under the collaborative project on *Good Aid in Hard Places: Learning from What Works in Fragile Contexts* addresses gender-sensitive police reform and is relevant to this PSG (**Bacon 2013**). Another study was commissioned to consolidate knowledge about food aid, with attention to conflict (**Margolies and Hoddinott 2012**). DIIS reports address multidimensional peace operations (**Andersen and Engedal Forthcoming**) and ‘whole of government’ approaches to fragile states and situations (**Stepputat and Greenwood 2013**).

Justice: One of the studies commissioned under the collaborative project on *Good Aid in Hard Places: Learning from What Works in Fragile Contexts* addresses access to justice and is relevant to this PSG (**Barendrecht et al. 2013**). Another commissioned study addresses transitional justice and aid (**Hellsten 2012**).

Economic Foundations: One of the papers included in the collection on *Aiding Government Effectiveness in Developing Countries* provides a broad summary of the literature on regulation (**Kirkpatrick 2012**). A selection of papers were commissioned to address specific gaps in the literature on aid, employment, and inclusive growth in conflict-affected areas in Liberia (**del Castillo 2012**), aid for agriculture and rural development the Global South (**Chimhowu 2013**), economic growth in Sierra Leone (**Kargbo 2012**), the political economy of green growth (**Resnick et al. 2012**), aid as a catalyst for pioneer investment (**Collier 2013**), and the organization of public spending and aid effectiveness (**Collier 2012**). A DIIS study on extractive natural resource development also speaks to this theme (**Buur et al. 2013**).

Revenues and Services: Several of the papers included in the collection on *Aiding Government Effectiveness in Developing Countries* address topics relevant to this theme (**Repucci 2012; Dickovick 2013; Finkel 2013; Fjeldstad 2013; Gisselquist and Resnick 2013**), as do many of the studies commissioned on aid project and programme in the collaborative project on *Good Aid in Hard Places: Learning from What Works in Fragile Contexts* (**Al-Iryani et al. 2013; Beath et al. 2013; Rosser and Bremner 2013; Williams and Cummings 2013; Rashidi et al. forthcoming; Tavakoli et al. forthcoming**). Issues of building capability for accountable and fair service delivery are further highlighted in the collaborative project on *Decentralization and Urban Service Delivery: Implications for Foreign Aid* (**Cameron 2012; Lambright 2012; Mitullah 2012; Stren 2012**). Several other papers were commissioned to address specific gaps in the literature, including urban poverty reduction (**Banks 2011**) and additional issues in decentralization in a key case, Uganda (**Green 2013**). Finally, several papers were commissioned in relation to revenues and taxation, on fiscal composition and aid effectiveness (**Mosley 2012**), government fiscal behaviour (**Morrissey 2012a**), and revenue mobilization in aid-dependent countries (**Addison and Levin forthcoming**). Related DIIS reports consider education programmes for young people in fragile situations (**Petersen 2013**), local actors and service delivery in fragile situations (**Albrecht 2013**), social

protection in fragile situations (**Kjertum forthcoming**), and social accountability mechanisms and access to public service delivery in rural Africa (**Friis-Hansen and Ravnkilde 2013**).

Global Governance and Aid: Studies were commissioned to consolidate knowledge on international co-ordination and aid effectiveness (**Bigsten and Tengstam 2012**), aid modalities and delivery mechanisms (**Clarke 2011; Leiderer 2012**), aid effectiveness (**Manning 2012**), innovation at the World Bank (**Grawe 2013**), the European Investment Bank (**Griffith-Jones and Tyson 2013**), investment in statistics (**Round 2012**), and aid in the 21st century (**Heller 2011**). Relevant DIIS reports how donors can support the role of diaspora groups in development in fragile states (**Kleist and Vammen 2012**), and ‘pragmatic aid management’ in fragile situations (**Bourgouin and Engberg-Pedersen 2013**).

4 Key areas and means of intervention

This section addresses the main areas of aid intervention under the theme of governance and fragility. It begins with discussion of Building State Capability and then turns to each of the PSGs in turn—Legitimate Politics, Security, Justice, Economic Foundations, and Revenues and Services.

4.1 Building state capability

Our work in this area builds directly on the project on *Building State Capability through Problem Driven Adaptation (PDIA)* developed by Matt Andrews, Lant Pritchett, and Michael Woolcock. As Appendix 1 and 2 illustrate, this work has already received considerable attention within development circles.⁹

As discussed in Section 3, Building State Capability is in our view a key goal in the area of aid, governance, and fragility that is related to—but extends beyond—the five PSGs. If the goal of international development assistance is to make itself obsolete—i.e., to support countries in developing domestic capacity to address domestic challenges—the building of state capability is essential. Indeed, the ‘central message’ of the 2011 *World Development Report* is ‘that strengthening legitimate institutions and governance to provide citizen security, justice, and jobs is crucial to break cycles of violence’ (World Bank 2011: 2). The PSGs reviewed below address only components of this—legitimate politics, security, justice, jobs and economic foundations. Here we focus more broadly on the capability of the state, of public institutions.

Although there is a large literature on state weakness and the causes and correlates of fragility and failure, we find that the literature is relatively less developed with respect to empirical and theoretical analysis of the opposite process—i.e., precise mapping and theorizing of the factors that contribute to institution-building or ‘success’, with particular attention to the role of international actors. Capacity building has constituted an important issue for many years in development co-operation, but it is especially important in fragile contexts. Although a lot has been written about capacity building, only a few attempts have been made to synthesise across contexts what works, and there is little thorough empirical evidence to document, at a practical level, what may work in fragile situations (Brinkerhoff 2007; Capacity.org 2007; Brinkerhoff 2010; UNDP 2012).

Thus, this remains one area of research on fragility in which there are major knowledge gaps. UNU-WIDER’s commissioned research in this area includes two collaborate projects: As noted above, the first, *Building State Capability through Problem Driven Iterative Adaptation (PDIA)*, addresses in particular the question ‘what could work?’, offering PDIA as a broad answer. The second collaborative project, *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases*, focuses on the question ‘what has worked’, through comparative analysis of major cases of aid-supported state-building from the Second World War to the present. Each is described in more depth below.

DIIS's background report, 'Capacity Development of Central State Institutions in Fragile Situations' (Petersen and Engberg-Pedersen 2013) also synthesizes research findings in this area. Analysis draws on five cases with relatively successful outcomes in Afghanistan, Rwanda, Sierra Leone, Liberia, and South Sudan. These cases show that interventions tend to succeed if they *fit well* the given situation and context (donor, sector, conflict etc.). This does not imply conforming to the context. In some cases the initiative, which seems to fit the context, may be one that finds a window of opportunity to confront specific malfunctions. Several issues appear as vital for change to happen: First, there has to be strong motivation for capacity development to occur. Second, people are central to institutional change and there is a need to pay close attention to both internal and external staff. Third, working with the external relations and environment of an institution may lead to a push for institutional change. Finally, there is a need to balance change in formal systems and procedures with alteration of internal hierarchies and power relations.

4.1.1 Building state capability through Problem Driven Iterative Adaptation (PDIA)

To help explain what has worked and what is not working in development, Andrews, Pritchett, Woolcock, and colleagues in this project focus on building state capability for implementation with an analytical classification of the intensity of implementation capability.

What works?

There have been enormous successes in the developing world over recent decades.

First, notable progress in aspects of human development, particular expansion of enrollment in school and in the control of infectious diseases has taken place. As documented in annual Human Development Reports (HDR), and in particular the 20 year retrospective of HDRs in 2011 (UNDP 2011), the Human Development Index (HDI) components measuring progress in schooling and health have shown massive, near universal, and converging progress. Gains in enrollment and in child mortality have been large in most developing countries. These gains are perhaps not quite enough to reach the MDGs in all countries, however reaching the ambitious MDGs in most and substantial progress towards those goals in the rest are probable. This progress has been remarkably uniform across countries. For instance, gains in completed years of schooling have been almost exactly the same in high growth and low growth countries, democracies and non-democracies, as well as corrupt and non-corrupt countries.

Second, substantial success has been reached in the adoption of two types of 'implementation light' policies.

One type of 'implementation light' policy are those that can be made and implemented by a relatively small number of (mostly) elite policy makers. A

key example here is the reduction of rapid and chronic inflation through the advent of better Central Bank policy making. Compared to the 1970s and 1980s there are now almost no countries facing either medium (above 20 per cent) or high (above 50 per cent) inflation.

A second type are the ‘implementation capacity reducing’ policy reforms. Many liberalizing reforms—such as the elimination of foreign exchange rationing or granting of import licenses—actually reduce the need for complex and administratively difficult implementation of those regulations. While the uniformity of the positive impact of such implementation capability reducing reforms can be debated, there certainly are success cases of generally market oriented reforms (e.g. China, India, and Vietnam) and they have been widely adopted.

Our research therefore begins by distinguishing between five types of tasks: *policy formulation (or concentrated services)*, *logistics*, *implementation intensive service delivery*, *implementation intensive imposition of obligations*, and *wicked hard or complex* (not just complicated). These are not distinctions that apply to ‘sectors’ as most sectors or sub-sectors include elements of each. Examples of such tasks can include for instance primary education and primary health care, as illustrated below.

- Primary education requires the articulation of standards and curriculum (*policy formulation*), the construction of schools (*logistics*), and classroom teaching (*implementation intensive service delivery*).
- Primary health care involves providing promotive services like vaccinations (*logistics*), regulation of drugs (*policy formulation*), ambulatory curative care and referral at first point of contact (*implementation intensive service delivery*) and the promotion of the adoption of health improving practices, such as total sanitation campaigns (*complex*).

However, even within the same function, like titling of land, there are cases in which property rights are already well defined, conceptualized consistent with fee-simple title, and uncontested in which case titling is largely *logistical* and hence can proceed very rapidly. But other cases of titling, such as urban areas or forest areas in which existing property claims are conceptually complex (e.g. allocation of usufruct) and contested (e.g. informal settlements) the implementation issues are *complex*.

What has generally worked well in development is logistics, implementation-light or reducing policy formulation, and (to varying degrees) concentrated services. However, tasks requiring implementation intensity have worked less well.

India, a large complex and sprawling continent size country, illustrates these differences well. India’s elite institutions—e.g. the Reserve Bank of India, the Supreme Court, the Indian Institutes of Technology (IITs)—are world-class. India sent a space ship to the moon. Similarly purely logistical tasks, like carrying out free and fair elections, are performed well.

But, as Pritchett (2009) argues India is also in many ways a ‘flailing state’ in that the success at the elite level does not translate into even minimally adequate performance on implementation intensive functions. While the IITs are world-class the two states of India which participated in an international assessment of secondary school students found that they were very near the global *worst* (Pritchett 2014). Examination of ambulatory curative care finds that public sector doctors do not meet a ‘do no harm’ standard of care. While the Supreme Court performs well, the police forces are widely regarded as both corrupt and brutal.

What doesn’t work

The first part of the building state capability agenda has been to demonstrate what has worked but also show the dangers of over-extrapolating organizational approaches that work well for policy formulation and logistics to tasks that require greater implementation complexity.

In our research paper ‘Looking Like a State’ (Pritchett et al. 2012b; 2013) we show two things:

First, we establish that many countries appear to be caught in ‘capability traps’—situations in which the evolution of state capability for policy implementation is either in retrogress or making very slow progress. No matter which measures of state capability are used (whether these are perceptions of ‘rule of law’ or measures of failed states or of implementation capability) there are two striking empirical features.

One, many countries are still, 50 or 60 years after political independence, at very low levels of capability. We demonstrate this by comparing countries on scale that spans the range from no state capability (Somalia) to the highest level (Singapore). We show that many countries are still much nearer to Somalia than Singapore in their measured capability, even after decades and decades of attempts to building capability. Table 7 for instance, shows the number of years that we estimate it would take countries to reach Singapore’s current level of state capacity, based on their estimated rate of progress since independence.

TABLE 7
Estimated years to Singapore's state capability

Countries	KKM government effectiveness	Bertelsmann transformation index: resource efficiency	Failed state index: progressive deterioration of public services	Average of the three
Average bottom 15 countries in the average of the three indicators	325	488	1204	672
Average of the countries ranked 15th to 30th	140	181	305	209
Selected countries				
Afghanistan	834	1501	1931	1,422
Pakistan	112	104	153	123
Nepal	159	170	201	177
Haiti	640	583	4080	1,768
Bolivia	357	364	513	411
Nicaragua	384	183	510	359
Cambodia	108	193	176	159
Myanmar	302	750	500	517
Nigeria	111	82	400	198
Côte d'Ivoire	168	600	164	311
Sierra Leone	124	134	282	180

Source: (Pritchett et al. 2012b).

Two, we show that when measures that have some comparability over time are used, there is very little measured progress. The average rate of progress in measures of state capability such as 'control of corruption' or 'bureaucratic quality' is either zero or slightly negative.

We call this situation of low and/or stagnating/falling capability of the state a 'capability trap'.

The second part of 'Looking Like a State' examines why the standard model of building capability, which we characterize as 'accelerated modernization through transplantation of best practice' has only succeeded in logistical tasks. We examine the 'techniques of successful failure'—that is, the organizational techniques that allow for low and stagnating capability while maintaining

organizational survival (and even legitimacy). We address the question of how corrupt and brutal police forces, low learning schooling systems as well as ineffective and corrupt public procurement systems can be an ‘equilibrium’ of organizational, social, and political dynamic.

The first technique of ‘successful failure’ is *isomorphic mimicry*. This is a concept long utilized by sociologists of organization, borrowed from evolutionary biology. The notion is that in environments in which organizational functional performance is hard to measure a technique for survival and legitimacy is to adopt the forms and appearances of other successful organizations. To illustrate this in practice we draw an example from police forces. While functional police forces have uniforms the adoption of uniforms does not transform a dysfunctional police force into an effective and law-abiding group, it merely makes them look like a police force as a type of isomorphic camouflage.

Andrews (2013c) gives many examples of the use of isomorphism in public financial management (PFM). In the area of budgeting and in anti-corruption there are ratings of countries’ adoption of various practices. He shows two features that these encouragements to isomorphic mimicry produce.

One, isomorphic mimicry produces adoption of policies that look good yet are not enforced and hence a gap between the *de jure* and reality exists. For instance, Uganda has the top anti-corruption laws in the world—topping Norway. However, the gap between law and enforcement is the largest for any country in the world and by most measures of the actual functional control of corruption Uganda is, at best, average.

Two, **Andrews (2013c)** shows that countries are much more likely to adopt PFM practices at the higher levels (like budgeting) than where the ‘rubber meets the road’ as in e.g. procurement. This leads to countries being lauded by international rankings on their progress when in reality little or nothing has changed.

Global pressures from the external community that can be accommodated with superficial changes can lead to deflection of the internal organizational and external accountability mechanisms that produce real changes in practice.

The second technique of ‘successful failure’ is *premature load bearing*. This is the unfortunately common practice of producing plans for improvements of organizational capability that expect too much too soon. This then produces pressures which can cause the organization to buckle under the pressure. A analogy is the construction of a very temporary bridge meant to hold only very light weights which is then immediately subjected to heavy trucks—the weight of the trucks placed on an incomplete bridge can cause the entirety to collapse, requiring the construction to start from scratch.

Two of the Building State Capability papers illustrate the presence and dangers of *premature load bearing* in fragile states.

de Weijer (2013) explores the efforts of state building in Afghanistan based in part on her decade of engagement there. She shows that while there were some successes, these were often achieved in ways that created massive recurrent cost obligations, far beyond the fiscal capability of the Afghan state. The use of off-budget NGOs to provide services was a successful short-run strategy but at times was at the expense of outsourcing capability and creating cost structures that are far beyond the resources that can be feasibly expected from Afghanistan's own sources. This implies that when donors begin drastic reductions in budget support to Afghanistan (as is likely to happen sometime in the next few years) there is substantial risk that the state's current capability will disappear.

A case study by **Larson (2013)** examines the occurrence of state capability building during the interim period of the Comprehensive Peace Agreement (CPA) before the full independence of South Sudan (**Larson et al. 2013**). The paper explores the tensions between the Paris Declaration principles and the reality in Juba. The paper compares the five Paris Declaration goals of ownership, alignment, harmonization, results and mutual accountability to the reality on the ground.

A particular illustrative episode was the preparation of the South Sudan Development Plan. While the preparation was nominally 'country led' in practice the production of the chapters was allocated among external agencies. Rather than being tailored to existing (or feasible) capacity this led to a plan that was wildly overambitious, with literally hundreds of five-year goals.

What does not work is either ignoring implementation and adopting policies that do not change realities on the ground or treating all implementation problems as *logistics*. Attempts to build state capability through the transplantation of form without focus on function that produces *isomorphic mimicry* and setting of overambitious targets for across the board 'reforms' has led to *premature load bearing*. The combination of these two, often of course in situations in which organizations face uphill struggles politically and hence need to resist pressures for patronage and favouritism, can produce capability traps.

What could work?

Our approach, articulated in 'Escaping Capability Traps' (**Andrews et al. 2012b**) suggests that rather than the 'institutions build success'-model we think that 'success builds institutions'. As the former promotes the notion that the transplantation of institutions like a 'meritocratic civil service' will, in and of themselves, lead to success in implementation. Whereas in the latter organizations with capability and performance orientation are the *result* of consolidating and codifying into organizational policy practices that have emerged and proven successful in delivering results.

We call this approach Problem Driven Iterative Adaption (PDIA), a set of principles derived from examining successes and failures, not a particular set of techniques. Based on these principles, approaches should:

- Be problem driven
- Authorize positive deviation into the design space
- Iterate and adapt using experiential learning
- Scale through diffusion

Our research articulates these four principles by providing evidence and examples.

Problem Driven. The key distinction here is between ‘problem driven’ action, which focuses on a particular performance indicator and ‘solution driven’ action in which reforms are implemented through pre-formed and known solutions. Although this may sound obvious, much of the external community pushes solutions.

One way of being ‘solution driven’ is by focusing on inputs with the presumption that expanding inputs sufficiently will produce the desired outcomes. For instance, many projects and programmes in schooling are driven by creating management information systems that track inputs and then expanding inputs. A ‘problem driven’ approach would focus instead on specific learning competencies that students lack and how to improve those.

Another type of a ‘solution driven’ action is to start with international ‘best practices’ (as for example, codified in a list like the Doing Business indicators) and then drive reforms that are targeted at changing the *indicator*, whether or not this altered the underlying reality.

In ‘Explaining Positive Deviance in Public Sector Reforms in Development’ (**Andrews 2013a**) contrasts two overall narratives or ‘theories of change’ one is ‘Solution and Leader Driven Change’ (SLDC) and PDIA. Andrews uses 30 case studies of success, which are broken down into four hypotheses:

- ‘What motivates reform?’ (solution vs. problem);
- ‘How do reforms get implemented?’ (as planned vs. tinkering);
- ‘Who leads the reform process?’ (single leader vs. multi-agent network);
- ‘What do the results look like?’ (‘best practice’ vs. mix of sources).

He finds that across all four hypotheses the 30 case studies contain many more experiences that resemble PDIA than SLDC. For instance in only 2 of the 30 successes did the final outcome resemble international best practice whereas in 28 of the cases the solution reached resembled a mix of local and other ideas. Similarly, of the 30 cases of success 19 were strongly motivated by a problem whereas only 6 were strongly motivated by the implementation of a known solution (and 5 were not motivated by either).

In ‘How do governments become great’ **Andrews (2013b)** uses these same theories to analyse how and why some governments have succeeded in achieving greatness and long-lasting progress. Table 8 compares SLDC versus PDIA explanations of why good governments become great.

Two competing explanations of how governments become great

TABLE 8
SLDC versus PDIA explanations of why good governments become great

Key question	Solution- and leader-driven change (SLDC)	Problem-driven iterative adaptation (PDIA)
What changes help governments achieve greatness?	Solutions, in the form of the 'right' policies needed for development	New interaction, around locally defined problems
Who leads these interventions or changes, and how?	Influential, authorized top-down leaders	Groups of distributed agents, all providing specific functional contributions
When do the interventions occur, and why?	In times of crisis, when there are more opportunities for change	Emerge gradually, as agents ready the context for change (drawing focus on problems, introducing alternatives, building support for change)
How are changes sustained and implemented to ensure results?	Influential, authorized top-down leaders hold power for enough time to drive implementation	Groups find and fit solutions to context, foster implementation through diffusion and expanded engagement

Source: **Andrews (2013b: 15)**.

Examining basic education in India Pritchett (2013b) contrasts the 'solution driven' approaches embodied in the national programmes and legislation with the 'problem driven' agendas that take specific competencies like literacy as a driving force. The adoption of specific problems enables a flexible and pragmatic approach of trying different options.

Authorized positive deviation into a design space. The second key element is to create ways in which designated innovators can craft approaches to specific problems. This 'authorization' is creating a political and administrative space for approaches that give designated innovators more autonomy and less process control. At least some explicit authorization is necessary as otherwise innovations—and even functional successful innovations—can be undermined as not being 'compliant' or not following 'best practice.' Organizations are often leery of allowing deviation from process controls' design to prevent abuse but this often creates conditions in which responsiveness to real problems is prevented.

The *design space* is a description of the possibilities of the multiple ways of tackling a problem and the many design elements present in the construction of a given policy. We emphasize the design space to clarify that a policy like a conditional cash transfer, a procurement reform or teaching training is not a fixed 'thing' but rather a designed artifact. Therefore, any given solution is a

particular instance of a class that can be tailored to circumstances. In **Pritchett et al. (2012a)** we use the example of a conditional cash transfer (CCT) a common policy adapted in many countries. In the design of a CCT, there are dozens of choices each with many possibilities. So a CCT must choose whom to target, the targeting criteria, the magnitude of the transfer, the conditions, etc.

Iterate and Adapt using Experiential Learning. The importance of starting with a concrete problem and authorizing deviation into a design space is that the process can use information to ‘muddle through’ towards practices that work. In ‘It’s all about MeE’, **Pritchett et al. (2012a)** articulate an approach to organizational learning that combines Monitoring (M), Impact Evaluation (E) and experiential learning (e).

The idea is to integrate implementation cycles with learning feedback loops. Often in practice monitoring data is routinely generated by organizations but is commonly focused exclusively on process compliance and tracking of inputs (e.g. financial utilization) and disconnected from any output (or outcome) measures. Since the monitoring data does not often contain the performance information of interest to project/programme managers this data is produced strictly for fiduciary compliance. This means that the data is not a priority and is out of date and of poor quality.

The idea of *experiential learning* is to construct monitoring data that tracks not just input and process data but also intermediate inputs and outputs. This allows at low cost much higher frequency measurement (since the incremental cost is low). This data allows variations in design space approaches to be experimented with using within project/programme variation to examine their efficacy. This can be linked into the routine management decision-making loops so that variations in intermediate inputs and outputs can be used in decision-making.

This can make all of those involved in the problem solving process engaged in the learning about ‘what works’ rather than only a few.

Scaling through diffusion. The PDIA approach assumes that organizations build capability through discovering solutions to concrete problems. This process of defining problems and searching for solutions itself creates the dynamic of diffusion of these practices across the organization.

This is a very different notion of ‘scaling’ from the idea that a solution is ‘discovered’ and the decision of the organization is to simply adopt and implement. As we pointed out that approach to scaling fits very well to *logistics* but not at all to *implementation intensive* problems, which are those that developing countries increasingly face as the logistical problems are solved.

What is transferrable?

The PDIA is a set of principles that can be adopted into a wide range of situations. Rather than attempting to transfer a particular solution it ‘transfers’

approaches and techniques that can be applied to a variety of country and sector contexts, with particular relevance to fragile states (**Woolcock forthcoming**). For instance, **Larson et al. (2013)** explore how the PDIA approach could be used in a fragile state like South Sudan as a mode of engagement to resist the pressures for mimicry and overambitious goals. **Woolcock (2013)** explores a PDIA approach to dispute resolution as an alternative to a justice approach utilizing only formal legal mechanisms. **Andrews (2013c)** explores the use of PDIA in PFM. Using Uganda as a case study, **Andrews and Bategeka (2013)** illustrate how implementing PDIA to existing structures and policies they could be utilized sufficiently, while **Andrews (forthcoming)** considers the application of PDIA in Mozambique.

4.1.2 Aid and institution-building in fragile states

Why and how some states transition successfully from ‘fragile’ to ‘resilient’ or more ‘robust’—and some do not—are major questions for both scholars and practitioners. UNU-WIDER’s collaborative project on *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases*, draws on rigorous comparative analysis to address these questions. It focuses on two main objectives and two gaps in the literature. First, it seeks to explain success and failure in the transition from fragile to more robust state, with particular attention to the role of foreign assistance. Related literatures do not fully address this topic: As reviewed above, the literature on fragility and state failure, for instance, does not fully explain how some states manage to escape fragility traps, focusing largely instead on the causes and risks of fragility and failure. Research on post-conflict reconstruction does not focus on processes of state-building that take years or even decades, highlighting instead the immediate post-conflict period (see, e.g., Rondinelli and Montgomery 2005; Brinkerhoff 2010). Work on democratic transition and consolidation also is relevant but does not address institution-building in its broad sense, concentrating instead on democratic institutions. This represents an empirical gap.

Second, this project uses the tools of comparative analysis to develop and examine hypotheses. Comparative analyses have several advantages: In particular, compared to ‘large-n’ quantitative analysis, they are better able to trace causal processes with greater descriptive depth (Brady and Collier 2004). Compared to single case studies, they allow for more control of relevant variables and greater traction on hypothesis testing (Slater and Ziblatt 2013). The comparative method is a standard approach in political science and the social sciences more generally, but it has been rarely used in research on fragility, which has relied largely on single case studies, disparate examples, and cross-national quantitative analyses (see Gisselquist forthcoming 2014). This represents a methodological lacuna.

The comparative cases included in this collection cover major examples of aid-supported state-building from the Second World War to the present, as briefly outlined in Box 7. Contributors comprise an international team of political scientists, economists, sociologists, and development scholars, each with strong

area expertise. While a number of these cases in this collection have been explored in previous studies, the use of the comparative method in re-examining them contributes new rigour to findings on the role of aid in state-building. Each comparative study also considers a common set of factors, facilitating development of collective findings: (1) the characteristics of foreign assistance, including the amount of aid, its timing and duration, major donors, aid modalities and channels, and sectors targeted; (2) local context (what specific aspects most influenced the success of international assistance?); and (3) the relative importance of foreign assistance in explaining outcomes, in comparison to specific aspects of local context or other factors (Gisselquist 2013b).

Box 7: Aid and state-building: comparative cases from the Second World War to the present

International aid to southern Europe in the early post-war period: The cases of Greece and Italy (Sotiropoulos 2013): A number of studies have focused on the lessons for contemporary state-builders of post-Second World War aid to Germany and Japan. More relevant are the experiences of the (more fragile) southern European states. Adopting a historical institutionalist approach, this paper explains differences in post-war economic, political, and administrative development in Greece and Italy.

Aid and state transition in Ghana and South Korea (Kim 2013): Several studies have noted that income in Ghana and Korea were comparable in 1957, but diverged significantly by the 1980s. This paper contrasts the ability of Korea's developmental state to utilize foreign aid with the challenges posed by Ghana's weaker institutions.

Aid and development in Taiwan, South Korea, and South Vietnam (Gray 2013): The development and aid successes of the Asian Tigers in the 1950s-1970s have been well studied, yet little work has explored the failure of the state-building project in another Asian rim country, South Vietnam, during the same period. This paper explains the influence of historical and geopolitical factors on these divergent outcomes.

Aid in an Oil-Rich State: Indonesia (late 1960s to present), with Comparison to Nigeria (Fuady 2014): Despite similar socio-economic and political characteristics, Indonesia is considered an example of aid success, sometimes contrasted with Nigeria. Focusing on two critical junctures in each country's history, this paper shows how domestic responses to political and economic crises influenced each country's ability to finance development.

Aid and governance in vulnerable states: Bangladesh and Pakistan since 1971 (Khan 2013): When these two countries divided in 1971, Bangladesh's prospects seemed much poorer than Pakistan's, yet today the situations have arguably reversed. Key differences in local context and the type of aid received by each country explain these divergent trajectories.

Central American Trajectories: El Salvador, Nicaragua, Guatemala, and Honduras (Cruz forthcoming): Although the end of armed conflicts in Central America in the 1990s brought about democratic transition, significant problems of rule of law continued. Using comparative historical analysis, this paper explains divergent experiences across Central American states focusing on differences in how foreign assistance was used to dismantle armed groups and establish mechanisms of vertical accountability in security organizations.

Foreign aid, resource rents and institution-building in Mozambique and Angola (Pérez Niño and Le Billon 2013): Mozambique, frequently cited as a post-conflict success story, is often contrasted with Angola. This paper critically reassesses these two cases, challenging conventional wisdom. It shows how large aid flows in Mozambique have discouraged the creation of financial structures capable of capturing natural resource rents, while weak aid flows in Angola have encouraged elites to socialize massive oil rents.

State-building through 'Neo-trusteeship': Kosovo and East Timor (1999-present) in Comparative Perspective (Howard 2013): Scholars of post-conflict state-building have argued that neo-trusteeship and lengthy interventions are two strategies by which external organizations might better build fragile states. This paper tests these two hypotheses in a paired comparison. It shows how, given similarities and differences, we would expect East Timor to fare worse than Kosovo, but that is not the case, raising key challenges to existing theory.

Consociational settlements and reconstruction: Bosnia in comparative perspective, 1995-present (Stroschein 2013): Consociationalism offers the clearest model for governance in ethnically-divided societies and underlies a number of post-ethnic conflict peace agreements. This paper focuses on the application of this approach in a key case, Bosnia, considering its experience comparatively against several others. Building on theories of identity politics, it argues that consociational institutions are an initial blessing for peace, but a curse for long-term stability.

Aid and Institution-Building across Somalia's Regions (Menkhaus 2014): Somalia is widely considered a state-building failure, yet there is also considerable variation in state strength across its regions. This paper studies seven Somali contexts, within and outside the country's formal borders, using these cases to test five core hypotheses about the factors that influence institution-building.

Foreign aid and the failure of state building in Haiti under the Duvaliers, Aristide, Préval, and Martelly (Buss 2013): Despite considerable foreign aid, Haiti is the poorest and the most fragile state in the Western Hemisphere. This paper analyses several distinct stages in governance and foreign aid to tease out the causes of this state-building failure.

Explaining Divergent Trajectories: Rwanda and Burundi (Curtis forthcoming): Burundi and Rwanda have similar ethnic divisions and histories, yet different post-conflict trajectories. This paper explores why donors have had more leverage in Burundi than Rwanda, highlighting the role of post-conflict ruling parties in structuring donor-government relationships.

Understanding Post-conflict Security Sector Reforms in Sierra Leone and Liberia: A Transition Regime Approach (Onoma 2014): Why has Sierra Leone been more successful in the reform of its armed forces than Liberia has after the end of the Mano River Basin wars? This paper argues that the diverging outcomes are explained by the extent to which post-conflict regimes reflected the distribution of power on the ground in the two countries.

Aid, Accountability, and Institution-building in Ethiopia: A Comparative Analysis of Donor Practice (Abegaz 2013): Ethiopia is among the largest African beneficiaries of aid and a key case for debates on aid and good governance. This paper analyses strategies of two bilateral donors (US and UK) and two multilateral banks (World Bank and African Development Bank) to test two hypotheses about the ability of donors to influence democratic institution-building.

Intervention, aid, and institution-building in Iraq and Afghanistan: A review and critique of comparative lessons (Monten 2013): Despite their differences, Iraq and Afghanistan are often considered together in analyses of state-building. Examining the literature on these two cases in broader comparative perspective, this paper argues that there are substantial barriers to externally-led state-building, even when substantial international resources are invested.

Source: (Gisselquist 2013a).

Each paper develops a unique explanation given the particular cases under examination. Several emphasize the historical nature and strength of the state (e.g., Gray 2013; Kim 2013; Sotiropoulos 2013), others focus on the interplay between aid, the distribution of domestic power, and the structure of the economy (e.g., Khan 2013; Pérez Niño and Le Billon 2013), while another set of papers highlight the incentives to political elites created by specific institutional arrangements (e.g., Howard 2013; Stroschein 2013). A number of collective findings are also emerging from the cases with respect to the common set of factors examined and other points (Gisselquist 2013b). For one, it is clear that the amount of assistance does not determine success. During 1996-2000, Bosnia for example received about US\$1,400 per person, making it the recipient of the most aid per capita since the Marshall Plan, but it remains fragile (Stroschein 2013). Bangladesh and Pakistan both received about US\$50 billion in aid in nominal terms since 1971, but Pakistan has become more fragile, while Bangladesh has become more ‘robust’ in many ways (Khan 2013).

Another key point that emerges from the cases collectively is that all fragile states are not created equal, with clear implications for aid and institution-building: in particular, periods of fragility due to war in historically strong or consolidated states (e.g., post-Second World War Europe, Japan, South Korea) are qualitatively different to fragility in chronically weaker states (e.g., Afghanistan, Haiti, Somalia, Liberia, Sierra Leone). Thus, ‘what works’ in the former, will not necessarily be transferable to the latter. This underscores the importance for donors of considering policy in fragile situations by ‘type’ (see also World Bank 2011).

4.2 Legitimate politics

The goal of ‘Legitimate Politics’ highlights with respect to fragile and conflict-affected states the fostering of inclusive political settlements and conflict resolution. As discussed in Section 3.4, we focus here on two key sub-topics: (1) democracy assistance, including electoral assistance, political party assistance, and promoting effective legislatures and (2) what works in donor approaches to human rights

4.2.1 Democracy assistance

Democracy assistance, which aims to enhance political liberalization or strengthen democracy, represents only one of many tools for democracy *promotion*.¹⁰ Although democracy assistance has a long history, its visibility increased during the early 1990s when much of the developing world was experiencing significant political openings. Many cross-country studies examining the impact of democracy assistance on democracy offer encouraging findings (Finkel et al. 2007; Kalyvitis and Vlachaki 2009b; Scott and Steele 2011). Nevertheless, there remain some key challenges facing the democracy assistance field.

First, there is very little harmonization of donor initiatives, leading to what Bunce and Wolchik (2011) term a “scattergun” approach to supporting democratic change’. This lack of coherence sometimes reflects different normative approaches by donors. Carothers (2009b) highlights that while many European donors often integrate their democracy assistance into their broader development programmes, the United States views democracy assistance as part of its geostrategic and diplomatic strategy.

Second, there is no consensus regarding how much the trappings of democracy can be successfully exported and how much they need to be based on home-grown, grassroots initiative (see Carothers 1999). This can dictate the portfolio of donor investments, causing some to emphasize civil society and decentralization while others focus on top-down institutions, including judiciaries, legislatures, and parties.

A third and related point deals with how much templates of democracy assistance used in one country can be easily transferred to another. Indeed, democracy promoters must be not only cognizant of differences in democratic progress across countries but also take into account other socioeconomic and demographic factors that collectively interact to influence a country’s democratic trajectory.

Lessons learned about how to address these and other challenges can be explored by disaggregating democracy aid into its some of its major sub-components, including electoral assistance, political party assistance, and the strengthening of legislatures, as reviewed in the rest of this section. Many of these issues are considered in more depth in the UNU-WIDER collaborative project on *Foreign Aid and Democracy in Africa* (**Resnick and Van de Walle 2013**). A summary of core findings from this project are reviewed in Box 8, which is abridged with minor revisions from Resnick (2013a). UNU-WIDER background studies by **Burnell (2011)** and **Harrigan (2011)** further consider many of these issues with respect to North Africa and the Arab Spring in particular.

Box 8: Democratic trajectories in Africa: unravelling the impact of foreign aid (Resnick 2013a)

The relationship between aid and democracy is especially relevant in Africa due to the region's still high level of aid dependence and its relatively short experience with democracy. Although a large number of studies exist on the aid-democracy relationship, this project examines the disparate effects and trade-offs of both democracy and economic development aid. Moreover, democracy is conceptualized as a multi-faceted process that includes both transitions to multi-party elections as well as the long-term consolidation of democratic gains. Examples are drawn from fieldwork conducted in seven African countries, including Benin (**Gazibo 2012**), Ghana (**Gyimah-Boadi and Yakah 2012**), Malawi (**Resnick 2012b**), Mali (**van de Walle 2012**), Mozambique (**Manning and Malbrough 2012**), Tanzania (**Tripp 2012**), and Zambia (**Rakner 2012**).

The impact of aid

Democratic transitions

Development, rather than democracy aid, has played a stronger role in facilitating democratic transitions through at least two channels. One channel, observed often in the 1990s, has been direct coercion whereby donors withhold aid in response to severe human rights abuses and military coups. These actions were most effective in promoting democratic change in countries where governments lacked alternative sources of resources and faced concurrent domestic demands for political liberalization. For instance, high levels of aid dependence increased the leverage of the donor community in their efforts to convince Malawi's President, Hastings Banda, to allow a referendum on multi-party democracy in 1993. A second, more indirect channel, observed in Benin and Zambia, was the imposition of structural adjustment programmes that resulted in citizen protests high costs of living and concurrent demands for greater political liberalization.

Avoiding democratic breakdown and erosion

Countries that have recently transitioned to democracy are particularly vulnerable to the breakdown of multi-party politics and the gradual loss of democratic gains. In theory, development aid can help target key areas of contention that have the potential to contribute to breakdown. For example, the causes of Mali's breakdown in 2012, including Tuareg grievances as well as gaping socioeconomic and linguistic inequalities between the capital of Bamako and the rest of the country, were long-standing problems. Donors could have done much more *ex ante* to address these structural impediments and to alter long-standing patterns that undermined political stability and national unity.

In some key instances, however, donors have used development aid to avoid democratic erosion. In Mozambique, a majority of the budget support donors withheld aid from mid-2009 to early 2010 to protest violations in the 2009 elections as well as a perceived increase in government corruption. The donors put forth ten demands before resuming budget support, and the Mozambican government eventually conceded to most of the donors' concerns.

Nevertheless, very real divisions exist within the donor community about how much leverage they should use to prevent democratic erosion. Electoral violations, economic mismanagement, and corruption appear to be the main tipping points for encouraging greater donor co-ordination. In Malawi, misuse of government money and resistance to currency devaluation ultimately prompted a widespread suspension of budget support in late 2011. In Benin, donors have cited corruption as the main reason for withholding aid during Mathieu Kérékou's second term as president, and

for more recent reductions in budget support under Yayi Boni. Similarly, in Mali, donor pressure resulted in the resignation of the health minister in 2010 due to allegations of misuse of project funding.

Leverage by development donors to prevent human rights abuses, particularly for those belonging to the LGBT community, is clearly the most contentious area of intervention. Notwithstanding declarations in 2011 by some bilateral donors that respect for LGBT rights would be taken into account when determining aid allocations, donors have a mixed record in this domain. In Malawi, public complaints by donors helped with the release of a gay couple from prison in 2010 but legislation introduced in 2011 to penalize lesbian acts provoked little immediate reaction. In Ghana, donors remained silent when government ministers banned an assembly of sexual minorities in 2007. Unlike other human rights issues, such as gender violence, donor reluctance to intervene in this arena is most likely due to the level of division amongst African citizens themselves on homosexuality.

Enhancing vertical accountability

Vertical accountability refers to the ability of citizens to assess the performance of government officials and to be able to sanction or reward their performance accordingly. Democracy assistance has played a direct role in supporting vertical accountability, predominantly by supporting key aspects of the electoral process such as cleaning the voters' roll, providing civic and voter education, funding the costs of ballot papers, and monitoring elections. Nevertheless, election assistance remains primarily targeted at electoral periods rather than focused on providing long-term support between elections. This prevents the institutionalization of election administration, fomenting a dependence on temporary rather than permanent personnel who often possess little experience.

Civil society, which includes non-governmental organizations (NGOs), trade unions, social movements, and journalists, can provide accountability by educating citizens about elections and monitoring the performance of public officials. Although support to civil society represents one of the most favoured interventions by donors, there are though areas of contradiction between the democracy and development assistance communities. For instance, trade and labour unions are more likely to have grassroots ties and be more broadly representative of citizens' interests than narrow, issue-based NGOs led by professional elites. Yet, as highlighted most vividly in Benin in 2011, the demands of unions for higher wages and broader social welfare benefits can be antithetical to the macroeconomic criteria governments must follow in order to maintain donor funding, especially budget support. More broadly, by elevating government-to-government interaction, budget support can prevent civil society organizations from learning valuable information about government policy and reform issues, even as the democracy aid community attempts to improve civil society's ability to monitor such activities.

Promoting horizontal accountability

Horizontal accountability refers to the ability of institutions to monitor and sanction the actions of other state agents or agencies. Such institutions include judiciaries, legislatures, and regulatory bodies, such as anti-corruption commissions. Some notable examples of donor impact in this domain include the creation of Benin's State General Inspection office, which aims to prevent corruption and bribery in the public sector, an audit court in Mozambique to increase the transparency of public expenditures, and an anti-corruption commission in Zambia that was credited with unveiling malfeasance in that country's ministry of health.

Democracy assistance in particular has directly contributed to strengthening legislatures and certain islands of effectiveness have emerged, such as Ghana's Parliamentary Public Accounts Committee. But, the impact of democracy aid to enhance the ability of legislatures to provide horizontal accountability is limited by high rates of turnover by parliamentarians, the dominance of a particular political party in the legislature, and rules that allow MPs to simultaneously serve as cabinet ministers. The lack of long-term, co-ordinated commitments by donors is equally problematic. For instance, some democracy aid donors have partnerships with the speaker or the clerk of the national assembly while others focus on increasing the capacity of select committees.

Most troubling is that development aid in the form of budget support has further marginalized the role of parliaments and reduced executive accountability to this particular institution. By negotiating directly with ministries of finance and heads of state, budget support donors are less likely to communicate their activities to parliament, and neither executives nor donors require legislative approval of how such aid is used. Donors assume that parliaments obtain sufficient information during the budget approval process. Yet, this ignores existing weaknesses in parliamentary systems, including poor research capacities and insufficient time to review the budget before approval is required.

Creating competitive party systems

Viable and competitive political parties are essential for a functioning democracy, but political party aid is dwarfed by the amount of assistance that is allocated to civil society. Among those that do support parties, there is a difference in approaches. Major bilateral donors funnel their assistance through larger electoral assistance programmes in which party strengthening might just be one small component. Otherwise, party support is left to the party foundations and international and national NGOs, which tend to offer a longer-term engagement with parties. The Ghana Political Parties Programme, which involved collaboration by the Netherlands Institute for Multi-party Democracy (NIMD), is typical of the latter approach. Notwithstanding these different approaches, the small level of party assistance provided by the democracy aid community has proved invaluable by providing opposition parties with monetary resources, equipment, and knowledge essential for campaigning.

By contrast, development aid can indirectly and unintentionally bolster incumbents. Certain practices included the increase in expenditures for a partially donor-funded input subsidy programme around elections in Malawi and the synchronization of resources to combat malaria with the electoral cycle in Benin. These practices are most extreme in dominant party systems, such as Mozambique and Tanzania, where the opposition is already quite weak and the boundaries between state and party are increasingly blurred.

Policy recommendations: moving forward

Democracy assistance and development aid can have important synergies but, in some domains, their different objectives result in a clear contradiction of priorities on the ground. These contradictions often reflect broader uncertainty about whether economic governance, including efficient public sector management and macroeconomic stability, or political governance, including a robust multi-party democracy, should receive greater weight in determining how aid should be disbursed. The effectiveness of aid to promote democracy is also hindered by prevailing aid practices that need to be reformed.

Enhancing the effectiveness of democracy aid

Democracy aid donors require greater attention to increasing the sustainability and harmonization of their interventions. One option is to concentrate on funding concerted groupings already established by civil society groups, such as the Peace Infrastructures in Benin, which consists of approximately 150 NGOs. Another option is to establish donor working groups, such as the Nordic+ programme and the Civil Society Support Mechanism in Mozambique, so that democracy and governance partners are better aware of each other's efforts.

Reducing the imbalance in support between civil society and political parties represents another area for improvement. Given that party aid can be resented by ruling parties, efforts should be focused on activities that benefit all parties rather than just the opposition. Foremost among these include providing advice for strengthening parties' internal democracy, focusing on the development of clear policy manifestos, and offering technical training about how to raise campaign resources from party members.

A more difficult challenge for the democracy community is that the legislative environment for promoting civil liberties is not always amenable. Even relatively open African governments still attempt to control freedom of organization and expression by their citizens, as highlighted by the 2002 NGO Act in Tanzania and the 2010 NGO Bill in Zambia. Donors therefore need a two-pronged approach that involves offering both legal training and legal support for NGOs and journalists as well as communicating with MPs about the potential negative implications of passing legislation that limits freedom of speech and association.

Minimizing the weaknesses of budget support

In contrast to democracy assistance, the development aid community has increased its co-ordination and harmonization in many African countries as a result of using budget support. However, it is precisely because budget support is intended to support a longer-term planning horizon based on donor co-ordination and recipient governments' own policy objectives that the modality is not well-adapted to deepening democracy. Indeed, the Poverty Reduction Strategy Papers (PRSPs) that guide government expenditures supported by budget support rarely focus on political governance.

There are at least three possible approaches for better exploiting the benefits of this modality while simultaneously minimizing its disadvantages. First, general budget support could be pegged to three sets of outcomes on (1) macroeconomic management and transparency, (2) progress on key social welfare indicators, and (3) *de facto* adherence to practices that support democracy and human rights. In this way, countries with strong economic management would not be penalized for poor democratic credentials but would have an interest in improving their record in order to access a larger set of resources.

Second, budget support disbursement indicators need to be much more explicitly defined and consistent across countries. Clear examples of unacceptable violations should be delineated in the same manner that they are for macroeconomic issues. For instance, changing the constitution to run for additional terms or holding elections deemed blatantly unfair by international observers could be considered examples of incidents that a subset of donors would not tolerate. In this regard, donors would commit themselves *ex ante* to delivering a coherent response when such incidents occur rather than adopting *ad hoc* and fragmented approaches *ex post*.

Third, budget support needs to avoid reinforcing the weaknesses of African legislatures. To do so, greater interaction is needed between budget support donors and parliamentarians to inform the latter of what activities are being funded by the international community. Donors should also provide explicit details to parliament regarding the benchmarks for their disbursements so that legislators know who to hold accountable when aid is suspended. In addition, the simple act of ensuring that the annual budget is distributed to parliament with ample time for scrutiny would represent an important step for ensuring that this institution has a greater voice in the budget support process.

Source: Reprinted and condensed with minor revisions from Resnick (2013a).

Electoral assistance

Electoral assistance typically involves supporting the capacity of electoral commissions, providing voter and civic education, cleaning the voter's roll, assisting with voter registration, and monitoring elections to ensure that they are free and fair. It often is the most visible area of democracy assistance because elections are broadly recognized as an essential component for democracy. In many developing countries, elections could not occur with at least some form of electoral assistance. However, it is critical that such assistance is co-ordinated and targeted properly so that elections can genuinely promote democracy.

To improve donor harmonization, one of the most useful modalities for donors in recent years is joint basket funds, which usually are managed by the United Nations Development Programme (UNDP). These basket funds allow multiple donors to pool resources into one fund aimed at supporting the activities of electoral management bodies. They have been used in a number of countries, including the Democratic Republic of Congo (DRC), Bangladesh, Burundi, Sierra Leone, Tanzania, Rwanda, Sudan, Zambia, and Malawi. For instance, in the DRC's 2006 elections, a common basket fund contributed to the registration of 25.7 million voters, the training of 300,000 electoral agents, and the establishment of 50,000 voting stations (UNDP 2007).

Certain aspects of basket funds work better than others. For instance, by not earmarking how their money should be used, donors can give electoral management bodies greater flexibility and autonomy to determine funding priorities. This approach by donors is credited with improving the management of the Malawi Electoral Commission (MEC) between the country's 2004 and 2009 elections (Duncan 2009). In Sierra Leone, the 2007 basket fund also benefited from having a Steering Committee comprised of both Government and donor representatives as well as a Stakeholders Meeting for all actors concerned about the elections (Department for International Development (DfID) 2010). This facilitated a high degree of communication about the funding activities and management of the elections, including among donors that cannot legally participate in basket funds. Despite these being the first elections run by Sierra Leone's Government, the elections were seen as 'free and fair' and the defeated candidates peacefully accepted the results. To

avoid viewing elections as an event rather than a process, these basket funds increasingly focus on supporting what is known as the ‘Electoral Cycle Approach’. This approach encourages donors to not only monitor campaigns and voting but also to get involved at both a very early stage to organize the electoral calendar and train election officials as well as to provide post-election audits, and evaluations to improve the next elections.¹¹

Basket funds, however, do not ensure successful elections on their own. Despite a UNDP basket fund of US\$30 million for Nigeria’s 2007 elections, widespread fraud and voter manipulation occurred. One of the key criticisms of the donors was a lack of engagement with local civil society organizations that could have placed domestic pressure on the electoral process (Adetula et al. 2010). Another was the lack of perceived independence by the commissioner of the electoral commission, Professor Maurice Iwu, who declared the results valid despite clear evidence of abuse (see International Crisis Group (ICG) 2007).

Indeed, donors have proved less adept at requiring that an electoral commission remain independent from the executive and have instead focused more on technical and procedural issues, including competency and transparency (Department for International Development (DfID) 2010). Promoting individuals who have a record of integrity to head electoral commissions and offering them support in the face of pressure from partisan interests is one way that donors can further ensure a more legitimate electoral process. Kandeh (2008), for example, believes that the determination and resolve of Christiana Thorpe, who headed Sierra Leone’s electoral commission in 2007, was one of the reasons for the successful conduct of those elections. Another approach is to fund exit polls in order to validate the results issued by the electoral commission. For example, USAID funded an exit poll by International Republican Institute (IRI) during Kenya’s 2007 elections, which revealed that the results issued by the Electoral Commission had been severely compromised in Mwai Kibaki’s favour. In the second round of Ukraine’s 2004 elections, a donor-supported exit poll uncovered major flaws in the official results and contributed to the public outrage that fuelled the subsequent Orange Revolution (McFaul 2007).

Donors play an especially important role in post-conflict elections. In fact, studies from the mid-1990s reveal that without the support of international donors, post-conflict elections would not have occurred in a wide range of countries, including Angola, Bosnia-Herzegovina, Liberia, Cambodia, and Mozambique (Kumar and Ottaway 1997). In most cases, post-conflict elections entail attention to details that are less important or irrelevant elsewhere. In particular, the electoral system needs to be properly designed in a manner that prevents a ‘winner-takes-all’ mentality that might increase tensions around elections. Some recommend the adoption of electoral institutions that follow proportional representation (PR), whereby parties obtain seats based on the share of their votes rather than on majority rule, because this is believed to foster negotiation across parties (see Lijphart 1977). South Africa, Namibia, Mozambique, Cambodia, East Timor, and Kosovo are just some of the countries that adopted PR systems for post-conflict elections. Others,

however, advocate ‘centripetalist’ institutions, such as the single transferable vote or the alternative vote, which require politicians to court voters across identity and geographical divides (Reilly 2001). Elections in Estonia, Papua New Guinea, Sri Lanka, Northern Ireland, and Fiji have all revolved around ‘centripetalist’ institutions. Regardless of the system used, it is essential that there are incentives for post-election power-sharing that feature all significant groups in a new government (Reilly 2003).

Greater attention to the timing of the first elections after the cessation of conflict is also important. While elections are critical for establishing a new government, their legitimacy can be undermined if they are held too quickly and parties are not adequately prepared to compete. The approximately two-year period between the cessation of conflict and the first elections in East Timor, El Salvador, and Kosovo is credited with the successful conduct of those elections (Kumar 2000; Reilly 2003). Before elections occur, previously warring forces must be properly demobilized. This was highly problematic in Angola in 1992 when rebel Jonas Savimbi of the *União Nacional Para a Independência Total de Angola* (UNITA) lost the elections and was able to quickly return to war (Kumar and Ottaway 1997).

Post-conflict elections also require a much longer engagement from the international community than regular elections, and if they occur in a country with little or no history of democracy, then investments by the donor community will need to be sizeable. In Sierra Leone’s 2007 elections, donors underwrote 70 per cent of the costs (Kandeh 2008). More recently, the UNDP basket fund for South Sudan’s 2011 elections totalled US\$84 million.¹² Such high initial investments create a dangerous precedent since donors rarely commit the same level of resources to subsequent elections and governments rarely can sustain such costs on their own. For instance, while donors funded 90 per cent of the cost of the DRC’s 2006 elections, they only funded 37 per cent of the costs of the 2011 elections (IDC 2012), and the outcome was highly disputed by the opposition. One way of addressing such costs while also increasing local legitimacy is to use more local election monitors (Reilly 2003). This was a useful tactic in Ukraine’s 2004 elections, when the National Democratic Institute (NDI) and Freedom House sponsored election monitors from other post-communist states at a much lower cost than it would have taken to bring in Western Europeans or Americans (McFaul 2007).

Nevertheless, much more research is needed to determine more cost-effective means of supporting elections and pinpointing examples where ‘free and fair’ elections have been sustained in the absence of donor money. Another key area for further research is how donors can best support the electoral process to avoid electoral violence (see, e.g., Collier 2009). The examples of Kenya in 2007, Côte d’Ivoire in 2010, and Uganda and Nigeria in 2011 all highlight that electoral violence continues at an alarmingly high rate. One possibility is the use of early warning systems that identify whether party youth leagues are being armed or possible outlets for fraud. A small-scale example of this is BantuWatch, which is an initiative of civil society and media organizations in Zambia that is funded by organizations such as the Open Society Institute. In the run-up to the country’s 2011 elections, BantuWatch attempted to

document problems with balloting, voter registration, and security, among other things.¹³

In both peaceful and post-conflict countries, donors have sometimes accompanied their electoral assistance with civic education programmes. Such programmes are designed to increase political knowledge and engagement by citizens and facilitate the spread of democratic norms. Using surveys and randomized control experiments, detailed impact evaluations of donor-supported civic education programmes have been conducted in countries as diverse as the Democratic Republic of the Congo, the Dominican Republic, Kenya, Poland, and South Africa. Findings by **Finkel (2013)** illustrate that such programmes produce a ‘hierarchy of effects’ such that they appear to have the greatest impact on promoting an increase in political knowledge and information, as well as increasing participation in elections. By contrast, civic education workshops and training activities demonstrated the weakest impact on increasing individuals’ adherence to democratic values or satisfaction with democratic institutions. Key factors that enhanced the effectiveness of such programmes included the quality of the workshop trainers, repeated workshop exposure rather than one-off meetings, and participatory teaching methods rather than lecture-based instruction.

Finally, the scope for using electoral assistance at the sub-national level to promote decentralization requires greater consideration. Decentralization is often viewed as a mechanism towards greater democratization by theoretically facilitating grassroots participation over decisions affecting local communities and greater upwards accountability for the delivery of services (e.g., Rondinelli et al. 1983; United States Agency for International Development (USAID) 2009; Brinkerhoff and Azfar 2010). Donors typically have promoted decentralization in three domains: political, fiscal, and administrative. The political domain refers to the holding of regular elections for sub-national authorities. In some regions, such as Africa, political decentralization through the holding of sub-national elections has taken precedence over the other two domains, with deleterious outcomes for the quality and capacity of local governments (**Dickovick 2013**). Evaluations indicate that rather than such a narrow focus a much more fruitful approach would be to strengthen entire inter-governmental relationships rather just focusing specifically on sub-national authorities (**Dickovick 2013**).

Political party assistance

Viable political parties are essential for competitive elections but often lacking in many developing country democracies. Party support aims to address such weaknesses by, among other things, enhancing internal party organization, building inter-party relations, and providing adequate party regulation. Yet, party support is a highly controversial area of democracy assistance because it is perceived as meddling in the domestic political affairs of sovereign states (Burnell and Gerrits 2010).

Among donors that do engage in party assistance, there is a distinction between partisan/fraternal and multi-party approaches. The former historically

has been most associated with Germany's party foundations, including the Friedrich Ebert Stiftung (FES) and the Konrad Adenauer Stiftung (KAS), and involves directly supporting those specific parties with which they share a similar ideological orientation. The latter approach supports all democratically-oriented parties and is used by most other donors, including the US party institutes, such as NDI and the IRI as well as the Netherlands Institute for Multi-party Democracy (NIMD). The partisan approach is likely to be much more successful if the donor can flexibly adapt to the needs of the party as it evolves over time. Indeed, in South Africa, FES's close work with the African National Congress (ANC) evolved from civil society dialogues in the 1970s and 1980s to providing organizational and material resources in the 1990s to working with the ANC parliamentary group more recently (Weissenbach 2010).

Regardless of approach, there are some issues that are relevant to assisting political parties in almost all developing countries. One issue concerns the lack of public awareness about the policy positions of political parties. In Liberia's 2005 elections, NDI and IRI addressed this by sponsoring the radio broadcast of public debates by all political candidates (Kumar and de Zeeuw 2008). Another issue concerns how to augment the financial base of parties for campaign activities. In Mozambique, donors established a US\$1.4 million fund that was distributed to all political parties according to an agreed formula in order to prepare for the 1999 elections (Carothers 2006). This approach, however, can sometimes create disincentives for smaller parties to raise their own funding from their respective rank and file members, as **Gyimah-Boadi and Yakah (2012)** discovered in Ghana. DfID adopted an alternative in Uganda where parties were given grants according to how much income the party raised in the previous year (Wild and Foresti 2010).

Commodity support, or the provision of in-kind resources for campaigns, is another popular approach. For instance, in East Timor, the UNDP set up a Political Resources Centre to give parties access to graphic designers, computers, internet connections, and telephone lines. Similarly, the Organization for Security and Cooperation in Europe (OSCE) established Political Party Resources Centres in Bosnia to provide all parties with office equipment, meeting space, and relevant documentation (Kumar and de Zeeuw 2008).

In countries with a history of electoral violence, priority must be given to inter-party dialogue and international cross-party collaboration in order to build trust and learn from other countries' experiences. NIMD has been a leader in this field by providing fora for members of all major political parties represented in a country's parliament to discuss relevant and contentious issues. In the run-up to Malawi's 2009 general elections, NIMD's partner, the Centre for Multiparty Democracy-Malawi (CMD-M), funded representatives from all the major parties to visit Kenya in order to learn what sparked that country's electoral violence (NIMD 2010). In Uganda, NIMD promoted dialogue between the ruling National Resistance Movement (NRM) and the opposition in the months before the 2011 elections through the Inter-Party Organization for Dialogue (IPOD) (Luyten 2010). Yet, certain objections of the opposition,

such as the appointment of an NRM crony to head the electoral commission, contributed to the post-electoral violence and revealed that dialogue has limited impact if topics of inter-party discussion do not lead to any substantive action. Focusing on dialogue between youth league members affiliated to political parties, such as the Norwegian Embassy has tried in Nepal and KAS in Malawi, is another valuable tactic given that such groups often are the main perpetrators of party violence (Wild and Foresti 2010; **Resnick 2012b**).

After a major, protracted conflict, a further challenge concerns how to transform rebel movements into political parties. The common tactic, which is to provide funding and technical assistance to former rebel groups, risks rewarding bad behaviour and often involves picking ‘champions’. A more inclusive approach allows former rebel groups to participate in party training programmes with other parties. This approach most recently has been adopted in Afghanistan, Burundi, and Sudan. Participation in such workshops is aimed at sensitizing former rebels to the workings and requirements of multi-party democracy (Kumar and de Zeeuw 2008).

Training workshops, inter-party dialogue, and commodity assistance are also scalable to the sub-national level to help parties prepare for local elections. This has been demonstrated in Romania through the Opening Politics by Acting Locally (OPAL) project supported by USAID, NDI, and IRI from 2002 until 2007. The project aimed to address the lack of party engagement with local citizens outside of the capital during non-electoral periods. Through technical assistance and training with local party branches, the donors augmented the capacity of parties to reach out to citizens while also increasing their interaction with local civil society organizations to better understand local needs (United States Agency for International Development (USAID) 2007).

A number of problems remain associated with party assistance. First, it tends to be concentrated around elections with a relatively short-term focus (Erdmann 2005; Kumar 2005; United States Agency for International Development (USAID) 2007). Second, for training workshops and inter-party dialogue, senior party members rarely have time to participate (Rakner and Svåsand 2010). Third, there is a lack of systematic evaluations of party assistance due to a range of methodological and conceptual challenges. Moreover, party assistance by major bilateral donors often is just one component of broader electoral assistance and therefore rarely is evaluated on its own (Kumar and de Zeeuw 2008). Notwithstanding these challenges, many still believe that deviating resources away from political parties and *only* supporting the ‘demand-side’ of democracy, such as voter education and civil society participation, devalues a key element of representative democracies (Mair 2000; Doherty 2002; Erdmann 2005).

Promoting effective legislatures

Parliaments play a critical role in democracies by communicating the views of constituents to government, debating and passing legislation, and scrutinizing government budgets. However, many parliaments in developing countries suffer from low technical and oversight capacity, insufficient administrative

support, and a lack of independence from the executive. Some donor practices indirectly have further marginalized parliaments by privileging the role of civil society over elected officials and by promoting the idea of ‘country ownership’, which often is tantamount to ‘executive ownership’. While direct support to parliaments historically has been low, more and more donors are recognizing the importance of supporting legislative bodies. Even non-traditional donors have been involved, with China constructing Malawi’s new parliament building and providing a grant of GBP1.5 million to construct a new parliamentary chamber in Uganda (Waddell 2008).

Collectively, donors are addressing two overarching issues. The first concerns how to augment the capacity of legislators to perform their jobs properly and to improve their interaction with constituents. ‘Issue-based approaches’ represent one of the most promising techniques for strengthening legislators’ abilities to engage in the legislative process because they explicitly target topics that are already on the national agenda (Hubli and Schmidt 2005; Hudson 2007; EU 2010). For instance, donors might provide technical assistance on issues such as food security, migration, or HIV/AIDS, and then help relevant parliamentarians not only to learn more about these topics but also to increase their ability to oversee government budgets in these sectors. Issue-based technical assistance therefore ensures that parliamentarians are benefiting from donor support that is directly relevant to their everyday work and strengthens parliamentary mechanisms (Hubli and Schmidt 2005).

Issue-based approaches can be transferred and scaled up to different levels, bolstered by regional and international networks. For example, a wide range of donors contribute to the Parliamentarians for Global Action (PGA), which incorporates parliamentarians into a global network focused on helping national MPs address issues related to conflict. PGA has helped train parliamentarians on small arms and light weapons in Tanzania and Uganda, for instance, giving them a greater ability to monitor their countries’ security sectors (Ljungmann and Adser-Sørensen 2006). Similarly, the Parliamentary Forum of the Southern African Development Community (SADC-PF) works with donors on HIV/AIDS, poverty reduction, gender, and monitoring regional elections (Hubli and Schmidt 2005).

Donor support to parliamentary strengthening also recognizes the value of ‘bottom-up approaches’ to monitoring the activities and performance of parliamentarians. As part of Uganda’s Deepening Democracy Programme, a local think tank known as the African Leadership Initiative (AFLI) has implemented parliamentary scorecards of that country’s legislators. These scorecards provide voters with information about the attendance and participation of their MPs at plenary and committee meetings, accessibility to constituents, how they spend resources from their constituency development funds, and the position that their MPs take on business introduced by either government or the opposition. The AFLI then disseminates the findings from the scorecards through civic education workshops and even allows Ugandans to access their MPs’ rating via text message (African Leadership Institute (AFLI) 2011)). In Sierra Leone, the Westminster Foundation for Democracy helped foster accountability of MPs to their constituents in the run-up to the

2007 elections by funding ‘open discussion programmes’ in which MPs would field questions from the public that were broadcast on radio (Waddell 2008). In Kenya, as part of USAID’s Parliamentary Strengthening Programme, *House Live Broadcast* was launched in 2009, allowing Kenyans to see their MPs debating live on television and radio (Amundsen 2010).

Overseeing budgets is a critical role of parliaments and particularly important in countries that rely on budget support as their major aid modality. As such, the European Commission has recognized that such budget support must be accompanied by measures to enhance parliamentary oversight through assistance for finance committees, budget hearings, and/or a parliamentary budget office (EU 2010). In Zambia, as part of its Public Expenditure Management and Financial Accountability programme, DfID invested approximately GBP1 million in strengthening the Public Accounts Committee between 2004 and 2010. Findings from the country’s 2008 Public Expenditure and Financial Accountability (PEFA) assessments revealed that MPs felt that they had a greater degree of influence over the budget process (DfID 2011). In Benin, the UNDP’s global Programme for Parliamentary Strengthening involved establishing a specialized Unit of Analysis, Control and Evaluation of State Budget (UNACEB) in parliament. This unit was deemed partially responsible for the adoption of the 2006 parliamentary budget in a timely manner, avoiding recourse to decree-based expenditures that had plagued the country in the past (Murphy and Alhada 2007). Other independent parliamentary budget offices have been established in Uganda and Kenya. Another important tactic is for donors to avoid funding too many projects outside of the budget, which often do not require parliamentary approval (see EU 2010).

In contrast to the initiatives described above, conferences, seminars, and Parliamentary exchanges have not been found to have too much impact on their own (Hubli and Schmidt 2005). One reason is because they often ignore more intransigent political realities that might be responsible for dysfunctional and underperforming parliaments. Another is that MPs may only be in office for a few years, therefore making training exercises a very short-term investment. If there are training visits, they should be to countries with similar political contexts, and any type of training exercise should involve MPs from the opposition to avoid donors being accused of having partisan biases (Hudson and Wren 2007).

Ensuring that donor actions are harmonized and that development aid activities are properly communicated to parliaments constitute a second overarching consideration in the area of parliamentary strengthening. A useful intervention occurred as part of Uganda’s Deepening Democracy programme, which involved the creation of a Parliamentary Development and Coordination Office (PDCO). The PDCO then co-ordinates all the donors who support Parliamentary strengthening programmes and tries to ensure that such interventions respond to the parliament’s own priorities, which are outlined in the Parliamentary Strategic Investment and Development Plan (PSIDP) (Tsekpo and Hudson 2009). Sector-wide approaches that are common in the development arena are also instrumental, allowing for a reduction in

fragmentation. This is the approach adopted by all of the bilateral donors (Canada, Sweden, Ireland, the Netherlands, Denmark, and USAID) involved in supporting Zambia's Parliamentary Reform Project (Hubli and Schmidt 2005). One of the achievements of the programme is the gradual creation of constituency offices throughout the country for all 150 MPs, which allows their constituents to have direct access to them.

Parliamentary donor groups can also be instrumental for development partners to exchange information with each other and with parliamentarians at regular intervals throughout the year. In at least Malawi and Kenya, such groups have been adopted to avoid donors from duplicating activities (Waddell 2008). These types of initiatives can be scaled-up to the regional or global level. For instance, the Parliamentary Network on the World Bank (PNoWB) provides a platform for parliamentarians around the world to lobby for increasing accountability and transparency in international lending.¹⁴

In post-conflict environments, many of the above interventions are equally feasible but must be prioritized in different proportions. The creation or reconstruction of a parliament building, teaching parliamentarians how to engage in elections, and what constitutes their responsibilities will be paramount. In addition, entry-points for issue-based approaches will be predominantly oriented towards reforming the security sector, addressing human rights abuses, and building trust in a potentially-divided community (EU 2010).

4.2.2 What works in donor approaches to human rights

Donors have reacted to the rising normative significance of human rights in political discourse in broadly three discernible ways. We describe these different approaches and provide examples that donors have themselves highlighted as having worked in each approach. It is worth pointing out that we found little rigorous evidence in the literature of what has worked and no evidence at all of the superiority of a human-rights based approach over other approaches. Consequently, we have had to draw on donor documents which have chosen to showcase particular programmes and projects even though the success metrics for these interventions were often opaque.

Alternatives to explicit human rights considerations

Some donors, notably the World Bank, Asian Development Bank, and JICA, have explicitly resisted the inclusion of human rights in their development programming. As mentioned, the two multilaterals have pointed to the legal prohibition on political activities and considerations contained in their Articles of Agreement. The World Bank, as a highly visible actor in the development industry, has come under particularly intense pressure to address inequities that have arisen as a consequence of its operations or inequities or rights violations more broadly that already exist in the countries in which it operates. These pressures are reflected even internally as two of its most recent General Counsels have issued legal opinions wherein one claims only ESCR are

legitimate considerations in the institution's operations and wherein the other claims both ESCR and CPR may be considered. Notwithstanding the legal obfuscation, in terms of formal policy the World Bank's approach has historically been ad hoc, preferring to set standards for specific areas of operations rather than import in its entirety the international human rights framework. Two areas exemplifying this approach can be found in its policies protecting indigenous peoples and on involuntary resettlement.

Although the World Bank's approach is somewhat unique given its particular legal constraints, and although it goes against the current trend towards greater human rights integration, there is perhaps some wisdom in its caution to embracing wholeheartedly the full range of human rights norms. The Bank believes that to make the promotion of human rights a formal policy risks ceding some control of its development agenda to public opinion, international civil society, or other external political forces who might use these norms to pressure the institution to act in situations it is otherwise reluctant to do so and to hold it to account if it does not. This is not implausible thinking, and given the possibility of unintended consequences to promoting norms that may change the structure of power in society, it is also circumspect thinking. For the Bank, integrating human rights may be like opening Pandora's Box.

Human rights as governance

Human rights made their most significant entry into development discourse and practice through the good governance agenda. Donors conceptualized human rights as either one dimension of governance or else a distinct but closely-related area of operation to governance. Today this remains the approach of important donors such as USAID and CIDA whose current strategies deal with democratization, governance, and human rights all together (CIDA 1996; USAID 2013). Furthermore, the scope of human rights considered has been somewhat narrow. The primary focus has historically been on CPR and typically the mode of promotion has been through specific projects. In practice these projects have focused on a subset of CPR. We highlight some of the more common rights or areas supported under the governance approach to human rights here:

Freedom of expression: Donor support for this right has most often been expressed in the form of support for an independent media. The fourth estate is seen as a means for holding governments to account as well as more broadly for communicating sensitive issues of social and political significance. Some success has been had with community radio which has the advantages of being able to reach isolated communities, addressing locally-relevant issues, and developing local ownership as communities often gift land or a building or else volunteer time to run the station. This approach has been used with success in Afghanistan where USAID has funded over 30 'radio stations in a box' for example and similar approaches have been followed in Mozambique and Zambia (Kumar 2006). Another form of support has been training to improve the professionalism of local journalists. In Zimbabwe, SIDA for example has supported the Media Institute for Southern Africa which, inter alia, has

successfully trained media professionals in standards of journalism (Swedish International Development Agency (Sida) 2009).

Rule of law: The human rights principles of equality before the law and due process of law or procedural fairness have often been addressed through the broader rule of law agenda. USAID is one of the most experienced bilateral agencies in this sector and its approach has traditionally focused on both (1) improving the framework of national laws and (2) improving the capacity and independence of justice institutions such as the judiciary, prosecutors, defenders, police, and prison officials. Typically, USAID has funded the use of international legal specialists to help national governments develop and modernize their existing legal frameworks and financed training for judges, lawyers, and police officers. For example, in El Salvador as part of the peace accords USAID trained the civilian police force in technical skills such as forensics in order to reduce reliance on confessional evidence when investigating crimes. The approach has helped reduce the incidence of human rights violations committed by the police themselves (USAID 2010).

Right to political participation: The right to vote and the right to join and form a political party are frequently described through the rubric of democracy-support programmes. Typically donor support here has comprised assistance in organizing elections, training political parties, and promoting civic education. The track record of externally-promoted democratization has been mixed and we deal with the issue in more detail elsewhere in the report.

The human rights-based approach

The HRBA reflects a commitment to a deeper integration of the international human rights framework in development co-operation. In contrast with other approaches, it is intended to apply to all areas of development programming, lifting ‘sectoral blinkers’. Importantly, it does not limit its purview to the promotion of CPR. As the term gained acceptance among donors it led to the adoption of a common statement on its meaning among UN agencies (United Nations Development Group (UNDG) 2003). A HRBA to development should (1) further the realization of human rights norms in all areas of development co-operation; (2) aspire to the standards set in the international human rights framework; and (3) develop the capacity of both duty-bearers and rights-holders. Yet, despite the common understanding, there remains widespread variation in how donors implement HRBAs in practice, ranging from ‘rhetorical repackaging’ to actual institutional change.

Institutional changes

Among donors themselves, perhaps the most visible institutional change as a result of adopting HRBAs are the revised and new instruments deployed in programming. Some donors now conduct or support human rights-based assessments of their countries of operations. These assessments answer questions such as: Are human rights reflected in the state’s norms, institutions, legal frameworks and enabling economic, political and policy environment? If so, what is the capacity and political willingness to promote and protect these

rights? For example, in Cambodia DfID commissioned a human rights assessment that would form the baseline for the negotiation of a partnership agreement with the Cambodian government. The assessment highlighted the state of common CPR such as freedoms of expression, association, and information but it also examined economic, social and cultural rights in the fields of women's rights and gender equity, child rights, rights to education and health care, and land rights (ODI 2008).

In addition to the country-level assessments, some donors also conduct human rights analyses. These analyses identify duty-bearers and rights-holders and more importantly identify the disadvantaged and excluded groups in societies. Some also aim to disaggregate and monitor the impact of development interventions on women, children, ethnic, religious, linguistic, and indigenous minorities and other vulnerable groups. For example, in Nepal DfID developed a set of locally-relevant indicators that would allow the country office to monitor whether project activities reach the poorest and excluded and what impact activities have on these groups. Yet other donors choose to integrate these questions and issues into their existing country strategy, programme, and project instruments (ODI 2008).

A third donor-level institutional change worthy of merit is the explicit recognition that a human rights-based approach signifies an expectation of working with a range of actors other than national governments, consistent with the idea that HRBA should raise the capacity of both rights-holders as well as duty-bearers. This is most commonly expressed in the form of material support for civil society organizations. The European Initiative for Democracy and Human Rights (EIDHR) is the EU's main financial instrument to implement its human rights and democracy policy and it funds predominantly civil society organizations. Importantly, it does not require the consent or involvement of state authorities, allowing it to operate in sensitive political contexts. It has worked in four main areas: strengthening democratization, good governance and the rule of the law (67 per cent of expenses); abolition of the death penalty; the fight against torture and impunity (including support for international tribunals and criminal courts); and combating racism and xenophobia and discrimination against minorities and indigenous peoples. An impact assessment concluded that 80 per cent of respondents found the EIDHR had good or very good impact and had strengthened the capacity of civil society organizations (Organisation of Economic Cooperation and Development (OECD) 2006).

Within countries themselves, donors have supported local institutional change too, though this is not unique to those donors who have adopted HRBA. Donors have for example supported the creation of Human Rights Ombudsmen and National Human Rights Commissions. Ghana's Commission on Human Rights and Administrative Justice (CHRAJ), which is supported by the UNDP, is viewed as highly effective, with women and younger people representing those who use the institution most. Key factors in the CHRAJ's success are that it reports to Parliament annually, does not fall under any ministry or government department, has the power to enforce its decisions,

and has offices in all regions of the country as well as in 64 of its 110 districts (International Council on Human Rights Policy (ICHRP) 2004).

Another common approach to local-level institutional change is the promotion of international human rights norms in countries' national laws, regulations, and policies. For instance, the UN's Office for the High Commissioner on Human Rights (OHCHR) has worked with the National Dalit Commission in Nepal to draft legislation prohibiting discrimination related to caste and has supported the drafting of laws to protect the rights of indigenous peoples in the Republic of Congo (Office for the High Commissioner of Human Rights (OHCHR) 2011). However, while legislation on human rights is necessary, it is rarely sufficient on its own if it is not enforced by national governments.

Application to CPR

Although donors have included the promotion of CPR in their development co-operation for some time, a HRBA has signified some change to how this is being done. A good example is the traditional sectoral focus on rule of law which has now been partially reframed as 'access to justice' to reflect the idea in a HRBA that development programming should be people-centred (Organisation of Economic Cooperation and Development (OECD) 2006). In addition to strengthening the institutional capacity and independence of courts, prisons, and police forces, access to justice has led to projects that directly help individuals access these services. For example, USAID has sponsored the creation of integrated justice centres in Bolivia providing access to legal services for the country's indigenous population (Organisation of Economic Cooperation and Development (OECD) 2006). In Nicaragua, a consortium of donors has trained a team of local volunteer 'judicial facilitators' who serve as intermediaries between individuals and communities and the formal legal system (**Barendrecht et al. 2013**). The DfID-funded Manusher Jonno Foundation in Bangladesh has supported civil society organizations working in support of the rights of groups disadvantaged by discrimination. The foundation has for example supported the Bangladesh National Women Lawyers' Association, which in turn both supports grassroots 'vigilance teams' to intervene in cases of rights violations (e.g. domestic violence, dowry extortion) and advocates women's rights to religious and community leaders, and links these grassroots groups to national advocacy work on legislating for women's rights (ODI 2008).

HRBAs have not only reframed donor perspectives on those CPRs they already support, but they have also expanded donor attention to a wider set of CPR that exist in the international human rights framework. For example, UNDP has found itself leading a donor consortium working to support against the right against torture following the assessment of the UN Special Rapporteur on Torture of the country in 2002. The government expressed a commitment to draft a National Action Plan to Combat Torture and the process involved the participation of all stakeholders, including the human rights civil society representatives. It successfully concluded with the approval of the Plan by the Prime Minister of Uzbekistan in March 2004 (UNDP 2005).

Donors have also become increasingly involved in supporting women's rights to physical integrity. To this end, gender-based violence desks in police stations have proven an important, donor-supported intervention that has been broadly replicated in a number of countries, including Kosovo, Kenya, Rwanda, Tanzania, and throughout Latin America. These desks allow victims of violence to report crimes in a private room to a female officer trained to provide advice as well as legal and medical referrals. In Tanzania, USAID helped start such desks in Dar es Salaam before helping to replicate the initiative nationally (Betron 2008). In Rwanda, the UNDP and UN-Women helped establish such desks in each of the country's 62 police stations, and they are credited with leading to hundreds of court cases against those who committed gender-based violence.

Application to ESCR

As many developing countries evidently do not meet binding human rights standards in areas such as health and education, a HRBA has signified a continued focus on increasing the institutional capacity of the relevant government agencies. However, a HRBA has also signified an effort to implement general human rights principles, most notably non-discrimination, in these sectors:

Right to education: Perhaps the most important measure in promoting the right to education has been the concerted attempt to eliminate discrimination against girls. Low level of education among women is a widespread problem in societies where boys are prized more highly. The Girl Child Project is a joint SDC-UNICEF collaboration implemented by Family Planning Association of Pakistan (FPAP) that seeks to address the deep-seated structural discrimination faced by women and girls in Pakistan. The project was designed to mobilise girls to become role models and agents of change in their communities. Girls were trained in how to set up their own home schools, providing them with an income and combating illiteracy in their communities and they were also trained in first aid techniques. The effect was to enhance the perceived value of the girls and improve their status within their family and community. The overall result has been increased community commitment to educating girls (Organisation of Economic Cooperation and Development (OECD) 2006).

Right to health: A HRBA to the health sector has focused donor attention on those groups that find themselves excluded from properly accessing healthcare services. The problem is particularly acute for women. The scale of the problem faced by women is reflected in the maternal mortality MDG being considerably off-track for 2015. The result of the HRBA has been the identification of cultural barriers as an important driver of high maternal mortality rates. UNFPA has been at the forefront of developing culturally sensitive approaches to reducing maternal mortality. Its research has highlighted the fact that collaboration with local power structures and institutions, including faith-based and religious organizations, is instrumental in neutralizing resistance and creating local ownership of reproductive health and

rights (Organisation of Economic Cooperation and Development (OECD) 2006).

Right to water: Discrimination in access to clean water is a common problem in many highly stratified developing societies. Poor sanitation is in turn tied to poor health outcomes. In the Kileto District, Tanzania, WaterAid launched a project to improve water access for residents. By integrating human rights principles—in particular participation, non-discrimination, equality and empowerment—into the programming, WaterAid was able to identify and eliminate underlying obstacles to equitable access to water. The participatory approach and analysis revealed that because of power imbalances, lack of land rights and exclusion from national policy decisions, two main ethnic groups were prevented access to water (Organisation of Economic Cooperation and Development (OECD) 2006).

In sum, while the general current trend appears to be towards wider and deeper integration of the international human rights framework into development co-operation, this section has sought to emphasize that we still lack systematic evidence of both the superiority of such an approach and of its long-term effect on developmental outcomes. Although there is likely value to be added, there are also complex risks and challenges implied by further integration that donors need carefully to consider as they contemplate whether the promotion of human rights should be part of what follows 2015.

4.3 Security

Establishing and strengthening people's security is the second PSG, highlighting a clear focus on the safety and well-being *of people* that goes beyond the traditional concept of security of states. Frameworks and indicators that have been proposed for this PSG focus on security conditions and the capacity and performance of security sector institutions.

A number of major initiatives and reports have consolidated knowledge about aid interventions in this area and provided recommendations for policy makers. In particular, we point readers to the 2011 *World Development Report*, as well as to various publications by INCAF, including the *OECD DAC Handbook on Security System Reform: Supporting Security and Justice*, which provides guidance in operationalizing the 2005 DAC Guidelines on Security System Reform and Governance (OECD 2008b), *Preventing Violence, War and State Collapse: The Future of Conflict Early Warning and Response* (OECD 2009b), *Investing in Security: A Global Assessment of Armed Violence Reduction Initiatives* (OECD 2011a), and *Improving International Support to Peace Processes: The Missing Piece* (OECD 2012b). The UN *Integrated Technical Guidance Notes on SSR* released by the United Nations Inter-Agency Security Sector Reform Task Force (IASSRTF), also provide guidance covering the following topics: *National Ownership*, *Gender Responsive SSR*, *Peace Processes and SSR*, *Democratic Governance of SSR*, and *UN Support to National Security Policy* (IASSRTF 2013).

As discussed in Section 3.4, therefore, Security has not been a major focus of the ReCom research, although both UNU-WIDER and DIIS have prepared selected studies to address knowledge gaps that our work identified. In this section, we briefly spotlight findings from the ReCom background studies on policing and development in African states, as well as on multidimensional peace operations and whole of government approaches.

4.3.1 Policing and development in African states

Basic policing and criminal justice reform remain major challenges in many African states. Several ReCom background reports analyse key cases. These include UNU-WIDER's study on reform of the Liberian National Police, which focuses on issues of gender, including the effort to recruit female police officers and to better address gender-related crimes (**Bacon 2013**). As part of the collaborative project on *Good Aid and Hard Places: Learning from What Works in Fragile States*, this case study provides a nuanced assessment of the outcomes, in particular raising questions about their sustainability given Liberia's extremely weak rule of law. Analysis of the drivers of these outcomes highlights among other factors, several of those central to the PDIA approach, including the 'problem-driven' nature of the intervention and the iterative process of learning involved in the reform. Another important case for post-conflict security sector reform, Sierra Leone, is considered in DIIS's background report on pragmatic aid management in fragile situations (**Bourgouin and Engberg-Pedersen 2013**). A comparative analysis of security sector reform in Sierra Leone and Liberia is explored in a UNU-WIDER background study (Onoma 2014), as part of the collaborative project on *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases*. Drawing on both of these cases and others, **Marenin (2013)**'s overview study on policing reforms in African states challenges conventional wisdom as summarized in Box 9.

Box 9: Policing reforms in African states—exploring the link to economic development (Marenin 2013)

Without a certain level of safety, stability and integrity in the political and societal environment, even the best planned, implemented and evaluated aid programmes can be undermined. An effective domestic security system is therefore a pertinent component of any attempt to encourage development.

Despite increased awareness of the critical importance of a secure environment, the impact of reform and amelioration attempts in African policing systems remain disappointing. In light of this situation, this study seeks to answer three basic sets of questions. First, what is the general context of (in)security in African states and how can foreign aid and local efforts be combined to implement effective reforms? Second, which lessons can be applied from past experiences of policing reforms in African and beyond? And, finally, how important are policing improvements to overall economic development?

How can reforms be initiated?

Designing reforms for African policing systems requires careful consideration and must take a variety of factors into account. First, there must be an in-depth

understanding of situational context. Police reforms will not be sustainable if they are purely focused on the police force. Any attempted changes must also consider the broader context of security agents in the country (e.g. military, border police, intelligence, etc.) and also the larger criminal justice system.

Local security situations vary greatly across the African continent, although all African policing systems are colonial creations. Today, local situations range from total collapse into civil war and destruction to changing patterns of normal crime. In fact in some states, such as the Democratic Republic of the Congo and Somalia, policing has simply failed and disappeared, causing traditional mechanisms of conflict resolution to be reinstated. In others, security systems have collapsed and been resurrected, as in Sierra Leone and Liberia. In still other states, such as South Africa, systems have been dramatically transformed. Across the continent, the image of state police and police–community relations are abysmal. Further complicating this situation is the multiplicity of international interveners offering advice and assistance through a number of channels—these include organizational interventions by Economic Community of West African States (ECOWAS), the United Nations, the African Union, bilateral donors, NGOs, private groups and individuals, and private corporations.

Given the large number of actors attempting reforms in African policing systems, it is clear that co-ordination of the various components is key to any successful reform. Co-ordination and effective implementation of security changes require both political and technical expertise; skilled implementers are essential to finding creative solutions and to take necessary risks for programmes to overcome hurdles. Additionally, reforms need to be based on existing conditions: a thorough knowledge of the dynamics and causes of insecurity must be ascertained by implementers as well as a comprehensive understanding of the local resources and the actors—and potential spoilers—involved in the process. Without this initial legwork, effective reforms will be difficult to bring to fruition.

After project implementation, measuring outcomes can be especially difficult in African states since official statistics are more often inaccurate and unreliable. Instead, the judgements and opinions of local and international experts can be more accurate gauges of improvements in police and security actor performance.

Examples of successful policing reforms: what could work?

Northern Ireland and South Africa serve as useful examples of successful police reform in recent years. Both countries transformed local policing systems into more trusted democratic forces representative of the demographics of each country, while continuing to respect the human rights of citizens. Why have reforms been successful in these two countries? One suggestion is that they possessed four important prerequisites: a political settlement, shared values of governance, administrative capacity, and a vibrant civil society.

Unfortunately these four characteristics are lacking in most African states, so the applicability of lessons learned in Northern Ireland and South Africa is somewhat limited. Sierra Leone, Liberia, and Nigeria provide examples of cases where reforms have been enacted with varying degrees of success. Sierra Leone and Liberia, both post-conflict states, have transformed their security situations by improving such components as police–community relations, increasing the percentage of female police officers, improving recruitment/training, and revising police ideologies and image. Despite these efforts, both countries have only experienced marginal success in reforming their security systems as political and social contexts have gradually reasserted themselves into the police forces. In Nigeria, on the other hand, bilateral projects have targeted selected aspects of policing rather than an overall systematic

reform. The outcomes of these attempted reforms are difficult to determine, and Nigeria remains hampered by the sheer size of the country and the police force necessary to maintain security. Additionally, the police force remains highly politicized—which consequently limits operational autonomy—and a clearly expressed and continuously enforced central reform policy is absent.

The link to economic development

Policing systems do not have the ability to create social order where none exists, nor can they provide a solution to political instability. Social order must be forcefully imposed or informal processes and civil society must be allowed to create order with police as the beneficiaries. Informal security providers in the civil society must therefore be given consideration in any reforms. Effective policing is, however, essential to gain donor confidence and limit economic mismanagement, fraud and corruption. Limiting corruption, improving road safety, and more effective port and border controls are all essential steps to improving the efficacy of economic development programmes. Therefore, police reforms should aim to limit corruption, institute more equitable distributions of financial resources throughout police ranks, make police culture more professional (including policies that reward performance and professional conduct) and hire the right consultants and implementers.

Ultimately, however, reforms that concentrate on creating democratic, citizen-oriented policing are not as important as other programmes for successful economic development. Unfortunately there is currently not enough research to draw definitive conclusions and the impact of successful police reform is more an assertion and expression of hope rather than a proven fact. There will be political, social and economic changes, both positive and negative, during and after any intervention and reform effort.

Source: Reprinted from the UNU-WIDER research brief on Marenin (2013).

4.3.2 Do UN multidimensional peace operations work?

The results of UN peace operations are widely acknowledged to be ‘mixed’ (see, e.g., Doyle and Sambanis 2006; Fortna 2008; Howard 2008; Bellamy and Williams 2010; Benner et al. 2011; Call 2012). This is unsurprising considering that peace operations have become multidimensional and seek to achieve a broad range of objectives simultaneously.

Based on a reading of existing literature, the DIIS report ‘Blue Helmets and Grey Zones: Do UN Multidimensional Peace Operations Work?’ (**Andersen and Engedal Forthcoming**) argues that multidimensional peace operations tend to be successful in preventing the resumption of war, yet unable to ensure the establishment of legitimate and effective institutions of governance: *peacekeeping works, state-building fails*. As it discusses, multidimensional peace operations have emerged as one of the key instruments for addressing and managing the complex challenges related to violent conflict and state fragility in the Global South. In general, multidimensional UN-led peace operations have been successful at preventing the resumption of war, yet they have not succeeded in establishing effective and legitimate institutions of governance. The report also concludes that, while the system is far from perfect, the UN peacekeeping apparatus has been reformed and strengthened considerably in

recent decades. Outstanding challenges relate to contextualizing interventions and ensuring local ownership, as well as to maintaining the normative consensus on the role of UN peace operations.

4.3.3 Whole of government approaches: what has worked? What has not worked?

OECD's *Principles for Good International Engagement in Fragile States and Situations* point to the need to use a mixture of political, security and development instruments in such contexts (OECD/DAC 2007). On this basis, the OECD has suggested that donors develop 'whole of government' approaches when engaging in areas such as Somalia, Afghanistan, and the DRC, however we still know relatively little about the outcomes of these approaches (OECD 2007; Patrick and Brown 2007; Baranyi and Desrosiers 2012). The DIIS report, 'Whole-of-Government Approaches to Fragile States and Situations' (**Stepputat and Greenwood 2013**) thus provides an overview of selected donors' experience as documented in recent evaluations. It suggests that there is a need to be more transparent about, and to better grasp, the necessary trade-offs between political, security and development objectives as well as the consequences. It further questions one of the assumptions behind Whole-of-Government approaches, that development aid can help to improve security and to stabilize fragile situations. This can happen in some contexts where credible political settlements and transition plans exist, but in many other contexts, there is little evidence to suggest that improved service provision and short-term reconstruction efforts will lead to improved security for the population.

4.4 Justice

Addressing injustices and increasing people's access to justice is the focus of the third PSG. Frameworks and indicators that have been proposed for this PSG highlight justice conditions such as fair and equal access to justice, the addressing of grave atrocities and systematic violations of rights, and the capacity and performance of justice institutions.

As explored below, several major initiatives and reports have consolidated knowledge about aid interventions in this area and provided recommendations for policy makers. As discussed in Section 3, therefore, Justice has not been a major focus of ReCom research, although UNU-WIDER has prepared selected studies on several key topics. In this section, we first provide a brief overview on key challenges in building the rule of law. We then turn to issues of transitional justice.

4.4.1 The rule of law

Building the rule of law is a central challenge for governments and states. Increasingly, work on conflict and post-conflict states has also focused on rule of law issues (see UNDP 2008). Corruption can also be considered under the

rule of law and is the subject of a large literature (Knack 2006; Sampford et al. 2006; Bertrand et al. 2007; Apaza 2009; Gronlund et al. 2010; Hechler 2010; Sampson 2010; Banerjee et al. 2011; Hanna et al. 2011; Johnston 2011; Mungiu-Pippidi 2011; Olken et al. 2011).

Approaches to the rule of law are alternately formalist and ‘thin’, addressing adherence to a legal framework, or substantive and ‘thick’, focusing also on the justness of law, including human rights (see Carothers 2006). We adopt here a largely formalist approach as related issues of human rights and democracy are addressed in this position paper under Legitimate Politics.

Legal scholars highlight several core elements to the rule of law. Raz (1977: 198-201), for instance, notes that the law should be ‘prospective, open, and clear’ and relatively stable; that law-making ‘must be guided by open, stable, clear, and general rules’ and the independence of the judiciary guaranteed; that courts should have powers of review to ensure conformity to the law and be easily accessible; that ‘the principles of natural justice must be observed (i.e., open and fair hearing and absence of bias)’; and that ‘the discretion of crime preventing agencies should not be allowed to pervert the law’.

Efforts to measure and assess the quality of the rule of law are also instructive. One of the most comprehensive efforts, the World Justice Project’s Rule of Law Index, assess nine dimensions: limited government powers, the absence of corruption, order and security, fundamental rights, open government, effective regulatory enforcement, access to civil justice, effective criminal justice, and informal justice. Its annual rule of law index, the latest of which covers 97 countries and one jurisdiction, gives a detailed picture of the extent to which countries adhere to the rule of law, providing a tool that donors can use, for instance, to identify priority areas for reform in particular countries (Agrast et al. 2012).

Another useful source of information on what works in the rule of law area is the Innovating Justice Forum, a collaborative initiative of the Hague Institute for the Internationalisation of Law (HiIL), the Microjustice Initiative (MJI), the European Academy for Law and Legislation (EALL), and the Center for International Legal Cooperation (CILC). In particular, its catalogue of annual Innovating Justice awardees and nominees provides a useful and growing compendium of ‘what works’ and what might be scalable or transferrable to other contexts (see <http://www.innovatingjustice.com/>). UNU-WIDER’s background studies include an in-depth analysis of the winner of the 2011 Innovating Justice Award, the Nicaraguan Judicial Facilitators programme (**Barendrecht et al. 2013**).

O’Donnell (2004) identifies five key ‘flaws’ that hinder the full realization of the rule of law:

- Flaws in existing law, judicial criteria, and administrative regulations: e.g., the law discriminates against women or minorities;
- Flaws in the application of the law: e.g., the law is applied in a discretionary manner and used against political enemies;

- Flaws in access to the judiciary and fair process: e.g., the poor do not have access to the justice system;
- Flaws in relations between state agencies and citizens: e.g., state agents demand additional payments from citizens for services that are their legal right; and
- Flaws due to sheer lawlessness: e.g., regions far from the capital are governed by informal laws rather than the legal state.

These five points are the broad areas that aid to improve the rule of law should address. In general, donor strategies on the rule of law and judicial reform focus on legal and technical issues related to the first three of these points, while work on combating corruption, often addressed separately, is relevant to the fourth point. The final point may fall under more broad-based state-building initiatives, for instance.

There have been several major attempts to consolidate best practices on reforms in these areas. With particular reference to donor activities, recommendations from this work includes:

Overall lessons:

- Recognize the limited role that the donor community can play in building the rule of law and in combating corruption: These are national political processes and cannot be solved entirely with technical-legal solutions (see, e.g., Mungiu-Pippidi 2011; UNODC and USIP 2011).
- Develop more coherent strategies, taking into account the systematic nature of changes and the importance of sequencing reforms: The impact of even the best trained judges, for instance, may be limited if the judiciary is not independent from the executive. Likewise, efforts to improve public perceptions of the police are unlikely to succeed if officers are ineffective in deterring crime and abusive to citizens (Samuels 2006).
- The ‘easiest’ rule of law interventions by donors focus on the passage of particular laws and the setup of formal institutions. However, these interventions may have no relationship with the application of the law, i.e., the rule of law in practice. For instance, donors have devoted considerable attention to formal mechanisms such as ratification of the United Nations Convention Against Corruption and establishment of anti-corruption commissions, but Mungiu-Pippidi (2011), among others, find no clear relationship between the existence of these institutions and lower levels of corruption.
- Consider conditioning aid on progress in establishing the rule of law: The Millennium Challenge Corporation and the European Neighbourhood Policy, for instance, do so explicitly. However, note also that there is considerable debate over whether doing so has in fact led to improvements in rule of law outcomes.

To address flaws in the existing law:

- Provide technical assistance in using existing laws and statutes as models, drawing on best practices from different countries rather than imposing one specific system. The Center for International Legal Cooperation (CILC), for instance, is developing a toolkit along these lines to help countries and organizations introduce administrative law systems.
- Be attentive to indigenous models of justice and work with traditional authorities (see Chirayath et al. 2005). The literature discusses a number of cases, for instance Mozambique (e.g., Kyed et al. 2012), Somalia (e.g., Le Sage 2005), Sierra Leone (e.g., Albrecht 2010), and the Latin American region (e.g., Käss and Steiner 2013).

To address flaws in the application of the law:

- Support judicial independence as a means of promoting impartiality in judicial decision-making (see USAID 2002).
- Be realistic about the payoffs to judicial training programmes: Such programmes are relatively straightforward to fund and implement and have been popular among donors, but their impact is debatable. Programmes may be made more effective and sustainable by working with local experts and adopting ‘train the trainer’ approaches.

To address flaws in access to the judiciary and fair process:

- Address cost issues for both for citizens and states, e.g., by developing mechanisms to provide legal information free of charge to citizens and by using volunteers to advise and work with citizens in their interactions with the judicial system.

To address flaws in relations between state agencies and citizens:

- Combine monitoring of corruption with positive incentives within the system (Hanna et al. 2011)
- Promote transparency in budgeting, legislation, etc. Projects such as the Open Budget Initiative offer models.
- Support the role of the media and information technology in improving transparency (Gronlund et al. 2010; Hanna et al. 2011; Mungiu-Pippidi 2011).
- Support civil society ‘watchdogs’ and whistle-blowers
- Be cognizant of the political implications of combating corruption and especially cautious in fragile state situations (see Johnston 2011).

Findings from the ReCom background study on the Judicial Facilitators Programme in Nicaragua, which focuses on improving access to justice, speaks directly the issue of addressing flaws in access to the judiciary and fair process (**Barendrecht et al. 2013**). It offers an example of how cost issues for both citizens and states can be addressed, and is a programme that not only ‘works’

but that has also been successfully scaled up and transferred across country contexts. Although Nicaragua is not today a fragile state according to standard classifications, the country's history of political instability and weak rule of law institutions, among other factors, suggest the potential relevance of this programme to more fragile environments. This particular background study was commissioned to complement existing research on community-based paralegal programmes around the world (e.g., Bangladesh, India, Malawi, the Philippines, South Africa, Zimbabwe), in particular analysis of the 'Timap' programme in Sierra Leone (Maru 2006; Dale 2009). The case study is part of the collaborative project on *Good Aid in Hard Places: Learning from What Works in Fragile Contexts*.

4.4.2 Transitional justice

Transitional justice is a 'set of measures implemented in various countries to deal with the legacies of massive human rights abuses', including 'criminal prosecutions, truth-telling, reparations, and different forms of institutional reform (foremost among them vetting, particularly of security forces, which may include the judiciary)' (de Greiff 2012). UNU-WIDER's background study on transitional justice and aid (Hellsten 2012) provides a summary of what we know with particular attention to Africa, including discussion of how the concept of transitional justice has evolved and expanded over time, the place of transitional justice in global ethnics and international relations, connections with issues of social justice and good governance, and gender justice. It highlights four arguments relevant to continuing donor activity in this area:

- the scope of the concept of 'transitional justice' has become too wide and ambiguous leaving it open to political critique and rhetorical use;
- this conceptual vagueness makes assessment of the impact of the TJ tools difficult and prevents planning for realistic and effective assistance to transitional societies;
- while human security, human rights, development and good governance are clearly interlinked, it remains essential to distinguish between interim, relatively short-term aid for transitional mechanisms, and for longer-term reform support that enforces national ownership and helps transitional societies to find their own path of political and economic development towards democracy and social justice. In order to encourage sustainability, the international community also needs to better define its 'entrance and exit strategies' in relation to transitional justice interventions;
- finally, despite growing awareness of the prevalent gender injustice, TJ mechanisms still fail to tackle effectively long-term structural gender inequalities. Gender justice has to be better mainstreamed and fully integrated into all parts of aid for all TJ processes as well as other wider reform programmes or the value of the intervention is seriously undermined. **(Hellsten 2012: 1-2)**

Hellsten's findings on gender and transitional justice are summarized in Box 10.

Box 10: Gender and transitional justice (Hellsten 2012)

In the recent uprisings in the Middle East and North Africa, women were at the forefront of the protests. However, once the struggle was over, women were generally expected to return to their normal roles. Very few were present at the negotiations about new political orders, and it now seems likely that women will make few gains under the new regimes. Due to the persistent structural injustice and violence women experience, both during conflict, and in the period of reconciliation, gender issues need to be given special emphasis during the transitional process.

Women in conflict

Transitional justice (TJ) often fails to adequately deal with the multi-dimensional issue of gender justice. This is partly to do with the way women are treated during conflict situations, but also women's roles in societies in general. Even in countries at peace, and where women's rights are largely respected, gender inequality remains prevalent; women are underrepresented in both politics and business, and are regularly paid less than men in the same positions. As countries slide deeper into conflict, this imbalance becomes even worse. Often any previous political gains made by women are also lost as society is re-patriarchalized through violence.

This problem is particularly prevalent in the all too common nationalistic and ethnic conflicts, which are often based on supposed 'natural' hierarchies of human nature. Such ideologies tend to view women not only as 'the weaker sex', but also the biological producers of ethnic and national heritage. Consequently women often face the threat of gender-based violence, not only because they are women, but because they are members of a particular ethnic group. In such a context gender-based violence can come to be seen as an effective weapon, sexually assaulting the women of an ethnic group both humiliates opponents, and threatens their ethnic and racial purity.

Given the level of violence women face in conflict situations a successful TJ process needs to pay special attention to the gender dimensions of the conflict. However there are a number of reasons why such attention is often not given, and why problems based on gender are often marginalized during the TJ process.

Women and transitional justice

Transitional justice is both backward and forward looking in nature. Key TJ mechanisms such as truth commissions, tribunals, reparations, apologies, and amnesties seek not only to address the wrongs of the past, but to lay the groundwork for a more just and peaceful future. One of the key issues facing women seeking justice during a transitional period stems from this distinction. Attempts to bring about backward looking justice by bringing those responsible for gender-based violence to account are often seen as destabilizing and threat to future stability. Women therefore come to be seen as enemies of peace and reconciliation.

In an effort to improve the way TJ handles gender issues new methods to deal with sexual and gender-based violence have been tried. However while the explicit focus on 'women's issues', and the establishment of special courts to deal with sexual violence may lead to more convictions, it also tends to separate gender injustices from wider human rights issues. This may mean that women's issues will not be taken seriously by mainstream courts once transitional justice finishes, and interim external interference is withdrawn.

A related issue is that many international initiatives which aim to reduce violence against women are pursued in parallel to other reforms. Mechanisms such as the UN Security Council Resolution 1325—‘Women Peace and Security’—give countries an ideal to work towards, but this ideal is often ignored while the country deals with what are seen as more pertinent issues of its own constitution and other reforms. This problem is compounded to some extent by the fact that increasingly those designing TJ processes try to be more culturally sensitive and not to be seen directly promoting western individualism and universalism. A focus on culturally sensitive approaches to justice makes it easy to allow gender injustice and the suppression of women’s rights to continue.

Yielding rights

The general problem women face during periods of transitional justice is that women’s rights continue to be ‘yielding rights’. That is they are seen as those rights that have to give way to the goals of peace and justice even when radical political changes take place. Women’s rights are sacrificed in order to not offend those cultural and religious views which maintain the suppression of women. Gender issues are often put aside, and their advocates are told they must wait until peace is secured before pushing for change.

In order for transitional justice to achieve its supposed goal of social justice then the idea that women’s rights should always yield to other values needs to be abandoned. Instead TJ mechanisms should acknowledge the fact that women are often disproportionately affected by conflict, and put women’s rights at the forefront of efforts to build a more peaceful future.

Source: Reprinted from the UNU-WIDER research brief based on Hellsten (2012).

The relationship between support for transitional justice and development aid has also been considered in other UNU-WIDER research. In particular, Addison (2009) explores the political economy of transitions from authoritarianism, focusing on the interplay between five objectives faced by transitional societies: transitional justice, distributive justice, prosperity, participation, and peace (see also Addison and Brück 2009). The literature on regime transition has tended to focus on political legacies, but as Addison illustrates, authoritarian regimes also have economic legacies, including ‘an economic structure, a distribution of wealth, a style of economic policymaking, and a set of institutions’, as well as informal norms of (un)co-operative behaviour and degrees of distrust between individuals, groups, and the state (Addison 2009). The implications of these legacies for economic growth, investment in the economy, and poverty, i.e., for the objectives of prosperity and distributive justice, are well recognized in the literature, while Addison further concludes that they should be given greater attention in strategies to deliver transitional justice:

‘People in authoritarian societies suffer not just from state violence but also from the poverty and hunger that economic mismanagement brings. They need social protection to ease the economic pain that the transition from authoritarianism often entails, help from the international community to prosecute the guilty who profited from running the economy into the ground,

and assurance that post-authoritarian governments will deliver rising prosperity and distributive justice. Quick wins are then especially important to maintain credibility. The worst situation is when the legacy of authoritarianism is both an ineffectual state and high inequality. The country will then struggle to deliver progress, the credibility of democratic politicians will be damaged, and the country could retreat back into authoritarianism and/or descend into large-scale violent conflict. Good intentions are therefore not enough; implementation is paramount.’ (Addison 2009: 134)

4.5 Economic foundations

Economic Foundations, especially generating employment and improving livelihoods, are the focus of the fourth PSG. Frameworks and indicators that have been proposed for this PSG highlight economic conditions, including inter alia infrastructure, economic inequalities, vulnerability to shocks; the quantity and quality of employment; agricultural productivity; an enabling environment for private-sector development; and exploitation of natural resources.

Economic Foundations are a core focus of the ReCom programme. Indeed, as summarized in Table 9 a comparison of the consolidated list of fragile states presented in Table 6 and least developed countries suggests the high correlation between poverty, fragility, and by extension poor governance.

TABLE 9
Consolidated list of fragile states and LDCs

Fragile states	Fragile and LDC	LDC
Bosnia & Herzegovina	Afghanistan	Benin
Cameroon*	Angola*	Bhutan
Congo, Rep**	Bangladesh*	Burkina Faso
Côte d'Ivoire**	Burundi	Cambodia
Democratic Republic of Korea*	Central African Republic	Djibouti
Egypt*	Chad	Equatorial Guinea
Georgia*	Comoros	Gambia, The
Iraq	DRC	Lao PDR
Islamic Republic of Iran*	Eritrea	Lesotho
Kenya*	Ethiopia*	Mauritania
Kosovo	Guinea*	Mozambique
Kyrgyz Republic*	Guinea-Bissau	Samoa
Libya	Haiti	Sao Tome and Principe
Marshall Islands	Kiribati	Senegal
Micronesia, FS	Liberia	Tanzania
Nigeria*	Madagascar**	Vanuatu
Pakistan*	Malawi	Zambia
Sri Lanka*	Mali**	
Syria	Myanmar	

Fragile states	Fragile and LDC	LDC
West Bank & Gaza	Nepal	
Zimbabwe	Niger*	
	Rwanda*	
	Sierra Leone	
	Solomon Islands	
	Somalia	
	South Sudan	
	Sudan	
	Timor-Leste	
	Togo	
	Tuvalu**	
	Uganda*	
	Yemen	

* Categorized fragile by OECD, but not the World Bank

** Categorized fragile by the World Bank, but not OECD

Source: OECD (2012a); World Bank (2013a); b)

‘What works’ in aid interventions to address poverty is of course a core concern of the ReCom programme. As discussed in Section 3, many relevant issues are treated in the ReCom position papers on *Aid, Growth, and Employment* and on *Aid, Poverty, and the Social Sectors*. In addition, the ReCom position paper on *Aid and Gender* speaks to women’s employment and livelihoods in particular.

Complementing this other work, the Governance and Fragility theme has commissioned (sometimes in collaboration with other themes) selected studies to address knowledge gaps that our work identified. Drawing on this research, in this section, we first discuss briefly how economic foundations in post-conflict fragile states may be different to economic foundations in more stable environments. We then turn to economic governance more generally, with particular attention to creating a regulatory environment to support private sector activity. Finally, we spotlight findings with respect to extractive natural resource development.

As noted in Section 3, several other studies have been commissioned under this theme jointly with other ReCom themes to address knowledge gaps. We refer readers to the other position papers and to the annotated bibliography in Appendix 2 for further discussion of aid for agriculture and rural development the Global South (**Chimhowu 2013**), economic growth in Sierra Leone (**Kargbo 2012**), the political economy of green growth (**Resnick et al. 2012**), and aid as a catalyst for pioneer investment (**Collier 2013**).

4.5.1 Does the ‘economics of peace’ differ from the ‘economics of development’?

We have argued in this position paper that in operating in fragile states and situations, donors face—in amplified form—many of the same core challenges related to political and economic governance that they face in all states and

situations (fragile and not), and thus that the lessons of past experience with governance reform in developing countries more generally can inform programming in fragile situations. In the area of Economic Foundations recent research highlights that donors face some additional and distinct challenges in creating an economic environment that is supportive not only of development, but also of peace, and in addressing the core economic factors that contribute to conflict.

Considerable work remains to be done in terms of understanding the exact mechanisms through which conflict and economic development are related, but it is also clear that economic crisis, stagnation, and unemployment are tied to political instability. As the Arab Spring suggests, for instance, youth unemployment can be a particularly destabilizing factor (with potentially positive, as well as negative, implications for politics) (see **Burnell 2011; Harrigan 2011**).

These points and others have been developed through UNU-WIDER's longstanding research programme on conflict. Building on this work, Addison (2012) provides a useful synthesis on the relationship between growth, fragility, and civil war and implications for economic policy. Although post-conflict countries often experience a 'growth bounce', Addison argues, it is important to distinguish in fragile states in particular between the 'quantity' and 'quality' of growth. In particular, the benefits to this growth bounce may not be widely shared, highlighting the importance of increased action on social protection. Addressing poverty in this way can provide 'an important *internal* source of demand for growth, stimulating the private sector'. Given the small size of most fragile economies, however, growth cannot be driven by internal sources alone. *External* sources should also be tapped, through engagement with the global economy, diversification of the traditional export base, and investment by diaspora groups and others.

Issues related to diaspora groups and development in fragile situations are considered in more depth in one of the DIIS reports for ReCom (**Kleist and Vammen 2012**). The report examines how donors can support diaspora groups' contributions to reconstruction and development processes in fragile situations through long-term, flexible and locally anchored programmes: reducing remittance transfer costs, collaborating with diaspora organizations, and supporting temporary return programmes and migrant mobility.

Highlighting many of the issues raised in Addison (2012)'s analysis, the UNU-WIDER background study by **del Castillo (2012)** considers the 'economics of peace' as compared to the 'economics of development' in the context of the Liberian case as detailed in Box 11.

Box 11: How to achieve economics of peace? A study of the Liberian case (del Castillo 2012)

In 2003 the fourteen-year civil war in Liberia was brought to an end. Permanent peace, however, is by no means assured even ten years later. Around half of the countries that embark on the all-important transition from war to peace slide back into conflict. Of the half that manages to keep the peace the vast majority become highly dependent on aid. This is at least in part due to the fact that the aid community often fails to distinguish between the economics of development and the economics of peace.

Peace in Liberia

Between 150,000 and 300,000 people died during Liberia's fourteen-year civil war, which was brought to an end by the 2003 Accra Comprehensive Peace Agreement. The conflict was caused by 'native' Liberians' grievances against the former slave and freeborn blacks who came from America to settle in Liberia in the 1820s. The 'Americo-Liberians' founded the republic of Liberia in 1847, held power until a coup d'état in 1980 at which time 4 per cent of the Liberian population owned 60 per cent of the wealth.

Liberia's economic recovery since the conflict has largely been based on natural resource exploitation, which generates most of the country's output, foreign exchange and fiscal revenue. However the natural resource sector has failed to produce links to other important sectors of the economy, and in particular has failed to create jobs for the large majority of the population, which lives from subsistence agriculture and petty trading. Creating new and productive jobs is key to national reconciliation both because they give former combatants a means to provide for themselves and their families, and because it integrates them into the process of rebuilding the national economy.

This problem has been recognized by the Liberian government. Their 2008-11 poverty reduction strategy emphasized the need to improve infrastructure, and increase the provision of local services. However public services such as healthcare and education are still lacking and the improvements to infrastructure have largely benefited foreign concessions producing commodities for export. The Liberian government has now adopted a new eighteen-year strategy called 'Liberia Rising', which aims to make Liberia a middle income country by 2030. However, in order to achieve a sustainable peace and become less reliant on the UN Peacekeeping Operation for security, it is of paramount importance to quickly integrate former combatants and other war-affected groups into the economy. For this aim, the development strategy pursued by the Liberian government is too long term in nature. Pursuing the typical development policy of focusing purely on economic growth may have tragic consequences for Liberia, the special needs of a post-conflict society have to be taken into account promptly to avoid the country relapsing into conflict.

The economics of peace vs. the economics of development

The economics of peace should be seen as an intermediate period between the economics of war, where the underground economy dominates, and the economics of development, which focuses on medium- and long-term objectives of economic growth and structural improvements. There are a number of ways in which the economics of peace must differ from the normal development agenda.

- Policies during the economics of peace may need to be short-term and emergency in nature, so as to ensure that the country does not revert to conflict, even if this means that these policies are less than optimal in the long run.
- Former combatants and other war-affected groups need to be reintegrated into productive activities as soon as possible, so that they have a stake in the peace process.
- The traditional development principle that all groups with the same need should be treated equally may need to be put aside. In some cases it will be necessary for special attention to be given to those most affected by the conflict, or those most likely to revert to it.
- Aid always presents opportunities for corruption, and the extraordinarily high levels of aid received by post-conflict countries, which often ranges from 50-100 per cent of GDP, considerably exacerbates this problem. In order to avoid this, greater attention must be paid to how aid is utilized during the economics of peace to ensure that it supports, rather than weakens the process.
- Policies during the economics of peace must be focused on the speedy creation of an economy that is inclusive and self-sustainable. Post-conflict societies receive a large amount of humanitarian aid to save lives and ensure minimum levels of consumption. If prolonged, however, this aid would discourage production and labor supply. By contrast, reconstruction aid is key to create investment and employment, to make life worth living and to ensure that the country can stand on its own feet.

As noted above, Liberia's current development policy is based on improving the country's infrastructure and service industry, mostly benefiting the large foreign concessions. This is important, but when the special requirements of the economics of peace are taken into account, a better policy would be to focus on specific areas of the country to quickly create jobs for the vulnerable, a level-playing field in infrastructure, services and credit for the micro- and small enterprises and farmers, and economic linkages between the export industry and local production. These areas should be seen as 'reconstruction zones'.

Reconstruction zones in Liberia

Reconstruction zones would be made up of two different, but linked, areas; local production reconstruction zones (LRZs), and export-orientated reconstruction zones (ERZs), which would consist of the existing foreign concessions. Locating such zones close together would enable the creation of synergies between the two, and thus help overcome the problem of Liberia's successful natural resource driven export sector not really contributing to local development. Furthermore, in LRZs rural development could follow a more integrated strategy based on local needs and priorities; this would help Liberia also raise the level of food security in the country. This policy falls within the government's current strategy, but would have the added benefit of creating the urgently needed employment opportunities for the vulnerable.

The importance of an integrated approach is demonstrated by a common failing of many development strategies. That is that they educate people for jobs that do not exist, or build roads in areas where there is not enough productive activities for them to be used, building schools for which there are no teachers, or providing seeds to farmers who do not have the technical skills necessary to use them. The fact that RZs would focus on specific geographic areas would allow for a more integrated development strategy in the areas in questions, which would in turn help avoid the kind of problems that Liberia faces today. Furthermore, a more integrated strategy

with strong links between the export sector and the domestic economy would also encourage more rapid development than otherwise, which, as already noted, is particularly important in post-conflict societies.

Implications

Reconstruction Zones may be what is needed to create a virtuous circle between growth, poverty alleviation, better access to resources and opportunities, improved living conditions for the large majority of the population, and peace consolidation. If RZs can achieve this, then they represent a promising policy with the potential to prevent Liberia slipping back into a conflict situation. While this type of RZ may not be the correct policy for all post-conflict societies, focusing on the economics of peace is key to ensuring that Liberia does not relapse into conflict and can eventually move into a normal development path.

Source: Reprinted from the UNU-WIDER research brief on del Castillo (2012).

4.5.2 Economic governance and regulatory reform

Early work on governance and development focused largely on issues of economic governance, public sector management, and corruption. The World Bank, in particular, was important in the development of this agenda (see Doornbos 2001; Nanda 2006; Grindle 2010). Although the Bank's current strategy on governance acknowledges that political issues are part of governance, it also makes clear that this aspect falls outside of its mandate, and that its work focuses on what it identifies as the two other aspects of governance, 'the processes by which authority is exercised in the management of a country's economic and social resources' and 'the capacity of governments to design, formulate, and implement policy and deliver goods and services' (World Bank 2012c).

These aspects of governance—economic governance and public sector management—are covered at length in existing work, particularly by the multilateral development banks. However, there is in our view a need to consolidate knowledge on some topics under these themes. Box 12 reviews key findings of existing research on improving the regulatory environment for private sector development based on UNU-WIDER's commissioned study on this topic (**Kirkpatrick 2012**).

Box 12: Regulatory reform (Kirkpatrick 2012)

Improving the regulatory environment for private sector development can be understood to involve three broad types of reform: easing the 'burden' of regulation, such as through administrative simplification and reduction in regulatory compliance costs; achieving 'better' regulation, such as by improving the quality of new regulations; and improving regulatory management, through strengthening of institutional and human capacity. Although regulatory reform has long been a core component of donor work on governance, research in this area has largely focused on the desirability of regulatory reform in general. As this study shows, considerable work remains to be done to identify the particular reform measures most effective in strengthening economic performance and to evaluate specifically the success of

donor interventions in this area. Several of the key findings from existing research reviewed in this study include:

Economic gains from regulation: Evidence since the 1980s suggests that privatization alone does not necessarily introduce competition and raise productivity, thus greater attention is now placed on improving the regulatory state. Research underscores that the quality of the regulatory governance framework within which reforms are implemented has significant influence on the relationship between regulatory reform and investment (Kirkpatrick et al. 2006; Eifert 2009).

The value of improving enterprise registration and licensing procedures: Entrepreneurship and the entry of new businesses are key drivers of employment creation and economic growth (Djankov et al. 2002; Klapper et al. 2006). Reform of regulations concerning enterprise registration and licensing procedures has thus been an area of significant donor assistance. Measures have included comprehensive review of procedures, the introduction of 'one stop shops', fixed registration fees regardless of company size, and the separation of registration from licensing regulations. The World Bank's *Doing Business* surveys suggest that such efforts have yielded results: Between 2003 and 2011, for instance, the average time to start a business fell from 50 days to 31.

Regulatory Impact Assessment (RIA) as a tool for reform: RIA is in wide use in OECD countries and has also been a prominent feature of reform programmes in developing countries, although methods in use vary widely (Rodrigo 2005; Kirkpatrick and Parker 2008). RIA can provide quantitative estimates of regulatory impact that can be used to assess the net benefits of existing and new regulations and evaluate whether they meet policy objectives and goals such as consistency, targeting, and proportionality. Use of RIA can also serve to improve the transparency and accountability of evaluation given to new legislative proposals. Experience however suggests that the extent to which RIA is 'embedded' in public policy management depends largely on domestic institutions and their capacity and that there is no single 'best practice' model.

Research on regulatory reform further highlights several general findings that are particularly relevant to donors:

First, there is no 'one size fits all' solution to regulatory reform and its effects are context specific. This is illustrated in the wide variety of viable utilities regulations, licensing procedures, and RIAs.

Second, considerable research remains to be done in evaluating specific regulatory reforms. One key obstacle to research is the lack of transparency on the part of donors about their activities in this area. For instance, most of the quantitative data available on this topic is highly aggregated, such as the World Bank's *Doing Business* and *Worldwide Governance Indicators*, and thus not appropriate for analysis of specific reforms.

Third, most studies focus on the costs to regulation and do not elaborate the considerable benefits. Analyses should consider not only economic outcomes, but also social outcomes, health and safety, and environmental welfare.

Source: Based on Kirkpatrick (2012).

4.5.3 Extractive natural resource development

Mega-projects related to extractive natural resource development increasingly characterize many African economies. Such projects have potential impact on economic transformation, job creation, and poverty reduction. Aid supporting government efforts to promote productive sectors and harness FDI in mega-projects may, accordingly, influence economic development substantially, but such aid is relatively understudied (see Torvik 2009; Morris et al. 2011; Morrissey 2012b; UNCTAD 2013). DIIS's ReCom study on extractive natural resource development (**Buur et al. 2013**) thus assesses this key topic. Drawing on the economic and political economy literature on extractive industries linkage creation in Africa and on limited fieldwork in Mozambique, Tanzania, and Uganda, the report helps to identify the main factors that influence the political incentives for governments in African countries to use industrial policies and other measures to create linkages between extractive industries and other parts of the economy, which in turn generate jobs, sustain growth and alleviate poverty. The report highlights that linkage policies can clearly help to create jobs and reduce poverty in resource rich African countries, but this potential has not yet been sufficiently exploited. For this to happen, governments should pursue more active industrial policies, which 'fit' the domestic political constraints and opportunities. Donors should also be more active in linkage creation through technical and organizational advice and by supporting training, technical education and technology transfers.

Two UNU-WIDER commissioned studies developed under the collaborative project on *Aid and Institution-Building in Fragile States: Lessons from Comparative Cases* further address issues of natural resource management. **Pérez Niño and Le Billon (2013)** critically examine the cases of foreign aid-dependent Mozambique and oil rentier Angola, two countries that share similar colonial and post-independence civil war experiences and whose development paths are often contrasted. **Fuady (2014)** comparatively examines the different trajectories experienced by two oil-rich states, Nigeria and Indonesia. Among other points, these studies elaborate how local context in the form of domestic priorities and political institutions influence diverse outcomes in direct and indirect ways, regardless of donor policy.

4.6 Revenues and services

Managing revenues and building capacity for accountable and fair social service delivery is the fifth PSG. Frameworks and indicators that have been proposed for this PSG focus on revenue generation, including tax and customs policy and administration; public administration, including public financial management and the quality of the civil service; and service delivery.

In this section, we focus on key findings from the ReCom background studies on three key sub-topics: (1) tax policy and administration; (2) public administration reform, including civil service reform and public financial management; and (3) service delivery. Service delivery is also highly relevant to

the position paper on *Aid, Poverty, and the Social Sectors*. We thus explore service delivery with particular attention to (a) service delivery in fragile situations and (b) decentralization and urban service delivery. This PSG is also related to Building State Capability; we focus in that section on broader aspects of institutional development and here on more specific issues. In addition, issues of accountability and fairness of revenue generation and service delivery have a number of overlaps with the discussion of Legitimate Politics above.

4.6.1 Tax policy and administration

As suggested in Section 3.1, the ability to generate revenues through taxation is a core component of ‘stateness’. The fact that many developing countries, and fragile states in particular, rely heavily on foreign assistance, as opposed to domestically-generated revenues, thus is significant for discussion of fragility and governance more generally.

One key question in the literature thus has been over whether aid in fact erodes domestic tax effort, particularly in weak states. Several UNU-WIDER studies have explored this question, **Morrissey (2012a)**, for instance, reviews the evidence on how aid affects government spending and tax effort, including discussion of when (general) budget support is a fiscally efficient aid modality. His review highlights, among other points, that the extent to which aid is fungible is over-stated and that the evidence shows no systematic effect of aid on tax effort.

Turning the question around, **Mosley (2012)** explores ‘aid effectiveness through the lens of the link from tax structure, to tax effort, to expenditure possibilities, to growth’, concluding that:

‘Our interpretation has not really advanced from that put forward thirty years ago as Mosley (1980)--namely that for poorer developing countries, tax effort, as an important indicator of institutional structure, is an important element in determining the ability of a country to transform itself into a developmental state, and thence in determining that country’s capacity for growth; and that it is therefore vital, if one is to understand the *relative* effectiveness of aid in relation to growth, to examine the linkage going from tax structures to growth to aid, as well as the linkage going in the reverse direction from aid to tax-structures, as examined, for example, by Bräutigam and Knack (2004). In our view, the impact of aid on tax is much more complex than the simple crowding-out effect visualised by Bräutigam and Knack when they say (2004: 256), ‘large amounts of aid and the way it is delivered make it more difficult for good governance to develop... because of the way aid affects institutions in weak states’. Our view is that sometimes this is true and sometimes it isn’t, depending on the underlying political economy of the recipient state and the chemistry that develops between the donor and the recipient, but especially in the case of the IMF we have econometric support for our view that technical assistance in laying the administrative base

for an expansion of the taxbase may in many cases be critical for an expansion of tax capacity. The relationship, in other words, is a two-way, interactive one, and its outcome is determined not only by the Bräutigam-Knack ‘crowding-out’ effect, but also by the magnitude of two more positive impacts, namely the direct effect of technical assistance by donors into tax design and the indirect effect of aid on tax revenues via growth.

Our findings on the aid-growth linkage itself are non-robust ... But the findings so far provide firm support for the idea that if we are to improve aid effectiveness, serious study of the strategies used by those countries so far used by poor countries who have been successful in escaping from the ‘low-tax trap’ ... is strongly recommended.’ (Mosley 2012: 14)

Examples of countries that have successfully escaped the ‘low-tax trap’ include Bangladesh, Cambodia, Ghana, Kenya, Nepal, Rwanda, Sierra Leone, Uganda, and Vietnam (Mosley 2012: 3). Drawing on some of these cases and others, Addison and Levin (forthcoming) explore the nature of tax reform in Africa, including that supported by donor programmes, and the potential for reform to raise revenues, but also the constraints on revenue mobilization in the region.

Box 13 reviews key findings from the UNU-WIDER background study on donor support to strengthening tax systems (Fjeldstad 2013).

Box 13: Donor support to strengthen tax systems in developing countries (Fjeldstad 2013)

Tax reform has become a major issue for donors in recent years (EC 2010; OECD 2011c). If countries are to move beyond aid dependence and become self-sustainable, they must be able to mobilize domestic revenue through taxation. Tax reform is also closely linked with processes of state-building, public accountability, and democratic governance (Braütigam et al. 2008). The tax system may contribute to better governance by creating incentives for governments dependent on taxes to promote economic growth; through the development of the bureaucratic apparatus for tax collection, which may facilitate other improvements in public administration; and by encouraging citizen engagement in the political process, through ‘fiscal bargaining’ between taxpayers and their governments (Moore 2008; Prichard 2010). Traditionally, donors have focused on technical aspects of tax reform, but experience suggests that reform will be most successful when it also takes into account the role of taxation in governance and state-building.

Issues relevant to aid and tax reform can be grouped into three broad areas: improving tax policy and design, creating more effective tax administrations, and encouraging more productive state-society engagement around taxation. For each of these areas, Fjeldstad (2013) reviews what has and has not worked, and why, as well as providing specific recommendations for future engagement. In general, in the first area, assistance has focused on the simplification and streamlining of tax structures, with the overarching objective of raising revenues. Common reforms have included simplification of structures and procedures; reduction of tariffs; elimination of export taxes; introduction of dual income tax systems with simplified progressive labour tax

and flat, and relatively low, corporate tax; and expanded reliance on the value added tax (VAT) and other goods and services taxes (see Fjeldstad and Moore 2008; Prichard et al. 2012a). Addressing exemptions and tax incentives, which create large revenue losses, distort competition, and create the appearance of loopholes in the system, is a core challenge in this area. AfDB (2011), for instance, finds that exemptions and tax incentives in Tanzania could account for up to 6 per cent of GDP (see also TJN-AA 2012). Other core challenges in this area include more effective taxation of the informal sector (Prichard et al. 2012b), the development of sub-national tax systems (see Fjeldstad and Heggstad 2012), strengthening of the linkages between tax reform and other public sector reforms (see Ayee et al. 2010), and better understanding of the political nature of taxation.

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A second core area for reform is the creation of more effective tax administration, which Hadler (2000) estimates could increase revenue in many SSA countries by 30 per cent or more. Common reforms in this area include better use of new information and communication technologies; introducing unique taxpayer identification numbers; reducing the number of tax officers that taxpayers need to deal with by reorganizing the system around localities and/or industries; creating a Large Taxpayer Unit for large companies and establishing different offices and procedures for different categories of taxpayer; making the collection process more user friendly; using commercial banks as collection agents; and using audit units to selectively monitor the performance of primary tax collectors (see Kloeden 2011; Keen 2012).

Semi-autonomous revenue authorities (ARAs) are another initiative in this area that has received considerable donor attention in the last two decades. Evidence suggests that the record of ARAs is mixed (Devas et al. 2001; Kidd and Crandall 2006; Keen 2012). They have been most successful in Mozambique, Rwanda, South Africa, and to a lesser extent, Tanzania, but appear to have been relatively unsuccessful in some other cases, such as Sierra Leone, Zambia, and Uganda (Fjeldstad and Heggstad 2011; House of Commons 2012; Keen 2012). Given that the design of ARAs varies widely across countries and that many of them are relatively new, more work remains to be done in this area to identify precisely what works and why. Core challenges for reformers include addressing issues of international taxation and capital flight, better

use of ICT to enhance administrative efficiency, and the development and use of more effective performance indicators and benchmarks.

A final core area involves encouraging constructive state-society engagement around taxation (see Braütigam et al. 2008; Ayee et al. 2010). This may imply different reforms than a focus solely on revenue generation. For instance, reform of tax collection often concentrates on extracting more revenue from existing taxpayers—generally medium and large sized firms—rather than on broadening the tax base to smaller enterprises and individuals. Broadening the tax base does not usually bring large revenue gains and may be costly, but it is arguably more supportive of state-building and good governance because it increases public engagement on tax issues, which may also help to improve compliance and administration. Some of the core challenges and priorities to keep in mind in strengthening tax governance include strengthening taxpayers’ rights, fighting corruption in tax collection, building a taxpaying culture, securing better linkages between taxes paid and public service provision, strengthening parliamentary capacity on tax policy issues, encouraging civil society engagement, and building local research capacity.

Source: Based on Fjeldstad (2013).

4.6.2 Public administration

As discussed above, public sector management is a major area of governance reform in fragile states and developing countries more generally. In this section, we briefly spotlight findings from three UNU-WIDER background studies designed to address knowledge gaps in this area, with respect to civil service reform, public financial management, and the organization of public spending, with particular relevance to fragile states. The third study, by Paul Collier (**Collier 2012**) presents three broad proposals on ‘how to spend it’, thus illustrating the linkages between topics in public administration and service delivery (i.e., this section and the next).

Principles of aid effectiveness and civil service reform

As part of the collaborative project on *Aiding Government Effectiveness in Developing Countries*, **Repucci (2012)** reviews what we know from the literature about ‘what works’ and does not in civil service reform, with focus on how key principles and best practices with respect to aid interventions more generally can help to inform donor interventions in this area (Box 14).

Box 14: Best practices and civil service reform (Repucci 2012)

Although the civil service is central to good governance, reforms in this area are comparatively understudied (see UNDP 2004; Evans 2008; Scott 2011). It is increasingly accepted that civil service reform to date has been largely unsuccessful. A variety of factors have contributed to poor outcomes, including the complexity of civil service systems, the conflicting interests of stakeholders, and lack of consensus on objectives. The particularly slow process of reform in this area also complicates evaluation. Experience suggests a number of guidelines to support more successful donor interventions, including:

Context is crucial: Early efforts to reform civil service systems in the 1980s and 1990s were modelled largely on programmes in developed countries. The outcomes of these efforts have led donors to move away from such one size fits all approaches, but the challenge remains of how best to take context into account. Key factors to consider include the political dynamics and power relationships among official and unofficial authorities; ethnic and religious cleavages; organizational capacity; and the institutional legitimacy of implementing agencies. Institutional review and foundational analysis prior to reform has also helped to address contextual factors in some countries, such as Bolivia and Russia.

Reform takes time: Wescott (2004) estimates that fundamental civil service reform can take ten to twenty years. This should be recognized in advance and planned for appropriately. Although local ownership is important, it is also clear that locally-led processes may be less efficient and thus slower than externally-led reforms. Zambia and Tanzania provide two examples of reform programmes considered successful by some accounts that took considerable time (see World Bank 2008).

Sequencing and timing: Civil service reform requires so many activities over an extended time period that timing and sequencing are especially important. Sequencing may be determined by the logic of reform (e.g., lay-offs before pay increases) or by the particularities of the country context (e.g., prioritizing certain aspects of reform may be politically necessary). Civil service reform is also so complex that it cannot be completely planned in advance, and flexibility by reformers and donors is essential.

National ownership: The value of national ownership is also well accepted among donors, although how to provide support to reforms that operate by this principle remains a challenge. Russia's civil service reform in the 2000s presents one example of a process for which the national government provided the impetus to reform (President Vladimir Putin personally signed a letter requesting reform proposals within six months) and launched and led the reform, while accepting and managing support from various donors. In other instances, donors have sought to create national ownership by bringing national governments into the reform process through consultation. Another strategy has been to find 'champions of reform' within national administrations. The World Bank's civil service reform programme in Kenya in 2002-04, for instance, successfully worked with allies at the level just below permanent secretary.

The participation of a broad range of local stakeholders (NGOs, journalists, labour, and grassroots social movements) can serve to apply pressure for reform, help to monitor efforts, and maintain momentum for long-term and often controversial processes. Engaged civil society can also help to ensure the continuity of a programme that may outlast a single national government.

Donor co-ordination: Conflicting advice and multiple agendas can stand in the way of successful reform. Tanzania provides one example of donor co-ordination in civil service reform that is considered successful by some accounts. Recognizing problems caused by the lack of co-ordination, the Tanzanian government in 2004 called for 'one process, one assessment', and the country now receives basket funding for several dimensions of public sector reform. The Ghana Joint Assistance Strategy, launched in 2006, provides another example.

Big bangs and quick wins: Civil service reform experts are divided over whether it is best to concentrate on manageable 'islands of reform' or to attempt to tackle the entire system. Different strategies appear to work best in different contexts. In

Tanzania, for instance, the public sector reform launched in 1999 successfully took a comprehensive, government-wide approach, while in Russia, where there was major opposition to reform, the programme first focused on several specific and less controversial steps. Finding ‘quick wins’ is another incremental strategy that can help to build support for reform.

Source: Based on Repucci (2012).

Public financial management: findings from post-conflict Sierra Leone

As part of the collaborative project on *Good Aid in Hard Places: Learning from What Works in Fragile Contexts*, **Tavakoli et al. (forthcoming)** addresses public financial management (PFM) reform in fragile contexts through a case study of PFM in post-war Sierra Leone.

PFM is the subject of a large literature. This includes recent syntheses and guides for donors on PFM reform in developing countries (e.g., de Renzio et al. 2010; de Renzio et al. 2011; OECD 2011d; Simson et al. 2011), as well as recent work by the World Bank focusing on PFM in post-conflict countries (World Bank 2012b) and research on PFM in connection with UNU-WIDER’s collaborative project on *Building State Capability through Problem Driven Iterative Adaptation*, as introduced above (**Andrews 2013a**) (see also Andrews 2013c).

Building on this literature, **Tavakoli et al. (forthcoming)** considers the case of PFM reform in post-conflict Sierra Leone. We selected this case for further analysis in the *Good Aid* project because it is identified in World Bank (2012b) as a key post-conflict country in Africa that has made substantial progress in improving its public financial management performance. By 2007, it had achieved Public Expenditure and Financial Accountability (PEFA) assessment scores equivalent to those of other, more stable countries in the region. **Tavakoli et al. (forthcoming)** critically examines outcomes in this case, highlighting how key achievements primarily relate to budget execution functions, while the country had lower performance in other aspects of the budget cycle. The paper also explores the drivers of this (mixed) success with reference to the common factors considered in the broader project, *Good Aid in Hard Places: Learning from What Works in Fragile Contexts*, and illustrating the role of strong ownership and commitment to reforms by the Ministry of Finance and Economic Development, human capacity, and considerable international support, among other factors.

How to spend it

More broadly, Paul Collier considers public spending in weak institutional environments, discussing in turn independent ratings of public spending systems, independent public service agencies, and sovereign development funds (**Collier 2012**). The discussion illustrates the clear linkages between topics in public administration considered in this section and those considered below in Section 4.6.3 on service delivery. The conclusion to the study brings

together many of the issues discussed above and illustrates the specific relevance of the discussion to fragile states:

‘Aid is in danger of becoming prematurely irrelevant. On present donor practices, in those low-income countries that have reasonable economic governance it will become marginal, while in those that have inadequate economic governance it will be impotent.

For many of the governments that will continue to be aid recipients aid will be a rapidly decreasing component of their available resources. For these countries, sustained development will depend not upon how their governments manage aid but upon how they manage their own revenues. Aid can only continue to be relevant in these societies if it becomes a vehicle for enabling governments to strengthen their management of these domestic revenues. But benign donor influence is unlikely to come from a continuation of past donor practices. *A fortiori*, conditionality will be ineffective in this context: donors will simply lack sufficient financial leverage. Capacity building, while more politically comfortable, has repeatedly proved ineffective, as exemplified by the lack of improvement in the PEFA assessments of public spending systems.

The context in which aid will remain financially important is the fragile states. Donors will therefore increasingly concentrate on fragile states. However, in these environments on present aid delivery systems to fragile states aid will have only limited effect because public spending systems are manifestly inadequate. While donor conditionality has greater leverage in these contexts, it is often beyond the power of politicians to rectify the problem. Although highly dysfunctional, public spending systems cannot be reformed incrementally because the dysfunction is a locally stable equilibrium.

In both contexts aid effectiveness depends upon donors developing the same capability. They need a capacity that enables governments to improve the quality of their public spending. In this study I have suggested three organizational innovations in public spending. Since donors are intrinsically involved in how public money is spent they have the scope to promote the adoption of such innovations. One, the introduction of independent ratings of spending systems, would generate pressures for higher standards of financial integrity and budget cohesion. The second, Independent Public Service Agencies, could enable governments to scale up basic social services with demonstrably well-spent donor finance. The third, SDFs, could enable governments both to ring-fence both the macroeconomic decision of how much revenue to devote to investment, and the many microeconomic decisions of the investment process. Collectively,

such innovations constitute a new donor instrument of influencing the modalities of public spending, alongside the conventional instrument of the volume of aid. With an additional instrument donors can escape the dilemma arising from facing more objectives than instruments. More fundamentally, the organizational structures through which aid is spent can become models for how the government spends its own resources: *how* aid is spent may become more important than *how much* of it is spent.’ (Collier 2012: 13-14)

4.6.3 Service delivery

As discussed in Section 3.1, the provision of public goods and services is a core function of the state. Nevertheless, in many countries and perhaps especially in fragile states, local non-state actors may also play a major role in the provision of basic services. In some instances, international actors also act in place of the state to provide services. As the preceding discussion has illustrated, despite a large and rich literature on fragility and aid effectiveness, there remain significant gaps in our knowledge about some of the most basic questions. Among these is the question of what exactly has worked in aid to fragile contexts to support service delivery, and very precisely, *how* has it worked? (see also Manor 2007). Although the policy literature is replete with impact evaluations and discussions of ‘best practices’, insufficient attention is paid to the processes underlying outcomes and in particular to ‘testing’ or critically examining against the empirical record alternative hypotheses about the factors that drive outcomes. Spotlighting findings from ReCom research on these topics, this section first discusses social protection and basic service delivery in fragile states and then turns to decentralization and social accountability mechanisms.

Social protection and basic service delivery in fragile states

As the DIIS background study on social protection in fragile situations (**Kjertum forthcoming**) discusses, there is considerable disagreement in the literature over what constitutes social protection and its instruments, and very little empirical data in relation to fragile and conflict-affected situations from which to draw conclusions (see Darcy 2004; Harvey et al. 2007; Andrews et al. 2012a; Carpenter et al. 2012).

UNU-WIDER’s ReCom research has addressed issues of social protection and basic service delivery under several themes. We focus here on these issues in fragile states and we refer readers in particular to the *ReCom position paper on Aid, Poverty, and Social Sectors* which considers these issues more generally, as well as to the *ReCom position paper on Aid and Gender Equality* which considers these issues as related to gender.

Beginning with discussion of the concept of social protection, **Kjertum (forthcoming)** analyses experience with macro-level co-ordination of social protection measures in Afghanistan and Nepal, and finally, turns to micro-level instruments, including cash transfers, food aid, school feeding, social funds,

and community driven development programmes. The report concludes that measures will need to be ‘promotive’ and transformative in their approach rather than only protective and preventing if they should go beyond temporary mitigation of adverse conditions. Moreover, interventions which build on the resilience of people and communities and make use of existing structures already in place are likely to be more successful than pre-defined programmes.

Some similar themes are echoed in the UNU-WIDER collaborative project on *Good Aid in Hard Places: Learning from What Works in Fragile Contexts*, which draws on nine in-depth case studies of aid-supported projects and programmes widely considered to be successful in fragile states or very weak institutional contexts. Case studies cover a range of issue areas relevant to service delivery and public administration more broadly, including health (**Rosser and Bremner 2013; Rashidi et al. forthcoming**), education (**Williams and Cummings 2013**), social funds and community driven development (**Al-Iryani et al. 2013; Beath et al. 2013**), access to justice (**Barendrecht et al. 2013**), policing (**Bacon 2013**), and public administration more generally (**Ojala and Lepistö forthcoming; Tavakoli et al. forthcoming**). Each case study not only critically examines outcomes and impact, providing more nuanced assessment than existing literature, it also explores the ‘drivers’ of these outcomes, with a view to understanding the factors that would affect scaling up or transfer of ‘what works’ to other contexts.

Several broad themes relevant to aid and service delivery emerge from these cases (Gisselquist 2013d). The most interesting for the discussion at hand concerns variation in the types of aid-supported interventions in fragile contexts and relatedly in their challenges and outcomes. The cases suggest that interventions can be separated into types, those that rely on or involve extensive engagement with domestic state institutions, which are the most challenging when these institutions are weak, and those that can be more autonomous to state institutions, which are relatively more straightforward. Public financial management (**Tavakoli et al. forthcoming**) and policing (**Bacon 2013**) are a good examples of the first type, while very targeted-health related interventions such as guinea worm eradication (Cairncross et al. 2002; Richards et al. 2011) would fall at the other end of the spectrum. Judicial reform would generally be of the first type, but it is also possible to develop interventions more of the latter type, as the Judicial Facilitators programme in Nicaragua illustrates (**Barendrecht et al. 2013**). Other interventions explored in the case studies fall more in the middle, or include components of both. Collectively, the project suggests that although both types of interventions are necessary in supporting fragile states and promoting improvements in governance, donors and reformers should consider the relative trade-offs of each in developing reform strategies, for instance beginning first with ‘easier’ interventions to build public support.

This preliminary finding in turn speaks to findings explored in other recent and ongoing research on service delivery, suggesting the importance of disaggregating service delivery in order to understand specific constraints and opportunities in targeting interventions. Mcloughlin and Batley (2012) in particular argue that ‘sector characteristics’ that can be used to differentiate

between services can influence the balance of power between policymakers, provider organizations, and users, which in turn can have broad impact on service delivery and accountability relationships. Further work along such lines is a key area for future analysis.

It is also worth considering the role of local actors (customary authorities, clan elders, community policing actors, etc.) as the de facto primary authorities and/or providers of key services such as justice, security, or social services in many fragile states (see Grindle 2007; Batley and McLoughlin 2009). Many international programmes acknowledge this today, reflected in varied innovative experiments with working outside an official government structure. It is also realized that such actors may both be part of the problem and part of the solution to the conflict and to a stabilization process. However, many donors relate ambiguously to them. DIIS's ReCom study on local actors and service delivery in fragile situations (**Albrecht 2013**) discusses the main lessons to be learned from relatively successful support to local actors. It argues that a broad definition of the state is necessary as programmes that aim to strengthen service delivery in fragile situations are being designed. Drawing on analysis of three cases—community policing in Sierra Leone, primary healthcare provided by village doctors in Bangladesh, and primary education provided by NGOs and madrasas in Pakistan—the report argues first that the quantity and quality of service provision cannot be equated with a set of centrally governed institutions. It is performed by a broad range of actors, including NGOs, grassroots, community-based, faith-based, traditional voluntary organizations and customary organizations (chiefs and tribal leaders) as well as religious leaders. Second, no local service provider acts independently of the broader system of governance in which it operates. As a rule, local service providers are part of an extensive system of governance that incorporates a variety of centrally and locally embedded organizations.

Finally, in terms of specific areas of service delivery, DIIS's report by **Petersen (2013)** explores lessons learned from education of young people in fragile situations, focusing on secondary education, accelerated learning/second chance and technical and vocational training programmes. It shows that successful programmes have been holistic and have incorporated both hard and soft skills adapted to the context and specific needs of youth; prioritized content and quality to counter inequalities that underpinned conflict; and aligned with communities as well as the government to ensure ownership and to scale up good experiences.

Decentralization and social accountability mechanisms

Decentralization has been an important aspect of public sector reforms in many developing countries over the last 20 years. Improvements in service provision, social accountability, and governance are among the arguments presented for decentralization. However, it has been generally difficult to establish a clear relationship in empirical analyses (**see Dickovick 2013; Green 2013**).

ReCom background studies in this area explore the relationship both in rural and urban settings. DIIS's report, 'Social Accountability Mechanisms and Access to Public Service Delivery in Rural Africa', **Friis-Hansen and Ravnkilde (2013)** reviews experiences in supporting social accountability mechanisms in rural Africa, including public expenditure tracking surveys, rights based approaches, participatory budgeting, community-based monitoring, participatory priority setting and demand driven service provision. It finds that technical social accountability mechanisms in rural Africa are seriously under-institutionalized and would be more effective if anchored in district and sub-district level institutions and that they ignore the political context in which they take place. Training for the transformation of local government staff and sustained devolution of resources and powers can support an enabling environment for citizen realization of rights and participation in development and governance.

UNU-WIDER's collaborative project *Decentralization and Urban Service Delivery: Implications for Foreign Aid* focuses on service delivery in the urban setting, with particular attention to political factors. As the fastest urbanizing region of the world, African governments face critical challenges in terms of providing their citizens with adequate services, such as potable water, sanitation, proper housing, and electricity. Although the provision of such services is often the responsibility of local authorities, few African countries are fiscally decentralized and therefore, municipal authorities lack the financial resources to adequately deliver these services. With low tax bases, these sub-national authorities are often forced to rely on intergovernmental transfers from the central government. Where the central government remains in the hands of the ruling party and sub-national governments are controlled by an opposition party, a situation known as 'vertically divided authority', these transfers can be highly politicized. Drawing on studies on Nairobi and Mombasa, Kenya (**Mitullah 2012**), Dakar, Senegal (**Resnick forthcoming**), Kampala, Uganda (**Lambright 2012**), and Cape Town, South Africa (**Cameron 2012**), as well as broader analysis of African urbanization (**Stren 2012**), the project highlights the best options for providing foreign aid to address the challenges of urbanization.

As Resnick (2013b) elaborates, the findings from this analysis are highly relevant to the donor community, which has supported decentralization as a means of improving service delivery, while adopting an apolitical view. However, 'recognizing and addressing the ongoing contestation of power between local and national authorities in contexts of vertically-divided authority is crucial for ensuring the effectiveness of development assistance. As Eaton et al. (2010: 19) note, "When development partners engage with local officials like mayors and municipal councillors, they are likely to gain greater analytical leverage if they simultaneously approach these officials as actors who are engaged in partisan struggles—both with national leaders of their own parties and with competitors in rival parties.'" Situations of vertically-divided authority may be even more politicized, and the cases reviewed in the project elaborate a variety of approaches that donors have used to navigate this context.

5 Conclusions

This position paper has examined major theoretical debates, policy approaches, and project interventions by donors in a range of areas relevant to aid, governance, and fragility. In Section 4, by considering interventions and reform processes with respect to Building State Capability, Legitimate Politics, Security, Justice, Economic Foundations, and Revenues and Services, the paper details the ways in which donors have supported, and could support, better governance in fragile and non-fragile situations and the transition from fragility to resilience, highlighting ‘what works’ and ‘what could work’. In so doing, it considers initiatives that have been successfully scaled up and transferred across contexts, and the factors relevant to consideration of ‘what is scalable’ and ‘what is transferable’ more generally. Through the discussion, it also touches on the question of ‘what does not work’.

Section 3 provides the analytical framework for this discussion, while Section 2 reviews key examples of what works, could work, is scalable, and is transferrable, based on the more detailed discussion in the rest of the paper.

This position paper has four key messages: *First*, although governance and fragility are sometimes treated as entirely separate topics, they are in fact closely related and considering them together makes good analytical and policy sense. In particular, a useful way of conceptualizing and understanding fragility is in terms of states and situations in which public institutions fail to provide governance—or provide it extremely poorly—in the sense of not fulfilling the basic functions of states to provide security, the rule of law, and core public goods.

Second, a highly disaggregated, contextual, and political approach is necessary to understand aid and governance in fragile and non-fragile states and to effectively craft interventions. Aid to support good governance is sometimes treated as a single activity governed by a single ‘theory of change’ that can provide actionable insight into how aid monies should best be spent and the specifics of project and programme design. This position paper had argued on the contrary that such an approach by donors is largely inadvisable given the diversity of processes that comprise governance reform in fragile and non-fragile environments and the diversity of contexts and political arenas in which such reform takes place.

The core implication of this second argument for donor agencies is that this position paper should be used to consider broad policy priorities and principles for engagement in the area of governance and fragility, however it should not be read as an instruction book or compendium of best practices that can straightforwardly be applied anywhere. With regard to specific interventions in particular contexts, the details matter immensely and specialists in donor agencies are essential in the detailed work of design and implementation.

Third, the background policy and research literature nevertheless underscores a number of core lessons about *how* donors should engage and provide assistance

in the areas of governance and fragility. A series of major policy documents from the *Paris Declaration* to the *New Deal for Engagement in Fragile States* provide a synthesis of principles that constitute ‘best practice’ in this respect, although their implementation remains challenging. One promising way forward in the implementation of such principles and in the provision of better aid more generally is offered by the ‘Problem-Driven Iterative Adaptation’ (PDIA) approach elaborated in the UNU-WIDER research led by Lant Pritchett, Matthew Andrews, and Michael Woolcock.

Fourth, with respect to fragile states and situations in particular, focusing attention on long-term challenges of building state capability is essential. This focus is somewhat different to that in some other recent work on fragility in at least two ways. First, there is a tendency in some work on fragility to focus more on state-society relations and non-state actors (see, e.g., OECD 2012a). Second, there is a tendency in some work on fragility to focus more on conflict and reconstruction in the immediate post-conflict period (see, e.g., World Bank 2011). Both state-society relations and conflict are important to work on fragility, but building state capability also cannot be ignored if donors are to meet the challenging of addressing poor governance and fragility in the post-2015 world.

A number of other broad themes also emerge from the discussion in Section 4. For instance, as with any type of foreign aid, donors must harmonize their governance interventions to reduce transaction costs for developing country recipients. Yet, bureaucratic processes and different normative perspectives among donors will never allow a complete harmonization of activities. Those areas of governance that are less contentious, such as electoral assistance, might be a more feasible target for harmonization than political party or human rights assistance. In addition, governance interventions often take a long time to bear fruit and therefore require long-term engagement by donors. Concentrating resources in a limited number of governance areas for multiple project cycles and learning from mistakes would be more helpful than shifting foci across cycles. Likewise, the ultimate impact of donor interventions can be eroded if they are not sustainable by recipient governments. In order to rebuild fragile states, support post-conflict elections, or even establish accessible human rights commissions, a key challenge for the donor community will be to concentrate more on cost-effective interventions that governments can ultimately afford on their own. Furthermore, governance has long been viewed as a separate sector of assistance rather than one that should be mainstreamed across all forms of development assistance. As such, a major goal of the donor assistance community should be to encourage greater interaction between government experts and development practitioners in order to ensure that seemingly technical interventions are grounded in a rigorous understanding of local, national, and regional political contexts.

5.1 Future Challenges

Addressing governance and fragility challenges will remain a central issue for international development in the post-2015 world and beyond. As this position paper has detailed, there is a large body of research by scholars and practitioners that can help to inform both broad agenda setting, and the design of specific projects and programmes. However, a number of future challenges remain. We review four here.

One challenge concerns building the evidence basis for assessment of ‘what works’ with respect to aid interventions. As discussed above, in a number of areas reviewed in this position paper, the existing evidence for assessment of ‘what works’ is quite weak. Although a number of reports by donor agencies themselves cite examples of successful programmes, we have in many areas found little rigorous evidence and impartial evaluations to back up such conclusions. It is important to highlight here that research under the ReCom programme has been tasked with consolidating knowledge, rather than engaging in new primary data collection; thus the programme has been limited in the extent to which it can address such knowledge gaps. As discussed above, our research suggests that one area that should be of particular concern for many donor agencies given the relevance of the Human Rights Based Approach to their work is the evidence basis for ‘what works’ in donor approaches to human rights.

More broadly, interventions in the area of governance and fragility pose special challenges for evaluation that are different to those in other areas of development work. In particular, defining and measuring outcomes in these areas can be especially challenging (as Section 3 explores). Further, the fact that relevant impact (e.g., building a capable state, reforming the civil service, restructuring the police) may take decades or more and exceed the life of donor-funded initiatives also complicates evaluation

The evidence basis for many of the principles and best practices elaborated in the policy literature in this area also remains quite weak. Many of these principles and best practices are difficult to dispute in a broad sense—who would contest, for instance, that ‘context matters’, or that ownership and alignment with local priorities is generally a good thing? However, if we dig a bit deeper into what precisely such principles and best practices may mean for donor interventions, it is not always clear that the evidence-basis is there in terms of a more thorough understanding of the nuance, trade-offs, and tensions inherent in their application.

This first continuing challenge is closely related to the second central message of this position paper as highlighted above. Thus, we have begun to address it in the ReCom background studies, but further work remains to be done.

A second continuing challenge for research and policy concerns how to address fragility and governance challenges at the sub-national and transnational levels. For instance, sub-national areas within a state may be fragile, even if the country as a whole is

not. Likewise, regions may be fragile due to the spread of conflict across national boundaries. International and regional issues such as financial crisis, rising food prices, transnational security threats, and so on, may also directly and indirectly influence both the quality of domestic governance and the risks of fragility (OECD 2012c). Like much of the existing work on fragility, this position paper has acknowledged that fragility is not necessarily state-defined, however it has largely focused on the country level. Given the importance of states and respect for national boundaries within the international system, addressing the sub-national and transnational nature of development issues can be problematic. In terms of preventive action at least, one way in which donors may address the international factors that contribute to fragility is by working to shield particular countries from their effects.

This suggests a third and related challenge for research and policy with respect to clarifying what works and could work in global governance and the governance and management of international assistance. This important topic is not considered in this position paper, but it is considered in the ReCom programme more broadly.

Finally, fourth, among many key thematic issues, addressing inequality and supporting the development of inclusive political and economic institutions will remain major challenges for the post-2015 world. Horizontal inequalities in particular require attention (Gisselquist 2013e). Research has shown for some time that inequalities between ethnic and communal groups may contribute to fragility and conflict, as well as to poor governance more generally. Frances Stewart's 2001 UNU-WIDER Annual Lecture, for instance, highlights the relationship between such horizontal inequalities and violent conflict, with examples from Mexico (Chiapas) to Sri Lanka to South Africa (Stewart 2002). However, international development policy thus far has not fully taken this finding into account for a variety of reasons.

As this position paper suggests, there are a number of technical issues and options to be considered by donors and reformers attempting to support the development of more inclusive and truly legitimate institutions. Addressing inequality further is highly political, implying change in the balance of power in society. Donors should not expect dominant groups to simply go along with their embrace of inclusive growth and institutions. Opposition by domestic powerbrokers can also be expected to raise real tensions in terms of donor commitment to local ownership and alignment.

In sum, 'a major problem confronting the contemporary world is how to build effective governments where they do not exist' (Levi 2006: 5). Not only do we need to better understand how effective governments—and states—have emerged in the past, we also need to better understand the channels through which the international community might support, speed up, inform, and contribute to these processes. This position paper has provided a broad overview on what current research tells us about these points. It has paid particular attention to research conducted under ReCom, which in turn has sought to consolidate existing knowledge to address gaps in priority areas. As this overview suggests, much work has been done, and much remains to be done.

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Notes

- ¹ For instance, see OECD, 'International Dialogue and Partnership', <http://www.oecd.org/dac/incaf/internationaldialogueandpartnership.htm>, last accessed 21 November 2013.
- ² OECD Creditor Reporting System, accessed 8 December 2013. Based on commitments to developing countries classified in the category of 'government and civil society, total', which includes the broad sub-categories 'government and civil society, general' and 'conflict, peace, and security'.
- ³ Other tools consist of diplomatic pressure, economic sanctions, and conditionality.
- ⁴ See <http://www.pnowb.org/>
- ⁵ Danida's interview on the PDIA project with Andrews in December 2013 offers a nice quick summary of this point: <http://www.youtube.com/watch?v=ODN4eDUDbog&feature=youtu.be>.
- ⁶ Of course, ample research on the resource curse underscores that economic resources alone do not guarantee a strong state (Auty 1993; Sala-i-Martin and Subramanian 2003; Jensen and Wantchekon 2004; Weinthal and Luong 2006).
- ⁷ See, e.g., UCDP Conflict Encyclopedia, <http://www.ucdp.uu.se/gpdatabase/>.
- ⁸ This paragraph and the next two are reprinted with minor revisions from Gisselquist and Niño-Zarazúa (2013a).
- ⁹ For instance, a recent 'Seminar on Capacity Development and Reform Challenges' hosted by Danida in December 2013 offered an opportunity to reflect directly with Danida on these topics. For more information, see <http://um.dk/>.
- ¹⁰ Other tools consist of diplomatic pressure, economic sanctions, and conditionality.
- ¹¹ See http://www.ec-undp-electoralassistance.org/index.php?option=com_content&view=article&id=125&Itemid=136&lang=en.
- ¹² See www.sd.undp.org
- ¹³ See www.bantuwatch.org
- ¹⁴ See <http://www.pnowb.org/>

Appendix 1: Externally peer-reviewed publicationsⁱ

A1.1 Books and journal special issues

A1.1.1 Published and forthcoming

Addison, T., and F. Tarp (eds) (forthcoming). ‘Aid Policy and the Macroeconomic Management of Aid’. Special issue of World Development.

1. Aid Policy and the Macroeconomic Management of Aid
T. Addison and F. Tarp
2. Assessing Foreign Aid’s Long-Run Contribution to Growth and Development
C. Arndt, S. Jones, and F. Tarp
3. Aid and Income: Another Time-series Perspective
M. Lof, T.J. Mekasha, and F. Tarp
4. Aid Supplies over Time: Addressing Heterogeneity, Trends and Dynamics
S. Jones
5. Business Cycle Fluctuations, Large Macroeconomic Shocks, and Development Aid
E. Dabla-Norris, C. Minoiu, and L.-F. Zanna
6. Consequences of Aid Volatility for Macroeconomic Management and Aid Effectiveness
J. Hudson
7. International Coordination and the Effectiveness of Aid
A. Bigsten and S. Tengstam
8. The Hard Challenge of Aid Coordination
F. Bourguignon and J.-P. Platteau
9. Aid and Government Fiscal Behavior: Assessing Recent Evidence
O. Morrissey
10. Fiscal Composition and Aid Effectiveness: A Political Economy Model
P. Mosley

11. Policy Responses to Aid Surges in Countries with Limited International Capital Mobility: The Role of the Exchange Rate Regime
A. Berg, R. Portillo, and L.-F. Zanna

Gisselquist, R. M. (ed.) (forthcoming). 'Aid and Institution-Building in Fragile States: Findings from Comparative Cases'. Special issue of The Annals of the American Academy of Political and Social Science.

1. Aid and Institution-Building in Fragile States: Findings from Comparative Cases
R. M. Gisselquist
2. Post-war Greece and Italy
D. A. Sotiropoulos
3. Aid and Institution-Building in Fragile States: Taiwan, South Korea, and South Vietnam 1950s-1970s
K. Gray
4. Aid and Governance in Vulnerable States: Bangladesh and Pakistan since 1971
M. Khan
5. Foreign Aid, Resource Rents and Institution-Building in Mozambique and Angola
H. Perez Nino and P. Le Billon
6. State-Building through Neotrusteeship: Kosovo and East Timor in Comparative Perspective
L. M. Howard
7. Consociational Settlements and Reconstruction: Bosnia in Comparative Perspective
S. Stroschein
8. Aid and Institution-Building in Fragile States: The Case of Somali-Inhabited Eastern Horn of Africa
K. Menkhaus
9. Post-War Reconstruction in Sierra Leone and Liberia in Comparative Perspective
A. K. Onoma
10. Intervention, Aid, and Institution-Building in Iraq and Afghanistan: A Review and Critique of Comparative Lessons
J. Monten

Gisselquist, R. M., and M. Niño-Zarazúa (eds) (forthcoming). 'Experimental and Non-Experimental Methods in the Study of Government Performance: Toward a Middle Ground?'. Special issue of The Journal of Globalization and Development.

1. Introduction: What Can Experimental Methods Tell Us about Government Performance?
R. M. Gisselquist and M. Niño-Zarazúa
2. Evaluating Antipoverty Transfer Programs in Latin America and Sub-Saharan Africa: Better Policies? Better Politics?
A. Barrientos and J. M. Villa
3. A Structural Approach to Generalization in Social Experiments
F. Martel Garcia and L. Wantchekon
4. The Ethics of Field Experimentation
M. Humphreys
5. The Porous Dialectic: Experimental and Non-experimental Methods in Development Economics
R. Debejia
6. Measuring Government Performance in Public Opinion Surveys in Africa: Towards Experiments?
M. Bratton
7. Ancillary Experiments: Opportunities and Challenges
K. Baldwin and R. Bhavani

Gisselquist, R. M., and D. Resnick (eds) (forthcoming). 'Aiding Government Effectiveness in Developing Countries'. Special issue of Public Administration and Development.

1. Introduction
R. M. Gisselquist and D. Resnick
2. Policing Reforms and Economic Development in African States: Understanding the Linkages, Empowering Change
O. Marenin
3. Economic Governance: Improving the Economic and Regulatory Environment for Supporting Private Sector Activity
C. Kirkpatrick
4. The Impact of Adult Civic Education Programs in Developing Democracies
S. Finkel

5. Foreign Aid and Decentralization: Policies for Autonomy and Programming for Responsiveness
J. Tyler Dickovick
6. Taxation and Development: A Review of Donor Support to Strengthen Tax Systems in Developing Countries
O.-H. Fjeldstad
7. Civil Service Reform: A Review
S. Repucci

Resnick, D. (ed.) (forthcoming). ‘Urban Governance and Service Delivery in African Cities’. Special issue of *Development Policy Review*.

1. Urban Governance and Service Delivery in African Cities: The Role of Politics and Policies
D. Resnick
2. Urban Service Delivery in Africa and the Role of International Assistance
R. Stren
3. Opposition Politics and Urban Service Delivery in Kampala, Uganda
G. Lambright
4. Strategies of Subversion in Vertically-Divided Contexts: Decentralisation and Urban Service Delivery in Senegal
D. Resnick
5. Vertical Decentralisation and Urban Service Delivery in South Africa: Does Politics Matter?
R. Cameron

Resnick, D., and N. van de Walle (eds) (2013). *Democratic Trajectories in Africa: Unravelling the Impact of Foreign Aid*. Oxford, UK: Oxford University Press.

1. Introduction: Why Aid and Democracy? Why Africa?
D. Resnick and N. van de Walle
2. Democratization in Africa: What Role for External Actors?
D. Resnick and N. van de Walle
3. Foreign Aid and Democratic Development in Africa
S. Dietrich and J. Wright
4. Foreign Aid in Dangerous Places: The Donors and Mali’s Democracy
N. van de Walle

5. Two Steps Forward, One Step Back: The Limits of Foreign Aid on Malawi's Democratic Consolidation
D. Resnick
6. The Changing Dynamics of Foreign Aid and Democracy in Mozambique
C. Manning and M. Malbrough
7. Donor Assistance and Political Reform in Tanzania
A. M. Tripp
8. Foreign Aid and Democratic Consolidation in Zambia
L. Rakner
9. Beyond Electoral Democracy: Foreign Aid and the Challenge of Deepening Democracy in Benin
M. Gazibo
10. Ghana: The Limits of External Democracy Assistance
E. Gyimah-Boadi and T. Yakab
11. Conclusions and Policy Recommendations
D. Resnick

A1.1.2 Under review and in preparation

Addison, T., M. Niño-Zarazúa, and F. Tarp (eds). 'Aid, Social Policy and Welfare in Developing Countries'.

1. Introduction: Aid, Social Policy and Welfare in Developing Countries
T. Addison, M. Niño-Zarazúa, and F. Tarp
2. Public Spending, Welfare and the Quest against Poverty and Income Inequality in Developing Countries
F. H. Gebregziabher and M. Niño-Zarazúa
3. On the Impact of Sector-Specific Foreign Aid on Welfare Outcomes: Do Aid Modalities Matter?
A. Abdilabi, T. Addison, M. Niño-Zarazúa, and F. Tarp
4. Aid, Political Cycles and Welfare in sub-Saharan Africa
B. Chiripambura and M. Niño-Zarazúa
5. The Progressivity and Regressivity of Aid to the Social Sectors
B. Baulch and L. Vi An Tam
6. New Actors in Development Assistance: the Africa-Brazil Co-operation in Social Protection
I. Costa Leite, B. Suyama, and M. Pomeroy

7. Targeting Social Transfer Programmes: Comparing Design and Implementation Errors Across Alternative Mechanisms
R. Sabates-Wheeler, A. Hurrell, and S. Devereux
8. The Donor Co-ordination for Effective Government Policies? Implementation of the New Aid Effectiveness Agenda in Health and Education in Zambia
S. Leiderer

Addison, T., L. Scott, and F. Tarp (eds). 'Renaissance or Retreat? Aid in Changing Times'.

1. Introduction
T. Addison, L. Scott, and F. Tarp
2. Aid as a Second-Best Solution. Seven Problems of Effectiveness and How to Tackle Them
R. Manning
3. Rethinking the World of Aid in the Twenty First Century
P. Heller
4. Aid and Poverty: Why Does Aid Not Address Poverty (Much)
A. Shepherd and S. Bishop
5. Aid, Structural Change and the Private Sector in Africa
J. Page
6. Aid and Infrastructure Financing: Emerging Challenges with a Focus on Africa
T. Addison and P.B. Anand
7. Foreign Assistance and the Food Crisis of 2007-08
P. Abbott
8. Improving Donor Support for Urban Poverty Reduction: A Focus on South Asia
N. Banks
9. A Changing Landscape with New Players and Challenges
A. Chimhowu
10. Aid as a Catalyst for Pioneer Investment
P. Collier
11. Global Poverty, Aid, and Middle-Income Countries: Are the Country Classifications Moribund or Is Global Poverty in the Process of 'Nationalizing'?
A. Sumner

12. Conclusions: Renaissance or Retreat?
T. Addison, L. Scott, and F. Tarp

Addison, T., and F. Tarp (eds). ‘Macroeconomic Management of Aid’.

Arndt, C., and F. Tarp (eds). ‘Aid, Environment and Climate Change’.

1. Environmental and Climate Finance in a New World: How Past Environmental Aid Allocation Impacts Future Climate Aid
C. Marcoux, B. C. Parks, C. M. Peratsakis, J. T. Roberts, and M. J. Tierney
2. Foreign Assistance in a Climate- Constrained World
C. Arndt and C. Friis Bach
3. Land, Environment and Climate: Contributing to the Global Public Good
T. W. Hertel
4. International Cooperation for Agricultural Development and Food- and Nutrition Security: New Institutional Arrangements for Related Public Goods
J. von Braun
5. REDD+ as Performance-Based Aid
A. Angelsen
6. Foreign Aid and Sustainable Energy
L. Gomez-Echeverri
7. Aid, Environment, and Climate Change
C. Arndt and F. Tarp

Gisselquist, R. M. (ed.). ‘Good Aid in Hard Places: Evaluating and Explaining Reform “Success” in Fragile Contexts’.

1. Good Aid in Hard Places: Evaluating and Learning from What Has Worked in Fragile Contexts
R. M. Gisselquist
2. The National Solidarity Program: Assessing the Effects of Community Driven Development in Afghanistan
A. Beath, F. Christia, and R. Enikolopov
3. Delivering Good Aid in Hard Places: The Yemen Social Fund for Development Approach
L. Al-Iryani, A. de Janvry, and E. Sadoulet
4. The World Bank’s Health Projects in Timor-Leste: The Political Economy of Effective Aid
A. Rosser and S. Bremner

5. Afghanistan's Health Sector Rehabilitation Program
M. K. Rashidi, F. Feroz, N. Kamawal, H. Niayesh, G. Qader, and H. Saleh
6. Education from the Bottom Up: UNICEF's Education Program in Somalia
J. H. Williams and W. C. Cummings
7. Success When Stars Align: Public Financial Management Reforms in Sierra Leone
H. Tavakoli, W. Cole, and I. Ceesay
8. Liberia's Gender-Sensitive Police Reform: Starting from Scratch? Improving Representation and Responsiveness
L. Bacon
9. Impact Assessment of the Facilitadores Judiciales Program in Nicaragua
M. Barendrecht, M. Kokke, M. Gramatikov, R. Porter, M. Frishman, and A. Morales
10. Finn Church Aid and the Somali Peace Process
R. Lepistö and J. Ojala

Gisselquist, R. M. (ed.). 'The Challenge of Chronic State Weakness: Implications for State-building'.

1. The Challenge of Chronic State Weakness
R. M. Gisselquist
2. Aid and State Development in Ghana and South Korea
J. Kim
3. Aid in an Oil-Rich State: Indonesia and Nigeria Compared
A. H. Fuady
4. Foreign Aid and the Failure of State-Building in Haiti under the Duvaliers, Aristide, Préval, and Martelly
T. F. Buss
5. Aid and Institution-Building in Central America: The Reformation of Rule of Law Institutions in Post-Conflict Societies
J. M. Cruz
6. Aid, Accountability, and Institution-Building in Ethiopia: A Comparative Analysis of Donor Practice
B. Abega
7. Aid and Institutions in Rwanda and Burundi
D. Curtis

Niño-Zarazúa, M. (ed.). ‘Education Aid and Development: Have We Got It Right?’.

1. Introduction: Foreign Aid and Education: Principles and Actions
M. Niño-Zarazúa
2. The Effectiveness of Foreign Aid to Education: What Can Be Learned?
A. Riddell
3. International Organizations and the Future of Educational Assistance
P. Heyneman and B. Lee
4. Making Aid Work for Education in Developing Countries: an Analysis of Aid Effectiveness for Primary Education Coverage and Quality
K. Birchler and K. Michaelowa
5. What Works to Improve Education Quality in Developing Countries
S. Masino and M. Niño-Zarazúa
6. Class Size versus Composition: Do They Matter for Learning in East Africa?
S. Jones
7. How to Move from Measuring Separate Outcomes of School Food Provision to an Integrated Indicator Related to Learning?
A. Gelli, F. Espejo, J. Shen, and E. Kristjansson

Niño-Zarazúa, M. (ed.). ‘Aid and Public Health Policy in Developing Countries’.

1. Introduction: Foreign Aid and Public Health Interventions in Developing Countries
M. Niño-Zarazúa
2. Aid Effectiveness in the Health Sector
M. Martínez Álvarez and A. Acharya
3. Global Collective Action in Health: The WDR+20 Landscape of Core and Supportive Functions
N. Blanchet, M. Thomas, R. Atun, D. Jamison, F. Knaul, and R. Hecht
4. External Assistance and Aid Effectiveness for Maternal and Child Health: Challenges and Opportunities
Z. A. Bhutta and S. Aleem

5. Universal Access to Drinking Water: The Role of Foreign Aid
R. Bain, R. Lyendijk, and J. Bartram
6. Every Drop Counts: Assessing Aid for Water and Sanitation
P.B. Anand
7. International Aid for Diarrheal Disease Control: Effectiveness and Potential for the Future
R. A. Cash and J. Potter
8. What Do We Know about Non-Clinical Interventions for Preventable and Treatable Childhood Diseases in Developing Countries?
M. Seguin and M. Niño-Zarazúa
9. Policy Interventions against HIV/AIDS, Tuberculosis and Malaria in Developing Countries: What are their Micro-Economic effects?
A. B. Amaya and M. Niño-Zarazúa
10. On the Effectiveness of Policy Interventions Against Neglected Tropical Diseases
M. Quattri and M. Niño-Zarazúa
11. Conclusion
M. Niño-Zarazúa

Page, J., S. Jones, and F. Tarp (eds). 'Aid, Structural Transformation and Employment'.

Pritchett, L., M. Woolcock, and M. Andrews. 'Remaking the Developing Project: Why Building State Capability for Implementation is the 21st Century Development Problem, and What to do About It'.

A1.2 Individual journal articles and book chaptersⁱⁱ

A1.2.1 Published and forthcoming

Addison, T., C. Arndt, and F. Tarp (2011). 'The Triple Crisis and the Global Aid Architecture'. *African Development Review*, 23(4): 461-478.

Andrews, M., L. Pritchett, and M. Woolcock (2013). 'Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)'. *World Development*, 51: 234-244.

Arndt, C., S. Jones, and F. Tarp. (2010). 'Aid, Growth, and Development: Have We Come Full Circle?'. *Journal of Globalization and Development*, 1(2): 1-29.

Arndt, C., S. Jones, and F. Tarp (forthcoming). 'Aid Effectiveness'. In M. Ndulu (ed.), *Problems, Promises, and Paradoxes of Aid: Africa's Experience*. Ohio: Ohio University Press.

Gisselquist, R.M. (forthcoming 2014). 'Paired Comparisons and Theory Development: Considerations for Case Selection'. *PS: Political Science & Politics*, 47(2).

Jones, S., and F. Tarp (forthcoming). 'Jobs and Welfare in Mozambique'. In G. Betcherman (ed.), *World Development Report 2013: Country Case Study Volume*. Washington, DC: World Bank.

Juselius, K., N.F. Møller, and F. Tarp (2012). 'The Long-Run Impact of Foreign Aid in 36 African Countries: Insights from Multivariate Time Series Analysis'. *Oxford Bulletin of Economics and Statistics*.

Mekasha, T.J. and F. Tarp (2013). 'Aid and Growth: What Meta-Analysis Reveals'. *The Journal of Development Studies*, 49(4): 564-583.

Nanivazo, M. (forthcoming). 'Social Transfer Programmes and School Enrolment in Malawi: A Micro-simulation'. *African Development Review*.

Pritchett, L., M. Woolcock, and M. Andrews (2013). 'Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation'. *The Journal of Development Studies*, 49(1): 1-18.

Tarp, F. (2011). 'Foreign Aid and Development'. In B. Badie, D. Berg-Schlosser, and L. Morlino (eds), *International Encyclopedia of Political Science*. Thousand Oaks, CA: SAGE Publications, Inc.

Tarp, F. (2012) 'The Rationale of Foreign Aid Policy'. In P. Andersen, I. Henriksen, J. H. Petersen and H. Zobbe (eds), *How Does the World Look?.* Copenhagen: Jurist og Økonomforbundets Forlag.

Woolcock, M. (2013). 'Using Case Studies to Explore the External Validity of 'Complex' Development Interventions'. *Evaluation*, 19(3): 229-248.

Appendix 2: Events and presentations

1. Seminar: ‘Aid and Development, Asia and Africa: The Role of Infrastructure and Capacity Development, East Asia: Growth and its Implication for African Development’, School of Oriental and African Studies (SOAS), University of London, UK, 17-18 February 2011.
2. Seminar: ‘The Impact of Aid: What is the Impact of Aid, Economic Development, Recipient Governments and Donors Themselves?’, Sida, Stockholm, Sweden, 9 March 2011.
3. Presentation: ‘Aid, Growth and Development: Are We Getting Results?’, Finnish Development Days, Ministry for Foreign Affairs of Finland, Helsinki, Finland, 22 March 2011.
4. Seminar: ‘Aid: Working for Development’, Danish Ministry for Foreign Affairs, Copenhagen, Denmark, 17 June 2011.
5. Conference: ‘Foreign Aid: Research and Communication’, UNU-WIDER, Helsinki, Finland, 30 September-1 October 2011.
6. Conference: ‘Macroeconomic Management of Foreign Aid’, Nairobi, Kenya, 2-3 December 2011.
7. Seminar: ‘Development Effectiveness: New Ideas, New Challenges’, Development Policy Department, Ministry for Foreign Affairs of Finland, Helsinki, Finland, 19 January 2012.
8. ReCom Results Meeting: ‘Aid, ‘Growth and Macroeconomic Management’, Copenhagen, Denmark, 27 January 2012.
9. Seminar: Sida Development Talks: ‘Development Assistance and Growth’, Sida, Stockholm, Sweden, 13 March 2012.
10. Seminar: ‘Aid and Growth: an Overview’, London, UK, 19 March 2012.
11. Seminar: ‘Two Steps Forward, One Step Back? Progress, Setbacks, and Possibilities for Democratization, Africa’, Helsinki, Finland, 18 April 2012.
12. Lecture: ‘Foreign Aid and Domestic Politics, Recipient Countries’, Stockholm, Sweden, 10 May 2012.
13. ReCom Results Meeting ‘Democracy and Fragility’, Stockholm, Sweden, 10 May 2012.
14. Seminar: ‘Does Aid Contribute to Economic Development?’, Helsinki, Finland, 15 May 2012.
15. Seminar: ‘Cutting Edge Executive Education’, Harvard University, Cambridge, Massachusetts, USA, 15-18 May 2012
16. Seminar: ‘Foreign Aid and Democracy in Africa’, London, UK, 17 May 2012.
17. Seminar: ‘Urban Governance and Service Delivery, Africa’, Cape Town, South Africa, 5 June 2012

18. Seminar: [‘Donors, Democracy and Development: Unravelling the Impact of Aid in Africa’](#), Accra, Ghana, 8 June 2012.
19. [Gender Equality Theme Meeting](#), Helsinki, Finland, 12-13 July 2012.
20. Seminar: [‘Urban Governance and Service Delivery, Africa: The Role of National Policies, Institutions, and Politics’](#), within World Urban Forum 6, Naples, Italy, 5 September 2012.
21. Conference presentation: ‘Successful Societies’, Princeton University, New Jersey, USA, 21 September 2012.
22. ReCom Results Meeting: [‘Jobs: Aid at Work?’](#), Copenhagen, Denmark, 8 October 2012.
23. Presentation: [‘Aid, Growth and Development’](#), Danish Economic Society, Copenhagen, Denmark, 9 October 2012.
24. Presentation: ‘Has Foreign Aid Improved Governance in Sub-Saharan Africa? Experimental and Quasi-Experimental Findings’ at [Nordic Africa Days](#), Reykjavík, Iceland, 18-19 October 2012.
25. Presentation at a UNDP Seminar: New York, USA, 24 October 2012.
26. Presentation: [‘Building State Capability: A PDIA Approach’](#) at CID’s 5th Annual Global Empowerment Meeting (GEM12), Harvard Kennedy School, Cambridge, Massachusetts, USA, 25 October 2012.
27. Presentation made to the World Bank Middle East and North Africa (MENA) region team, Washington DC, USA, 30 October 2012.
28. Presentation made to USAID governance group, Washington DC, USA, November 2012.
29. Presentation: [‘Aid, Growth and Development’](#), Danish Society for International Development and the Centre for African Studies, Copenhagen University, Copenhagen, Denmark, 2 November 2012.
30. Presentation: [‘Does Foreign Aid Help?’](#), IBIS General Assembly, Copenhagen, Denmark, 3 November 2012.
31. Presentation at EU European Social Fund Conference, the Netherlands, 6 November 2012.
32. Presentation: SIDA Development Talks, [‘Capturing and Communicating Results: Complex Contributions’](#), Stockholm, Sweden, 8 November 2012.
33. Presentation of ReCom results at workshop, [‘The New Global Development Agenda’](#), Ministry for Foreign Affairs of Finland and UNU-WIDER, Helsinki, Finland, 12 November 2012.
34. Presentation at MIT Department of Urban Studies and Planning Seminar: Cambridge, Massachusetts, USA, 14 November 2012.
35. Presentation at DFID, London, UK, 15 November 2012.
36. Workshop: ‘Growth and Building State Capability through Problem-Driven Iterative Adaptation (PDIA)’, Government of Uganda, Kampala, Uganda, 6-8 December 2012.

37. Presentation in RAND Graduate School Seminar: 10 January 2013.
38. Seminar at American University, School of International Service, Washington DC, USA, 30 January 2013.
39. ReCom Results Meeting: '[Aid and the Social Sectors](#)', Stockholm, Sweden, 13 March 2013.
40. Guest lecture at Johns Hopkins University, School of Advanced International Studies, Washington DC, USA, 1 April 2013.
41. Presentation: '[Does Aid Contribute to Economic Development?](#)', African Development Bank, Tunis, Tunisia, 4 April 2013.
42. Presentation at World Bank Institute, Washington DC, USA, 29 April 2013.
43. Presentation at the Harvard University Cutting Edge Executive Education Seminar, Cambridge, Massachusetts, USA, 13-17 May 2013.
44. Presentation at Civilian Training of the US Department of Defense, Washington DC, USA, 23 May 2013.
45. ReCom Results Meeting: '[Aid and Our Changing Environment](#)', Stockholm, Sweden, 4 June 2013.
46. Promotion and exhibition booth on ReCom at the Deutsche Welle [Global Media Forum](#), Bonn, Germany, 17-19 June 2013.
47. Promotion and exhibition booth on ReCom at the [8th World Conference of Science Journalist 2013](#), Helsinki, Finland, 24-28 June
48. Workshop: '[How to Make News Out of Foreign Aid](#)', 8th World Conference of Science Journalists, Helsinki, Finland, 24 June 2013.
49. Lecture at World Bank DEC, Washington DC, USA, 26 June 2013.
50. Guest lecture at Sydney Law School, Sydney, Australia, 17 August 2013.
51. Lecture at South African National Treasury, Pretoria, South Africa, August 2013.
52. Presentation at Harvard Business Review, Brasil Public Management Training for local government officials, Brasilia, Brazil, 20 August 2013.
53. Symposium: '[Experimental and Non-Experimental Methods to Study Governance Performance: Contributions and Limits](#)', New York, USA, 22-23 August 2013.
54. Lecture at Syracuse University, New York, USA, September 2013.
55. Briefing: ReCom programme for UNU-WIDER conference participants held, Helsinki, Finland, 19 September 2013.
56. Guest lecture at Columbia University, New York, USA, 20 September 2013.
57. Lecture at Johns Hopkins University Baltimore, USA, September 2013.
58. Public lecture at University of Bath, Bath, UK, 14 October 2013.

59. Panel discussion at American Evaluation Association, Washington DC, USA, 17 October 2013.
60. ReCom Results Meeting: [‘Challenges, Fragility and Governance’](#), Copenhagen, Denmark, 23 October 2013.
61. Workshop: [‘Untying Development: Promoting Governance and Governments with Impact’](#), Harvard University, USA, 23 October 2013.
62. Panel discussion: [‘Impact Evaluation as a Learning Tool for Development Effectiveness Tomorrow’](#), Inter-American Development Bank, Washington DC, USA, 24 October 2013.
63. Joint UNU and UNU-WIDER event: [‘Fragility and Aid: What Works?’](#), New York, USA, 25 October 2013.
64. Presentation: [‘ReCom: What Works, Foreign Aid’](#), Ministry for Foreign Ministry of Finland’s Planning Day, Helsinki, Finland, 31 October 2013.
65. Lecture at New York University, USA, October 2013.
66. Conference presentation at [LACEA-LAMES 2013](#), Latin American Economics Association (LACEA), Mexico City, Mexico, 2 November 2013.
67. Presentation: [‘Aid, Environment and Climate Change’](#), IDB-NDF seminar on Innovative Climate Financing Mechanisms, Nordic Development Fund, Helsinki, Finland, 4 November 2013.
68. Presentation at World Bank Institute Seminar, Washington DC, USA, 5 November 2013.
69. Panel discussion: [‘Foreign Aid and Democracy, Africa’](#), Carnegie Endowment for International Peace, Washington DC, USA, 6 November 2013.
70. Lecture at Australian Embassy, Jakarta, Indonesia, 11 November 2013.
71. Presentation: Overseas Development Institute, London, UK, 15 November 2013.
72. Project meeting: [‘Aid and Institution-Building, Fragile States: Lessons from Comparative Cases’](#), Helsinki, Finland, 15-16 November 2013.
73. Presentation at World Bank Seminar, Myanmar, 18 November 2013.
74. Presentation at World Bank Seminar, Nairobi, Kenya, 2 December 2013.
75. Project meeting: [‘Good Aid, Hard Places: Learning from What Has Worked, Fragile Contexts’](#), Helsinki, Finland, 12-13 December 2013.
76. ReCom Results Meeting: [‘Aid for Gender Equality’](#), Copenhagen, Denmark, 16 December 2013.

Appendix 3: Commissioned papers

This appendix has three sections covering studies prepared under the Governance and Fragility theme. Section A3.1 provides an annotated bibliography of UNU-WIDER working papers and other background studies, organized in alphabetical order. As discussed in this position paper, a number of these UNU-WIDER studies were commissioned as part of seven research collections and collaborative projects. Section A3.2 thus provides a listing of the papers under each project. Section A3.3 provides an annotated bibliography of DIIS studies prepared under this theme.

A3.1 Annotated bibliography

Abegaz, B. (2013). 'Aid, Accountability, and Institution-building in Ethiopia: A Comparative Analysis of Donor Practice'. WIDER Working Paper 2013/083. Helsinki: UNU-WIDER.

Forty billion dollars of official development assistance during 1991-2012 reduced Ethiopian absolute poverty while underwriting more efficient but exclusionary public institutions. This aid-institutions paradox reflects a strong interest-alignment between major donors pursuing geostrategic objectives and poverty reduction, and a ruling-party seeking total institutional capture, fully-owned development programmes, and a developmental state with legitimizing poverty reduction. Disagreement on democratization predictably produced lackluster progress. By prioritizing adequate space for fundamental non-state stakeholders, a coalition of major donors can and must institutionalize accountability by conditioning scaled-up aid at least with respect for human rights and the rule of law.

Addison, T. and J. Levin (forthcoming). 'Aid and Revenue Mobilization in Africa'. WIDER Working Paper. Helsinki: UNU-WIDER.

As growth increases in Africa, it increases the tax base, and provides potentially more revenue—provided that governments build the necessary tax system, and improve their tax instruments. This paper explores the nature of tax reform in Africa, including that supported by donor programmes, and the potential for reform to raise revenues, but also the constraints on revenue mobilization in the region. Until African countries are able to meet more of their development expenditures from domestic revenues, they will require at least some ODA to fund their development spending.

Al-Iryani, L., A. de Janvry, and E. Sadoulet (2013). 'Delivering good aid in hard places: The Yemen social fund for development approach'. WIDER Working Paper 2013/080. Helsinki: UNU-WIDER.

The Yemen Social Fund for Development (SFD) was established in 1997 with the support of the international community, and in particular the World Bank, to combat national poverty and reinforce the limited existing social safety net. Since its inception, SFD has been widely viewed as successful in implementing programmes in rural and urban communities throughout the country and has steadily expanded and scaled-up its activities, despite Yemen's weak state and political unrest. It provides in that sense a model of how to deliver good aid in hard places, with relevance for other countries with similar conditions. Drawing on first hand experience with the SFD and on a review of results from rigorous impact evaluations, this paper argues that SFD's success has been due primarily to four factors: (1) stakeholder ownership over projects due to its close work relationship with local communities following a demand-driven approach; (2) trust based on its political neutrality in allocating resources; (3) flexibility due to its mode of project funding and operations; and (4) relevance of SFD interventions for beneficiaries who in reciprocity provide strong support to its programmes. The paper discusses how these factors can be transposed to other hard places using the social fund approach to deliver good aid.

Andrews, M. (2013a). 'Explaining positive deviance in public sector reforms in development'. WIDER Working Paper 2013/117. Helsinki: UNU-WIDER.

Public sector reforms are commonplace in developing countries. Much of the literature about these reforms reflects on their failures. This paper asks about the successes and investigates which of two competing theories better explains why some reforms exhibit such positive deviance. These theories are called 'solution- and leader-driven change' and 'problem-driven iterative adaptation'. They are used to analyse data emerging from a case survey involving thirty cases from Princeton University's Innovations for Successful Society programme. The bulk of evidence from this study supports a problem-driven iterative adaptation explanation, but there is reason to believe that solution- and leader-driven change hypotheses also have value. It seems that problem-driven iterative adaptation and solution- and leader-driven change are two viable paths through which positive deviance can emerge; although problem-driven iterative adaptation seems to provide the wider path for more positive deviance.

Andrews, M. (2013b). 'How do governments become great? Ten cases, two competing explanations, one large research agenda'. WIDER Working Paper 2013/091. Helsinki: UNU-WIDER.

Governments can play great roles in their countries, regions, and cities; facilitating or leading the resolution of festering problems and opening new pathways for progress. Examples are more numerous than one might imagine and raise an important question: 'how do governments become great?'. This paper identifies ten cases of great governments to answer four dimensions of this question: What kinds of interventions or changes help governments achieve greatness? Who leads these interventions or changes, and how? When do the interventions occur, and why? How are these changes sustained and implemented to ensure they yield results? The paper suggests two sets of answers to these concerns, combining such into rival theories that could explain how governments get great: 'solution- and leader-driven change' and 'problem-driven iterative adaptation'. It proposes using these two theories in future research about how governments foster the kinds of achievements one could call great and argues this research should employ a version of theory-guided process tracking (TGPT) called 'systematic process analysis'.

Andrews, M. (2013c). 'Who really leads development?'. WIDER Working Paper 2013/092. Helsinki: UNU-WIDER.

'Leadership' is not a common topic for research in international development. In recent years, however, prominent studies like the 2008 Growth Commission Report noted the importance of leadership in development. This and other studies focused on individual leaders—or heroes—when examining 'who leads development'. The current article asks if heroes really do lead development. It deconstructs the implied theory behind the 'hero orthodoxy' into four hypotheses: about how change happens in development; who leads it; how it emerges; and how it is brought to completion. Through a qualitative study of twelve interventions in contexts like Afghanistan, Sierra Leone, and Kosovo, the article shows that these hypotheses are too simple to really help explain who leads development. It appears that change is complex and requires similarly complex multi-agent leadership interventions—not individual heroes.

Andrews, M. and L. Bategeka (2013). 'Overcoming the limits of institutional reform in Uganda'. WIDER Working Paper 2013/111. Helsinki: UNU-WIDER.

This paper begins by noting that Uganda has been a public sector reform leader in Africa. It has pursued reforms actively and consistently for three decades now, and has produced many laws, processes and structures that are 'best in class' in Africa (and beyond). The problem is

that many of the reforms have been limited to these kinds of gains—producing new institutional forms that function poorly and yield limited impacts. Various kinds of data showed—in various areas (civil service and public administration, public financial management, revenue management, procurement, and anti-corruption)—that laws are often not being implemented, processes are being poorly executed, and there is insufficient follow-up to make sure that new mechanisms work as intended. The paper suggests that government should reframe its reform agenda to address these limitations and close the gaps between what Uganda’s system looks like and how it functions.

Andrews, M. (forthcoming). ‘Can one retell a Mozambican reform story through problem driven iterative adaptation?’ WIDER Working Paper. Helsinki: UNU-WIDER.

Many public sector reforms in developing countries fail to make governments more functional. This is typically because reforms introduce new solutions that do not fit the contexts in which they are being placed. This situation reflects what has recently been called the ‘capability trap’ in development—which results in many interventions producing new forms that are not functional in states across the globe. The work on capability traps suggests that reforms can yield more functional influence in even the most complex states, however; if reformers adopt non-traditional approaches to doing reform. In particular, the work suggests that reforms will tend to be more contextually fitted if: (i) They are driven by problems that agents in the context care about; and (ii) They are introduced iteratively—through a stepwise process where ideas are tried and lessons are learned and used to adapt (or fit) ideas to context. The capability traps work embeds these ideas into an approach to doing reform called problem driven iterative adaptation (PDIA). This approach has deep roots in various literatures but many observers still ask how PDIA-type reforms could work to foster successful reform in complex hierarchical developing country governments and whether these approaches really help foster reforms that better fit such complex contexts. This paper responds to such questions by describing an action research study where PDIA is being used to retell a story of reform that has to date been limited. The action research study is in Mozambique’s judicial sector and will examine whether and how a problem driven iterative approach can (i) flush out the contextual factors that often limit reform success, (ii) provide a viable route to find and fit reforms that actually foster greater functionality, and (iii) promote the authority needed to ensure change is implemented and institutionalized.

Andrews, M., L. Pritchett, and M. Woolcock (2012). ‘Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)’. WIDER Working Paper 2012/064 Helsinki: UNU-WIDER.

Many reform initiatives in developing countries fail to achieve sustained improvements in performance because they are merely isomorphic mimicry—that is, governments and organizations pretend to reform by changing what policies or organizations look like rather than what they actually do. The flow of development resources and legitimacy without demonstrated improvements in performance, however, undermines the impetus for effective action to build state capability or improve performance. This dynamic facilitates ‘capability traps’ in which state capability stagnates, or even deteriorates, over long periods of time despite governments remaining engaged in developmental rhetoric and continuing to receive development resources. How can countries escape capability traps? We propose an approach, Problem-Driven Iterative Adaptation (PDIA), based on four core principles, each of which stands in sharp contrast with the standard approaches. First, PDIA focuses on solving locally nominated and defined problems in performance (as opposed to transplanting pre-conceived and packaged ‘best practice’ solutions). Second, it seeks to create an ‘authorizing environment’ for decision-making that encourages ‘positive deviance’ and experimentation (as opposed to designing projects and programmes and then requiring agents to implement them exactly as designed). Third, it embeds this experimentation in tight feedback loops that facilitate rapid experiential learning (as opposed to enduring long lag times in learning from ex post ‘evaluation’). Fourth, it actively engages broad sets of agents to ensure that reforms are viable, legitimate, relevant and supportable (as opposed to a narrow set of external experts promoting the ‘top down’ diffusion of innovation).

Bacon, L. (2013). ‘Liberia’s gender-sensitive police reform: Starting from scratch? Improving representation and responsiveness’. WIDER Working Paper 2013/114. Helsinki: UNU-WIDER.

After its 14-year civil war, Liberia worked with multiple donors and partners to restore security. This paper explores the Liberia National Police’s innovative efforts to create a more gender-sensitive police service and describes the international and domestic support it received in doing so. In particular, the paper analyses Liberia National Police’s efforts to (1) recruit female police officers and (2) train a specialized unit to address gender-related crimes. Ambitious recruitment efforts brought more women on board, but some critics regarded the related fast-track program as misguided or ineffective. The specialized unit increased awareness about and response to gender-based violence, but was impeded by a broken judicial system. Success factors of both projects included the timing (post-conflict window of opportunity), the context (momentum for gender-sensitive reforms), local ownership (supportive president), and the nature of the aid (problem-driven

interventions and iterative learning, vast financial and technical support, including dedicated and continuous support from the United Nations). However, the sustainability of projects' successes remained uncertain, given Liberia's extremely low technical capacity—especially its weak rule of law—as well as certain flaws in the program design.

Baldwin, K. and R. Bhavnani (2013). 'Ancillary experiments: Opportunities and challenges'. WIDER Working Paper 2013/24. Helsinki: UNU-WIDER.

'Ancillary experiments' are a new technique whereby researchers use a completed experiment conducted by others to recover causal estimates of a randomized intervention on new outcomes. The method requires pairing new outcome data with randomized treatments the researchers themselves did not oversee. Since ancillary experiments rely on interventions that have already been undertaken, oftentimes by governments, they can provide a low-cost method with which to identify the effects of large-scale and possibly ethically difficult interventions. We define this technique, identify the small but growing universe of studies that employ ancillary experiments in political science and economics, and assess the benefits and limitations of the method.

Banks, N. (2011). 'Improving Donor Support for Urban Poverty Reduction: A focus on South Asia'. WIDER Working Paper 2011/68. Helsinki: UNU-WIDER.

The growing urbanization of poverty poses a significant challenge to governments and donors alike, particularly in Asia, which houses 60 per cent of the world's slum dwellers. Donors have been slow to respond to the urban challenge, however, both in their funding patterns and their priorities. There remains, therefore, significant scope for tangible benefits for the urban poor through greater formal and informal recognition, and in the process, through improved access to services and infrastructure, and improved health outcomes. Key to meeting these goals, however, is overcoming the social and political exclusion of the urban poor, which has so far been a key obstacle to donor involvement in the urban sector. Where national governments in developing countries remain reluctant to recognize the urban poor, donors must seek new funding mechanisms for urban poverty reduction, as discussed here. Where there have been successes in improved service delivery for the urban poor, it has been generated by collective mobilization of low-income households themselves, as active agents, allowing them to press their demands for greater legitimacy and recognition in rules and regulations, entitlements, and service provision. New forms of partnership will be required. For greater progress in urban poverty reduction to be made, however, the ability to support new forms of decentralized aid must be accompanied by a greater commitment from donors to urban poverty within their priorities and funding patterns.

Barendrecht, M., M. Kokke, M. Gramatikov, R. Porter, M. Frishman, and A. Morales (2013). 'Impact assessment of the Facilitadores Judiciales programme in Nicaragua'. WIDER Working Paper 2013/113. Helsinki: UNU-WIDER.

Facilitadores Judiciales is a programme run by the Organization of the American States and the Nicaraguan judiciary. The main objective of the programme is to improve access to justice for the disadvantaged people in Nicaragua. From 1998 to 2010 the programme was implemented in almost all rural and isolated areas of the country. In 2010, facilitators were recruited and trained in many but not all urban municipalities. This presented an opportunity for a natural experiment to assess the impact of the programme and identify the 'drivers' for success. Before (2010) and after (2013) quantitative and qualitative studies were conducted in intervention and control areas. The quantitative results show confirmation of some of the hypothesised effects of the Facilitadores Judiciales programme. Other effects are indicated by the numerous in-depth interviews but are not substantiated by hard data. Most importantly, in the communities where facilitators were introduced the people report less legal problems. The facilitators are decreasing the costs of justice thus making it more accessible. Achieving more amicable solutions and thus promotion of social cohesion is another example of an impact of the programme. Several factors for success are identified. First, the gradual scaling-up of the programme from rural to urban areas promotes sustainability and facilitates knowledge management. Second, the paper identifies the specific challenges of piloting a trust-based access to justice programme in urban areas. Another set of challenges is the different impact that different facilitators make in their communities. Personal motivation, skills, and abilities, gained social authority, received training, and level of involvement of the local judges are seen as crucial for the facilitators' effectiveness. Active ownership on behalf of the Nicaraguan judiciary is another factor of success identified by the study. At the end, the paper discusses the possibilities for expanding the programme beyond Nicaragua.

Barrientos, A. and J.M. Villa (2013). 'Evaluating antipoverty transfer programmes in Latin America and sub-Saharan Africa: Better policies? Better politics?'. WIDER Working Paper 2013/009. Helsinki: UNU-WIDER.

The paper provides a comparative analysis of the incidence of evaluation methods in antipoverty transfer programmes in Latin America and sub-Saharan Africa. The paper identifies two broad explanations for the incidence of evaluation in antipoverty transfer programmes in developing countries, one emphasizing the advantages of a shift towards evidence-based development policy, and a second explanation emphasizing political factors. The paper assesses their relevance in the context of Latin American and sub-Saharan African countries with a view to throwing light on whether the evaluation of

antipoverty transfer programmes will lead to an improved effectiveness of the relevant government agencies.

Beath, A., F. Christia, and R. Enikolopov (2013). 'The National Solidarity Programme: Assessing the effects of community-driven development in Afghanistan'. WIDER Working Paper 2013/112. Helsinki: UNU-WIDER.

This paper describes the results of an impact evaluation of the National Solidarity Programme, a community-driven development programme in Afghanistan that created democratic village councils and funded small-scale development projects. Using a randomized controlled trial across 500 villages, we find that the programme had a positive effect on access to drinking water and electricity, acceptance of democratic processes, perceptions of economic wellbeing, and participation of and attitudes towards women. Effects on perceptions of local and national government performance and material economic outcomes were, however, more limited or short-lived. We also find that the programme negatively impacted the quality of local governance as perceived by male villagers.

Bigsten, A. and S. Tengstam (2012). 'International Coordination and the Effectiveness of Aid'. WIDER Working Paper 2012/32. Helsinki: UNU-WIDER.

This paper discusses and seeks to quantify the effects of improved donor co-ordination on aid effectiveness. Empirical estimates are first provided of the reductions in transaction costs that can be achieved by better donor co-ordination via concentration to fewer partner countries and a shift from project aid to programme-based approaches. Further estimates are presented showing how much could be gained in terms of poverty reduction by optimizing aid allocation across countries. The potential gains of a co-ordinated reallocation would be huge, but there are severe political implementation constraints. Still, the overall conclusion of the paper is that there are huge potential gains from donor co-ordination.

Bratton, M. (2013). 'Measuring government performance in public opinion surveys in Africa: Towards experiments?'. WIDER Working Paper 2013/023. Helsinki: UNU-WIDER.

In examining the study of government performance, this paper asks whether field experiments can improve the explanatory precision of results generated by public opinion surveys. Survey research on basic health and education services sub-Saharan Africa shows that the perceived 'user friendliness' (or ease of use) of services drives popular evaluations of government performance. For the reliable attribution of causality, however, surveys and field experiments, combined in a variety

of mixed research designs, are more rigorous and reliable than either method alone. The paper proposes a menu of such designs.

Burnell, P. (2011). 'Lessons of Experience in International Democracy Support: Implications for Supporting Democratic Change in North Africa'. WIDER Working Paper 2011/84. Helsinki: UNU-WIDER.

The so-called 'Arab spring' in North Africa and the Middle East in early 2011 took many political commentators by surprise. It challenged international democracy support to learn from its own limitations while potentially offering exciting new opportunities. The global momentum of democratization, which had appeared to run out of steam, could be reinvigorated. The decline in fortunes that democracy support had sustained in recent years might be reversed. The recent development could place in new perspective the growing challenge that countries like China and Russia seemed to be presenting to the spread of liberal democracy because of their increasing role in international politics and the developing world's rapidly expanding economic ties with China. If international democracy support is to respond constructively to the still evolving political trajectory of countries like Egypt and Tunisia it must reflect on its own past engagement in the world generally and North Africa specifically. It should also take account of what the experience of democratization elsewhere tells us and the distinguishing features of individual countries in the region. Reporting lessons about what not to do is easier than drawing up strategies of democracy support that are guaranteed to succeed. However this need not prevent analysis from identifying lessons of assistance and, probably even more important, the international conditions that will strongly influence whether democracy

Buss, T. (2013). 'Foreign aid and the failure of state building in Haiti under the Duvaliers, Aristide, Préval, and Martelly'. WIDER Working Paper 2013/104. Helsinki: UNU-WIDER.

After receiving at least US\$20 billion in aid for reconstruction and development over the past 60 years, Haiti has been and remains a fragile state, one of the worst globally. The reasons for aid failure are legion but mostly relate to highly dysfunctional Haitian regimes, sometimes destructive US foreign policy and aid policy, and ongoing issues about how to deliver aid, all in the context of devastating natural disasters. The over-riding cause of aid failure has been the social, cultural and historical context which has led to domination by economic and political elites who have little interest in advancing Haiti, and who are totally self-interested—Haiti's fatal flaw. Donors can go far to improve aid effectiveness, but Haiti will languish until its leaders and people find common ground and compromise in managing their country.

Cameron, R. (2012). 'Vertical Decentralization and Urban Service Delivery in South Africa: Does Politics Matter?'. WIDER Working Paper 2012/87. Helsinki: UNU-WIDER.

This study examines the role of politics on decentralization and service delivery in South Africa, with a specific focus on Johannesburg and Cape Town. The research delineates how national decentralization has affected service delivery responsibilities and resources, determines whether service delivery is affected by whether or not a city is governed by an opposition party, and considers what the nature of inter-governmental relations implies for donors operating in South Africa's urban sector. The study finds that service delivery does not appear to be worse off in Cape Town than in Johannesburg, even though the former is controlled by the opposition Democratic Alliance while the latter is in the hands of the ruling African National Congress. While there have been political attempts to undermine opposition-controlled Cape Town, the fiscal elements are protected by a relatively strong and well-managed department of finance. Moreover, both donors and the national government steer money towards Cape Town because they know it can deliver on its obligations.

Chimhowu, A. (2013). 'Aid for agriculture and rural development: A changing landscape with new players and challenges'. WIDER Working Paper 2013/014. Helsinki: UNU-WIDER.

This paper analyses the way aid for agriculture and rural development in the global south has changed over time. It finds three key shifts. First, a change in funding priority that has seen aid commitments move to the social sectors. Second is a shift in priority within agriculture and rural development from the productive sector towards support for policy development and administrative capacity strengthening. Third is the emergence and rise in commitments from non-traditional bilateral donors, private sector foundations and venture capital finance. The paper argues that these 'new' actors, often working outside the Development Aid Committee and other global official development assistance frameworks, have introduced alternative aid channels that not only complement but also reshape aid relationships between the traditional donors and the global south. It suggests further research to understand the impact of these new ways of financing development.

Clarke, M. (2011). 'Innovative Delivery Mechanisms for Increased Aid Budgets: Lessons from a New Australian Aid Partnership'. WIDER Working Paper 2011/73. Helsinki: UNU-WIDER.

The Australian government will double its Official Development Assistance by 2015 (over 2010 levels). Innovative delivery mechanisms will be required to ensure aid is spent efficiently. In addition to traditional delivery mechanisms—bilateral, multilateral—the Australian

government has piloted a small partnership activity with churches in the Pacific. The Church Partnerships Programme is premised on the realization that in certain Pacific countries, the churches have existing, functioning and well-regarded national networks and close links with local communities that are suitable conduits for donor funding. In this sense they are ideal partners for the delivery of effective aid. This paper will consider this model and the benefit it brings. There are of course consequences for both the churches and their communities for this influx of aid money and changing activities and these will be briefly considered. Finally, extending this partnership model to non-Christian religious faiths in other countries, such as Islamic nationwide organizations in Indonesia, is also discussed.

Collier, P. (2012). 'How to Spend it: The organization of public spending and aid effectiveness'. WIDER Working Paper 2012/05. Helsinki: UNU-WIDER.

As aid diminishes in importance, donors need a capacity that enables governments to improve the quality of their public spending. In this study, the author suggests three such organizational innovations: independent ratings of spending systems, Independent Public Service Agencies, and Sovereign Development Funds. These constitute a new donor instrument of influencing the modalities of public spending, alongside the volume of aid. With an additional instrument donors can escape the dilemma of having more objectives than instruments. How aid is spent may become more important than how much of it is spent.

Collier, P. (2013). 'Aid as a catalyst for pioneer investment'. WIDER Working Paper 2013/004. Helsinki: UNU-WIDER.

The author discusses how aid can support growth in small, isolated economies. Small markets frustrate scale economies and competition. Combined with high transport costs, essential inputs become prohibitively expensive. Breaking the co-ordination problem requires pioneering investment. Since this generates externalities it will be undersupplied. Donors have both the finance and the long-term relationships that could offset the externalities and political risks that impede pioneers. However, there are practical difficulties of how such support is best organized. In order of ambition these run from finance of infrastructure, through subsidized capital and political risk insurance, to long-term partnerships with private firms.

Cruz, M. (forthcoming). 'Central American Trajectories: El Salvador, Nicaragua, Guatemala, and Honduras'. WIDER Working Paper. Helsinki: UNU-WIDER.

Central America poses a unique opportunity to examine the varied impact of international assistance in the development of rule of law

institutions and the state in general. If we assume that an essential characteristic of the contemporary state is still the administration of the legitimate force by different actors, the development of rule of law institutions in the region during the 1990s represented as a key process of state formation. Three countries, Guatemala, El Salvador, and Nicaragua, faced long and bloody civil wars that came to an end as a result of negotiation processes. In addition, Honduras was also impacted in its own democratization process by the thrust of transformations in the region. Those processes saw the intervention of international assistance that contributed in various degrees to the re-establishment of key state institutions. Using a comparative historical analysis on the trajectory of the four northern Central American countries, the author explores the impact of international assistance on the development of rule of law in Central America. The study argues that the success of such assistance should be measured in relation to its capacity to reaching two goals in the emerging national institutions. First, the effective monopolization of the legitimate use of force by the state; that is to say, the effective dismantling of informal armed groups operating on behalf of the state; and, second, the establishment of effective mechanisms of vertical accountability in the security organizations.

Curtis, D. (forthcoming). 'Explaining Divergent Trajectories: Rwanda and Burundi'. WIDER Working Paper. Helsinki: UNU-WIDER.

Rwanda and Burundi have both recently emerged from civil war, and foreign donors have provided significant contributions to post-conflict reconstruction and development in the two countries. Yet while the volume of aid is significant in both countries, donors have had more political leverage in Burundi compared to Rwanda. This paper asks why this is the case, and assesses various arguments about the impact of foreign aid. The paper argues that the nature of the ruling party in the two countries is important in understanding how external and internal factors influence and shape one another. Although the ruling parties in both Rwanda (RPF) and Burundi (CNDD-FDD) were previously rebel movements engaged in wars against what they described as ethnically exclusive regimes, they have had very different relationships with international donors. The different ways in which the conflict ended in the two countries have had important effects in structuring post-conflict donor government relationships.

de Weijer, F. (2013). 'A capable state in Afghanistan: A building without a foundation?'. WIDER Working Paper 2013/063. Helsinki: UNU-WIDER.

This paper argues that attempts at state-building in Afghanistan have led to institutions that are not robust. The state institutions and organizations continue to be highly dependent on external resources and technical expertise, and lack of a critical mass of people able and

willing to maintain them when external support recedes. The authors contend that Afghanistan may have fallen into a ‘capability trap’ that can lead to an actual decrease in state capacity in spite of an appearance of progress. This capability trap has been facilitated by four conditions; (i) high expectations on the government without sequencing or prioritization, (ii) more weight on immediate results than on establishing capable institutions, (iii) a limited menu of acceptable options for institutional arrangements, leading to strong pressures for simple ‘transplantation’, and (iv) a top-down model of implementation. Thinking about state-building thus needs to shift towards helping to structure or guide a process through which the problem-solving capacity of a broader range of actors can be brought to the fore, and more contextually appropriate models can emerge, that are less reliant on external expertise, resources, and legitimacy.

Dehejia, R. (2013). ‘The porous dialectic: Experimental and non-experimental methods in development economics’. WIDER Working Paper 2013/11. Helsinki: UNU-WIDER.

This paper provides a survey of six widely used non-experimental methods for estimating the impact of programmes in the context of developing economies (instrumental variables, regression discontinuity, direct matching, propensity score matching, linear regression and non-parametric methods, and difference-in-differences), and assesses their internal and external validity relative both to each other and to randomized controlled trials. While randomized controlled trials can achieve the highest degree of internal validity when cleanly implemented in the field, the availability of large, nationally representative datasets offers the opportunity for a high degree of external validity using non-experimental methods. Whereas these methods are often presented as competing alternatives, we argue that each method has merits in some contexts and that experimental and non-experimental methods are complements rather than substitutes.

del Castillo, G. (2012). ‘Aid, Employment and Inclusive Growth in Conflict-Affected Countries: Policy Recommendations for Liberia’. WIDER Working Paper 2012/47. Helsinki: UNU-WIDER.

The experience and lessons of the last two decades have shown that ignoring the key differences between the economics of peace and the economics of development has been a major reason why countries relapse into conflict. This paper briefly analyses such differences and their important implications for effective policymaking in war-torn countries, and against this background, it makes recommendations for the creation of reconstruction zones in Liberia. Reconstruction zones would have two distinct but linked areas to ensure synergies between them—an export-oriented reconstruction zone, consisting of any existing agricultural or mining foreign concession, and a local

production reconstruction zone focusing on rural development, that would produce agricultural goods, food, light manufacturing and services for the domestic market, including for the concessions. The purposes of reconstruction zones are as follows. First, to create links between the concessions, operating as enclaves, and the domestic economy, particularly with the rural communities in their vicinity that have often been displaced or their livelihoods threatened by them. Second, to focus on rural development to improve food security and decrease dependence on imports. Third, to support business development through the creation of a level playing field in infrastructure and credit for micro and small enterprises, including small farmers. Fourth, to move away from the fragmented aid and investment strategies of the past, to a more integrated and effective aid strategy. Last but not least, to achieve more inclusive growth that could help to consolidate peace and prevent Liberia relapsing into conflict.

Dickovick, J.T. (2013). 'Foreign aid and decentralization: Policies for autonomy and programming for responsiveness'. WIDER Working Paper 2013/044. Helsinki: UNU-WIDER.

Donor support for decentralization comes in two main categories: recommendations at the policy level and project activities at the programming level. At the policy level, donors promote decentralization by recommending greater autonomy for subnational actors. That is, they advocate reforms that increase the extent (or 'quantity') of decentralization. At the programming level, donors implement projects intended to improve the capacity and accountability (or 'quality') of decentralized governance. This paper's argument is twofold. First, donors have had modest impacts on the quantity of decentralization where they have engaged in policy reform because the variables that shape the extent of decentralization are found primarily in the contexts—the history, politics, social realities, and economic conditions—of partner countries. Second, decentralization quality may be improved by effective design and implementation of donor programmes and projects, but systematic variation in the efficacy of programming is compromised by measurement challenges and conflicting donor emphases.

Dietrich, S. and J. Wright (2012). 'Foreign Aid and Democratic Development in Africa'. WIDER Working Paper 2012/20. Helsinki: UNU-WIDER.

Over the past two decades, donors increasingly linked foreign aid to democracy objectives in sub-Saharan Africa. Yet systematic research on this topic typically focuses on how aid influences democratic transitions. This study investigates whether and how foreign aid affects the process of democratic consolidation in sub-Saharan Africa by examining two potential mechanisms: (1) the use of aid as leverage to buy political reform, and (2) investment in the opposition. We test

these mechanisms using five dependent variables that capture different aspects of democratic consolidation. Using survival analysis for the period from 1991 to 2008, we find that democracy and governance aid has a consistently positive effect on democratic consolidation. Economic aid, on the other hand, has no effect on democratic consolidation.

Finkel, S. (2013). 'The impact of adult civic education programmes in developing democracies'. WIDER Working Paper 2013/064. Helsinki: UNU-WIDER.

Can democracy be taught? Are individuals more likely to embrace democratic values, to learn basic knowledge about political processes, and to engage the political process more effectively as a result of their exposure to donor-sponsored civic education programmes in emerging democracies? After more than a decade of evaluations of civic education programmes, it is a good time to take stock of what we have learned about the impacts of these efforts to strengthen democratic political culture in developing democracies. In this paper, I describe four USAID-sponsored evaluations that have been conducted since the late 1990s, and summarize their most important findings and lessons learned. It will be shown that civic education programmes can have meaningful and relatively long-lasting effects in terms of increasing political information, feelings of empowerment, and mobilizing individuals to engage in political participation, but that they are much less likely to affect more 'deep-seated' democratic values such as political tolerance, support, and trust. Moreover, the size of these effects depends critically on how the programmes are designed, the kinds of pedagogical methods employed and the quality of the facilitators or trainers, with much evidence suggesting that the potential for larger-scale changes in democratic orientations through civic education is not being realized in practice. The authors concludes with a discussion of current developments in the field, as a significant amount of recent new work has emerged.

Fjeldstad, O.-H. (2013). 'Taxation and development: A review of donor support to strengthen tax systems in developing countries'. WIDER Working Paper 2013/010. Helsinki: UNU-WIDER.

Recent years have seen a growing interest among donors on taxation in developing countries. This reflects a concern for domestic revenue mobilization to finance public goods and services, as well as recognition of the centrality of taxation for growth and redistribution. The global financial crisis has also led many donor countries to pay more attention to the extent and effectiveness of the aid they provide, and to ensuring that they support rather than discourage the developing countries' own revenue-raising efforts. This paper reviews the state of knowledge on aid and tax reform in developing countries, with a particular focus on

sub-Saharan Africa. Four main issues are addressed: (1) impacts of donor assistance to strengthen tax systems, including what has worked, or not, and why; (2) challenges in ‘scaling up’ donor efforts; (3) how to best provide assistance to reform tax systems; and (4) knowledge gaps to be filled in order to design better donor interventions. The paper argues that donors should complement the traditional ‘technical’ approach to tax reform with measures that encourage constructive engagement between governments and citizens over tax issues.

Gazibo, M. (2012). ‘Beyond Electoral Democracy: Foreign Aid and the Challenge of Deepening Democracy in Benin’. WIDER Working Paper 2012/33. Helsinki: UNU-WIDER.

In the 1990s, analysts were almost unanimous in considering Benin to be one of the most important aid recipients among the newly democratizing African countries. After more than two decades of democratic practice, the country has clearly completed the phase of democratic transition. In this study, the author argues that the main present-day political challenges in Benin are related both to the quality or deepening of democracy and to poverty reduction. Foreign aid has changed as donors have reoriented their assistance in order to target specific issues like the strengthening of civil society, accountability and the rule of law. Thanks to donors, success has been achieved in some sectors but it is far from certain that these positive experiences are enough to prevent political tensions between incumbents and opposition parties around issues of governance. Moreover, when it comes to more substantial aspects of democracy, such as enhancing accountability and fighting corruption, Benin still has a long way to go.

Gisselquist, R.M. (2012). ‘Good Governance as a Concept, and Why This Matters for Development Policy’. WIDER Working Paper 2012/030. Helsinki: UNU-WIDER.

Almost all major development institutions today say that promoting good governance is an important part of their agendas. Despite this consensus, ‘good governance’ is an extremely elusive objective: it means different things to different organizations and to different actors within these organizations. This study provides a review of donor approaches and discusses good governance as a concept. While methodological discussions are often esoteric, the study argues that this one has real world relevance to development policy because donor agencies regularly measure and assess the quality of governance, condition assistance on these measurements, seek to design evidence-based policies, and justify their focus on good governance partly on the basis of claims that better governance promotes economic development. The weakness of the good governance concept calls into question each of these projects. Future work would do well to disaggregate the concept of good governance and refocus attention and analysis on its various

disaggregated components, as defined here (e.g., democracy, the rule of law, efficient public management).

Gisselquist, R.M. (2013). 'Evaluating governance indexes: Critical and less critical questions'. WIDER Working Paper 2013/068. Helsinki: UNU-WIDER.

Recent years have seen a proliferation of 'composite indicators' or 'indexes' of governance. Such measures can be useful tools for analysing governance, making public policy, building scientific knowledge, and even influencing ruling elites, but some are better tools than others and some are better producers of governance indexes to evaluate them and consider key components of index design. In reviewing these ten questions—only six of which, it argues, are critical—the paper offers examples from some of the best known measures of governance and related topics. It advances two broad arguments: First, more attention should be paid to the fundamentals of social science methodology, i.e., questions about concept formation, content validity, reliability, replicability, robustness, and the relevance of particular measures to underlying research questions. Second, less attention should be paid to some other issues commonly highlighted in the literature on governance measurement, i.e., questions about descriptive complexity, theoretical fit, the precision of estimates, and correct weighting. The paper builds upon a thorough review of the literature and the author's three years of research in practice as co-author of a well-known governance index.

Gisselquist, R.M. (forthcoming 2014). 'Paired Comparisons and Theory Development: Implications for Case Selection'. *PS: Political Science & Politics*. 42 (2).

Despite the widespread use of paired comparisons, we lack clear guidance about how to use this research strategy in practice, particularly in case selection. The literature tends to assume that cases are systematically selected from a known population, a major assumption for many topics of interest to political scientists. This paper speaks to this gap. It describes three distinct logics of paired comparison relevant to theory development, presents a simple way of considering and comparing them, and explores how this approach can inform more intentional research design, with particular attention to low information settings where substantial research is needed to ascertain the values of independent or dependent variables. The discussion underscores *inter alia* the need to be aware and explicit about the implications of case selection for the ability to test and build theory, and the need to reconsider the well-cited "rule" of not selecting on the dependent variable.

Gisselquist, R.M. and M. Niño-Zarazúa (2013). 'What can experiments tell us about how to improve governance?'. WIDER Working Paper 2013/077. Helsinki: UNU-WIDER.

In recent years, randomized controlled trials have become increasingly popular in the social sciences. In development economics in particular, their use has attracted considerable debate in relation to the identification of 'what works' in development policy. This paper focuses on a core topic in development policy: governance. It aims to address two key questions: (1) 'what have the main contributions of randomized controlled trials been to the study of governance?' and (2) 'what could be the contributions, and relatedly the limits of such methods?'. To address these questions, a systematic review of experimental and quasi-experimental methods to study government performance was conducted. It identified 139 relevant papers grouped into three major types of policy interventions that aim to: (1) improve supply-side capabilities of governments; (2) change individual behaviour through various devices, notably incentives, and (3) improve informational asymmetries. We find that randomized controlled trials can be useful in studying the effects of some policy interventions in the governance area, but they are limited in significant ways: they are ill-equipped to study broader governance issues associated with macro-structural shifts, national level variation in institutions and political culture, and leadership. Randomized controlled trials are best for studying targeted interventions, particularly in areas of public goods provision, voting behaviour, and specific measures to address corruption and improve accountability; however, they can provide little traction on whether the intervention is transferable and 'could work' (and why) in other contexts, and in the longer run.

Gisselquist, R.M., M. Niño-Zarazúa, and J. Sajuria Garces (forthcoming). 'Using Experimental and Quasi-Experimental Methods to Study Government Performance: A Systematic Review'. WIDER Working Paper. Helsinki: UNU-WIDER.

Government performance matters. How and how well public institutions provide programmes and services in areas such as education, health, water and sanitation, and infrastructure has far-reaching impacts not only on quality of life, but also on relations between citizens and government and on economic development. Although improving government performance is a core area of work in international development, the theoretical and empirical bases of many interventions remains weak. This paper speaks to these gaps drawing on a systematic review of the literature on experimental and quasi-experimental studies of interventions relevant to government performance in the social sectors. The paper first presents a simple model of change in the quality of government performance that, it argues, is implicit in the extant literature. This model highlights three sets of factors: incentives that affect how individuals respond to and

engage with government services; information; and institutional capabilities. It also discusses several weaknesses of this model. The paper then presents a systematic review of the literature and findings from this review with respect to the three key factors of the model. Overall, our analysis suggests that experimental and quasi-experimental studies show support for all three factors as drivers of change in government performance, but especially for incentives, which are usually material (i.e., cash). However, we argue, this appears to be more a result of what can be straightforwardly studied with experimental and quasi-experimental methods, than a true reflection of the factors that most influence government performance. Factors that theory suggests may also be important (such as institutional reforms at the national level, and long-term feedback effects) are not generally considered in experimental and quasi-experimental studies because they are so difficult to study with these methods.

Gisselquist, R.M. and D. Resnick (2013). 'Aiding Government Effectiveness in Developing Countries'. Unpublished paper. Helsinki: UNU-WIDER.

More than a decade after becoming a buzzword on the development agenda, governance remains a high priority for the international donor community. This article provides an introduction and overview of key findings from the symposium on 'Aiding Government Effectiveness in Developing Countries'. This symposium moves beyond traditional debates about whether aid supports or undermines "good governance" in the aggregate to instead focus on donor interventions in two interrelated governance domains. The first domain examines donor efforts to augment government effectiveness at providing key services to citizens by national and local authorities. Three studies in the collection therefore focus on policing, regulation, and civic education. The second addresses the underlying administrative and financial institutions and processes that facilitate service delivery. Relevant papers in this regard address decentralization, civil service reform, and taxation. In assessing what we know about "what works?" and "what could work?" across these core areas of governance, the contributions shed new light on several key themes, including the dilemma of reconciling governance with ownership, the importance of identifying exactly how context and sequencing matters, and the weaknesses in existing donor evaluation methods.

Grawe, R. (2013). 'Innovation at the World Bank – Selective Perspectives over Three Decades 1975-2005'. WIDER Working Paper 2013/129. Helsinki: UNU-WIDER.

The World Bank is uniquely positioned to identify and disseminate innovative development practices. Based on his thirty-year experience as a World Bank staff member, the author takes an institutional perspective on the innovation climate at the World Bank focusing on

dominant development paradigms, client and stakeholder relationships and the organization's operational toolkit as key factors influencing the climate for innovation. The interaction and impact of these factors are illustrated through selective examples of innovative programmes or practices.

Gray, K. (2013). 'Aid and development in Taiwan, South Korea, and South Vietnam'. WIDER Working Paper 2013/085. Helsinki: UNU-WIDER.

The aim of this paper is to explain the divergent developmental outcomes between South Korea, Taiwan, and South Vietnam. Whilst US aid has correctly been cited as key factor in explaining the rapid post-war development of South Korea and Taiwan, the ultimate failure to establish strong institutions in South Vietnam calls for a closer analysis of how differing historical and geopolitical factors explain the greater political stability and absorptive capacity of South Korea and Taiwan. In particular, divergent colonial legacies as well changing US policies towards land reform played a key role in the South Vietnamese state's failure to quell internal opposition.

Green, E. (2013). 'The rise and fall of decentralization in contemporary Uganda'. WIDER Working Paper 2013/078. Helsinki: UNU-WIDER.

There has long been an emphasis on the importance of decentralization in providing better quality public services in the developing world. In order to assess the effectiveness of decentralization the author examines the case study of Uganda, which has seen major decentralization of power over the last quarter-century. Initial excitement about Uganda's decentralization programme has, however, tapered off in recent years due to a number of problems outlined here. The paper suggests that many of these problems are the consequence of broader problems of poor state capacity and institutions that are endemic in developing countries.

Griffith-Jones, S. and J. Tyson (2013). 'The European Investment Bank: Lessons for developing countries'. WIDER Working Paper 2013/019. Helsinki: UNU-WIDER.

The paper considers the experience of the European Investment Bank and addresses policy lessons for developing countries as they seek finance for development. The paper argues that the key lesson for developing countries is that the traditional role of a development bank in closing market gaps in long-term, low-cost and stable infrastructure lending and in anticyclical financing remains relevant for developing countries but needs to be directed towards new goals. The paper also proposes that an optimal structure is a regionally owned development

bank, as this would allow critical advantages of regional ownership, control and responsiveness.

Gyimah-Boadi, E. and T. Yakah (2012). 'Ghana: The Limits of External Democracy Assistance'. WIDER Working Paper 2012/40. Helsinki: UNU-WIDER.

Ghana's experience since the early 1990s indicates that external aid can significantly impact a country's democratic transition. External democracy assistance has been a crucial, positive factor in Ghana's steady evolution into an electoral democracy over the past two decades. Continuing gaps in the quality of Ghana's democracy confirms, however, that even sustained external support and encouragement cannot easily overcome local elite resistance to specific reforms as well as structural and cultural obstacles prevailing in the domestic environment, at least in the short and medium terms.

Harrigan, J. (2011). 'The Political Economy of Aid Flows to North Africa'. WIDER Working Paper 2011/72. Helsinki: UNU-WIDER.

This paper provides an historical overview of aid flows to North Africa. It assesses the aid allocation process and argues that past aid flows to the region have been heavily influenced by donor political interests. This has reduced the effectiveness of aid which, except in the case of Tunisia, has not been associated with sustained economic growth. The Arab Spring provides an opportunity to reappraise aid flows to North Africa and it is argued that future flows need to support the democratization process, generate pro-poor growth, support social safety nets and address the pressing issues of widening inequalities and unemployment.

Heller, P. (2011). 'Rethinking the World of Aid in the Twenty First Century'. WIDER Working Paper 2011/67. Helsinki: UNU-WIDER.

Many concerns can be raised about the effectiveness of current aid programmes to developing countries. The appropriateness of aid is particularly questionable when one considers the likely character of the challenges that the global economy will confront in 2025, as suggested by alternative global scenario exercises. This paper argues for urgent reconsideration of the focus of aid by Development Assistance Committee (DAC) countries, extending from: the priorities that aid should be used for (with greater emphasis on global public good initiatives); the ways that DAC donors can contribute to these different policy objectives; and the roles that different aid actors should play.

Hellsten, S. (2012). 'Transitional Justice and Aid'. WIDER Working Paper 2012/06. Helsinki: UNU-WIDER.

This paper examines the current security–governance–development nexus, something that is often also discussed under the concept of 'transitional justice' (TJ). The paper analyses how the ambiguous, evolving and expanding nature of the concept of TJ affects the planning, co-ordination, evaluation and assessment of aid given to conflict ridden, post-conflict or (post) authoritarian societies in order to strengthen their democracy. Special attention is paid to gender justice. Illustrations are drawn mainly from Africa where many TJ processes and mechanisms are currently taking place.

Fuady, H. (2014). 'Aid in an Oil-Rich State: Indonesia (late 1960s to present), with Comparison to Nigeria'. WIDER Working Paper. 2014/023. Helsinki: UNU-WIDER.

This paper analyses the role of global capital, particularly foreign aid, to assist development in two oil-rich countries, Indonesia and Nigeria, during crisis periods. The two countries are similar in many respects, ranging from geography to economy to social and political challenges, but Indonesia has developed 'better' than Nigeria since the end of the 1960s. Focusing on two critical periods in the 1960s and 1980s when the two countries experienced fragility and needed to change their development trajectories, this paper argues that in such periods, foreign aid could help not only to finance development but also to assist policy makers to choose the 'right' policies. It shows the potential of foreign aid to help policy-makers to manoeuvre in the local context of the crises, to implement their policy preferences.

Howard, L. (2013). 'State-building through "Neo-trusteeship": Kosovo and East Timor (1999-present) in Comparative Perspective'. WIDER Working Paper 2013/126. Helsinki: UNU-WIDER.

Why do some states, with foreign assistance, transition from 'fragile' to 'robust?' Scholars in state-building have argued that neotrusteeship is an effective strategy by which external organizations might build post-conflict states. This working paper tests this hypothesis, and two related propositions, in a paired comparison between Kosovo and East Timor. The two states are ideal for comparison in that they share many similar characteristics, including, most crucially, the fact that both experienced regional peace enforcement operations to end violent conflict, followed by massive neotrusteeship operations. However, they have had divergent results in post-conflict state-building: While the state and economy are gradually becoming stronger in East Timor, the same cannot be said of Kosovo, which continues to be plagued by high unemployment, low growth, corruption, and organized crime. Many of

Kosovo's problems can be traced back to the strategy of dividing international responsibility for the neotrusteeship operations.

Humphreys, M. (forthcoming). 'Ethical Challenges of Field Experiments'. WIDER Working Paper. Helsinki: UNU-WIDER.

Social scientists are increasingly engaging in experimental research in developing countries that carries risks for subject and others. They are doing so with few clear ethical guidelines; indeed the main principles of research ethics currently employed by social scientists were developed by and for medical researchers that were focused on a different set of questions than those facing field experimentalists in social science. In this article, the author discusses research ethics as currently understood in this field, focusing especially on the problem of subject consent. A set of alternative consent procedures is then described which meet many of the ethical goals of standard processes but that may be more operationalizable for policy experiments. Finally the paper describes an argument—the spheres of ethics argument—that researchers' can employ for policy experiments that are undertaken in partnership with governments or other third parties and in which attaining consent is not possible and suggest conditions that should be met to support this argument.

Kargbo, P. (2012). 'Impact of Foreign Aid on Economic Growth in Sierra Leone: Empirical Analysis'. WIDER Working Paper 2012/07. Helsinki: UNU-WIDER.

This paper examines the impact of foreign aid on economic growth in Sierra Leone, a country where there is no tradition of empirical econometric study on aid effectiveness. Using a triangulation of approaches involving the ARDL bounds test approach and the Johansen maximum likelihood approach to cointegration for the period 1970-2007, the study concludes that foreign aid has a significant contribution in promoting economic growth in the country. This finding is shown to be robust across approaches and specifications. Whilst aid may have been associated with improvement in economic growth in the country, its impact during the period of war is found to be either weak or non-existent. Further, aid during the pre-war period is found to be marginally more effective than aid during the post-war period. The latter results suggest that the impact of aid may change with time.

Khan, M. (2013). 'Aid and governance in vulnerable states: Bangladesh and Pakistan since 1971'. WIDER Working Paper 2013/122. Helsinki: UNU-WIDER.

Bangladesh and Pakistan had very divergent experiences with aid after 1971. Politics in Pakistan was less inclusive in terms of opportunities for intermediate class political entrepreneurs. In this context, the significant role of military aid to Pakistan had very negative effects on its political and economic evolution. In contrast in Bangladesh the less centralized organization of political power and less concentrated forms of aid allowed intermediate class political entrepreneurs to access resources and created incentives for productive activities. These experiences challenge conventional ideas about the relationship between aid, good governance and security: better policy requires better understanding of the relationship between aid and the political economies of recipient countries.

Kim, J. (2013). 'Aid and state transition in Ghana and South Korea'. WIDER Working Paper 2013/121. Helsinki: UNU-WIDER.

This paper examines the questions of why and how foreign assistance was utilized successfully in South Korea but less so in Ghana, with a focus on the role of aid in the process of state building and state transition in these two countries. Before the 1960s, South Korea and Ghana shared approximately similar levels of GDP per capita. However, while South Korea achieved rapid economic development and democracy in one generation, Ghana suffered from slow development and a general deterioration of the standard of living. In particular, the state in South Korea played a critical role in achieving economic development, while the Ghanaian state, although relatively successful in carrying out recent economic reforms, is still far from becoming a fully effective developmental state. Adopting a comparative historical research method, the study explains the divergent paths of these two countries with a special focus on the impact of foreign assistance on state transitions. It argues that contextual factors—including the effect of colonial legacy in each of these two regions in shaping modern states and the specific characteristics of foreign assistance intervention—provide useful insights in explaining the differential impact of aid on state building and state transition in Ghana and in South Korea.

Kirkpatrick, C. (2012). 'Economic Governance: Improving the economic and regulatory environment for supporting private sector activity'. WIDER Working Paper 2012/108. Helsinki: UNU-WIDER.

This paper reviews the state of knowledge on the effectiveness of donor interventions aimed at improving the regulatory environment for private sector development in developing countries. Where regulatory

reform is undertaken, the expectation is that there will be improvements in economic and welfare outcomes. By providing a review of the evidence on the results of regulatory reform, the paper aims to increase understanding of the types of interventions that are likely to have a positive impact on private sector development in developing countries.

Lambright, G. (2012). 'Opposition Politics and Urban Service Delivery in Kampala, Uganda'. WIDER Working Paper 2012/51. Helsinki: UNU-WIDER.

Uganda, like other African countries, has implemented reforms to decentralize political authority to local governments and reintroduce multiparty elections. This combination creates opportunities for national partisan struggles to emerge in local arenas and influence local service delivery. This study explores how partisan politics affects urban service delivery in Uganda through an examination of service provision by Kampala City Council and recent reforms to recentralize control over Kampala. The author finds that partisan politics undermines service delivery in Kampala in several ways, including through financing, tax policy, and even direct interference in the policies and decisions made by the city council.

Larson, G. (2013). 'South Sudan: The Road from the Paris Declaration to the Reality of Juba (2005-11)'. WIDER Working Paper. 2013/141 Helsinki: UNU-WIDER.

This case study considers the evolution, maturation, and development of the SPLM/A into the Government of Southern Sudan (GoSS) from the signing of peace in 2005 until the declaration of independence in 2011, when the Republic of South Sudan (RSS) was born. More specifically, it assesses the approach of foreign development agencies towards Southern Sudan's massive state building enterprise. As a framework for analysis, the case study utilizes the Paris Declaration on Aid Effectiveness—which was adopted in February 2005, just months after the signing of the CPA, and which reflected the values, priorities, and strategies of the prevailing aid orthodoxy. The five core principles of the Paris Declaration—ownership, alignment, harmonization, results, and mutual accountability—can be understood as the key principles of engagement that international development agencies brought with them when they arrived in Southern Sudan in 2005. The interim period in Southern Sudan thus provides an interesting litmus test for the efficacy of the orthodox approach in fragile contexts. It is clear that key development goals went unfulfilled during Southern Sudan's interim period; as such, this case study seeks to understand the manners in which the orthodox approach failed—and, indeed, how such orthodoxy has a general tendency towards failure when applied in fragile states.

Such lessons are a vital opportunity to identify entry points for productive reform.

Larson, G., P.B. Ajak, and L. Pritchett (2013). 'South Sudan's capability trap: Building a state with disruptive innovation'. WIDER Working Paper 2013/120. Helsinki: UNU-WIDER.

The prevailing aid orthodoxy works well enough in stable environments, but is ill-equipped to navigate contexts of volatility and fragility. The orthodox approach is adept at solving straightforward technical or logistical problems (paving roads, building schools, immunizing children), but often struggles or outright fails when faced with complex, adaptive challenges (fighting corruption, upholding the rule of law, establishing democratic institutions). South Sudan, the world's newest country, presents a post-conflict environment full of complex, adaptive challenges. Prior to the signing of the Comprehensive Peace Agreement in 2005 South Sudan had no formal institutions of self-governance. During the Comprehensive Peace Agreement period and after independence in 2011, foreign development agencies have contributed billions of dollars of aid and technical assistance to 'build capacity' in the nascent Government of South Sudan. The donors utilized approaches and mechanisms of support that at least nominally reflect the prevailing aid orthodoxy. We argue that orthodox state-building and capacity building more or less failed in South Sudan, leaving the world's newest country mired in a 'capability trap' (Andrews et al. 2012). Despite countless trainings, workshops, reforms, and a large corps of foreign technical assistants embedded within state ministries, there is an absence of real change, and the Government of South Sudan now 'looks like a state' but performs as anything but. The challenges presented by this new, complicated, post-conflict country demand innovative approaches to building state capability which go beyond importing 'best practice' solutions while feigning 'client ownership'. We explore one such approach to disruptive innovation that has emerged: Problem Driven Iterative Adaptation. To escape from the world's newest capability trap, South Sudan's government and its international donors must challenge themselves to imagine innovative paths to state-building, which diverge from 'business as usual' and attempt to create something that lasts.

Leiderer, S. (2012). 'Fungibility and the Choice of Aid Modalities: The Red Herring Revisited'. WIDER Working Paper 2012/068. Helsinki: UNU-WIDER.

The 'right' choice of instruments and modalities to provide aid to developing countries in support of poverty reduction and economic development is arguably the most contested issue in the current international debate on aid effectiveness. A particular controversy exists around the provision of aid in the form of budget support to avoid high

transaction costs and other shortcomings of traditional project-based aid. Critics argue that this kind of ‘programme aid’ involves unacceptably high fiduciary risks due to the fungibility of budgetary funds. A more recently proposed form of aid is in the form of results-based aid or aid on delivery. Proponents argue that this provides donors with better control over the use of aid resources. This paper demonstrates in a simple principal-agent framework with asymmetric information that in the absence of transaction costs, for a wide range of combinations of aid dependency and recipient government commitment to reduce poverty, all three forms of aid are equivalent with regard to fungibility and fiduciary risks. The paper proceeds to demonstrate that as long as donors can rely on the recipient government to be at least minimally committed to poverty reduction, a well co-ordinated modality mix of general budget support and aid on delivery does not bear higher fiduciary risks than project aid. It concludes that if project aid does indeed involve higher transaction costs than budget support, donors should provide aid in the form of such a modality mix, albeit only if they are able (and willing) to closely co-ordinate their support.

Lepistö, R. and J. Ojala (forthcoming). ‘Finn Church Aid’s Programmes in Somalia’. WIDER Working Paper. Helsinki: UNU-WIDER.

NGOs face distinct challenges in operating in fragile states. This paper presents a unique case study of how a non-state actor (Finn Church Aid–FCA) has provided tangible, relatively low cost support to a fragile state by seconding a staff member to work directly within its government. Building upon FCA’s previous work in Somalia, its staff member worked as part of the Transitional Federal Government’s Ministry of Constitutional Affairs and Reconciliation to assist in the implementation of the roadmap designed to end transitional governance in the country. The study draws on interviews with Somali stakeholders, FCA staff, and donor representatives, as well as various written documents, to explore the ability of this initiative to successfully support Somali domestic capacity in the Ministry. This case is considered alongside several other initiatives to support developing country governments through direct staffing in government offices, such as the Center for Global Development’s Liberia Fellows programme.

Manning, C. and M. Malbrough (2012). ‘The Changing Dynamics of Foreign Aid and Democracy in Mozambique’. WIDER Working Paper 2012/18. Helsinki: UNU-WIDER.

This study explores the effects of foreign aid on democracy in Mozambique during the last decade. Aid for democracy built on historic relationships forged between donors and the government during the wartime humanitarian emergency. Foreign aid played an

important role in Mozambique's transition from war to peace and from single-party rule to multiparty politics in the early 1990s. Since 2000, aid has shifted markedly toward general budget support and away from project support. Emphasis has moved from building central government institutions to bolstering local governance, and from a focus on democracy to good governance.

Manning, R. (2012). 'Aid as a Second-Best Solution: Seven Problems of Effectiveness and How to Tackle Them'. WIDER Working Paper 2012/24. Helsinki: UNU-WIDER.

Most rich countries developed without aid, and this 'self-development' has some intrinsic advantages. In today's massively unequal world, however, such an approach would imply very low levels of human development for several generations for many poor countries. Aid can therefore usefully be thought of as a necessary but 'second-best option'. The challenge then is how to manage this second-best option, particularly in the more aid-dependent states and the more fragile environments, in order to achieve sustainable results. The study examines seven problems that can limit the effectiveness of aid, and suggests possible ways of tackling them.

Marenin, O. (2013). 'Policing reforms and economic development in African states: Understanding the linkages: empowering change'. WIDER Working Paper 2013/013. Helsinki: UNU-WIDER.

The notion that economic development in African states requires minimal levels of security has become widely accepted in the international development community. Reforming non-functioning policing systems is an important step toward achieving security, yet the experience of changing policing systems in Africa is disappointing. Only South Africa and a few post-conflict states (Sierra Leone, Liberia) have achieved some measure of success. Many of the political, social, and economic contextual conditions that would support reforms of policing are absent. Recommendations on what policies could work, drawn from the general policing reform literature and African case studies, are suggested.

Margolies, A. and J. Hoddinott (2012). 'Mapping the Impacts of Food Aid: Current Knowledge and Future Directions'. WIDER Working Paper 2012/34. Helsinki: UNU-WIDER.

This paper provides an overview on the impacts of food aid. The authors consider its effects on consumption, nutrition, food markets and labour supply, as well as the extent to which it exacerbates or mitigates conflict. They also consider the comparative evidence on alternatives to food aid including evidence on cost, impact, relative risks

and beneficiary preferences. They note that there are two large gaps in the extant literature: the comparative effects of food and cash assistance at the household level; and the causal links between food aid and conflict.

Martel Garcia, F. and L. Wantchekon (2013). 'A graphical approximation to generalization: Definitions and diagrams'. WIDER Working Paper 2013/082. Helsinki: UNU-WIDER.

The fundamental problem of external validity is not to generalize from one experiment, so much as to experimentally test generalizable theories; that is to say, theories that explain the systematic variation of causal effects across contexts. Here we show how the graphical language of causal diagrams can be used in this endeavour. Specifically the paper shows how generalization is a causal problem, how a causal approach is more robust than a purely predictive one, and how causal diagrams can be adapted to convey partial parametric information about interactions.

Menkhaus, K. (2014). 'Aid and Institution-Building across Somalia's Regions'. WIDER Working Paper. 2014/002. Helsinki: UNU-WIDER.

Somali politics in the eastern Horn of Africa is playing out in vastly different contexts, and with considerably different results. Mogadishu, rural south-central Somalia, Puntland, Somaliland, Djibouti, eastern Ethiopia, and northeast Kenya offer diverse settings in which Somali political actors pursue their interests. In each location, external programmes to support institution-building are substantial, but the results are quite diverse in terms of the legitimacy, resilience, and capacity of regional or national political structures and processes. What accounts for the high variation in political institutionalization across the Somali Eastern Horn, and to what extent has foreign assistance for institution-building played a role in this variation? Using the seven Somali political settings of the Eastern Horn, this study tests hypotheses linked to factors that are critical in determining whether external institution-building has a positive impact, no impact, or a negative impact. These hypotheses are derived from conventional wisdom from the region which enjoy anecdotal support but which have not been tested comparatively.

Mitullah, W. (2012). 'Decentralized Service Delivery in Nairobi and Mombasa: Policies, politics and inter-governmental relations'. WIDER Working Paper 2012/92. Helsinki: UNU-WIDER.

In many African countries, decentralization has long been viewed as a means for improving local service delivery. Yet, despite various decentralization initiatives, service delivery standards continue to be

problematic in two of Kenya's largest cities, Nairobi and Mombasa. Despite various governance reforms to enhance Kenya's decentralization process, backed up by constitutional provisions and legislation, this study highlights that a proliferation of actors with overlapping mandates, opaque development frameworks, and intra- and inter-party politics remain major obstacles to providing critical services in these two cities. It is concluded that the effective decentralization of service delivery in cities cannot occur without key accompanying policies, including the devolution of resources and amicable inter-governmental relations.

Monten, J. (2013). 'Intervention, aid, and institution-building in Iraq and Afghanistan: A review and critique of comparative lessons'. WIDER Working Paper 2013/108. Helsinki: UNU-WIDER.

Since 2001 international attention has focused on the conflicts in Iraq and Afghanistan, and specifically on the question of whether external intervention can assist weak or fragile states in successfully making the transition to stable democracies. Despite their differences, Iraq and Afghanistan are often considered together in analyses of state-building, and multiple observers have explored the lessons of one for the other. Yet Iraq and Afghanistan are not the first cases of US military intervention and occupation for the purposes of transforming a foreign regime. This paper provides a review and critique of the literature on why some of these interventions were more successful than others in building robust and effective state institutions.

Morrissey, O. (2012). 'Aid and Government Fiscal Behaviour: What Does the Evidence Say?'. WIDER Working Paper 2012/01. Helsinki: UNU-WIDER.

Donors are concerned about how their aid is used, especially how it affects fiscal behaviour by recipient governments. This study reviews the recent evidence on the effects of aid on government spending and tax effort in recipient countries, concluding with a discussion of when (general) budget support is a fiscally efficient aid modality. Severe data limitations restrict inferences on the relationship between aid and spending, especially as the government is not aware of all the aid available to finance the provision of public goods. Three generalizations are permitted by the evidence: aid finances government spending; the extent to which aid is fungible is over-stated and even where it is fungible this does not appear to make the aid less effective; and there is no systematic effect of aid on tax effort. Beyond these conclusions the fiscal effects of aid are country-specific.

Mosley, P. (2012). 'Fiscal Composition and Aid Effectiveness: A Political-Economy Model'. WIDER Working Paper 2012/29. Helsinki: UNU-WIDER.

In accounting for the rather gloomy trend of the aid effectiveness literature over the last few years, one explanatory strand has been fiscal, suggesting in particular that aid flows in weak states have tended to erode the taxbase and the structure of institutions. The author pursues this idea, tracing the link from politics to domestic tax effort and then using the influence of this on expenditure to explain the leverage of aid. Thus, he argue that in the long run, tax effort determines the effectiveness of aid, and this relationship operates simultaneously in some countries with the negative link in the opposite direction, from aid to domestic tax effort, as observed by Bräutigam and Knack (2004) and others. The study finds that tax effort and the ability of the state to diversify its taxation structure are important determinants of long-term growth and aid effectiveness, and in this model, the study finds that overall aid effectiveness is, in a 3SLS model, weakly positive and significant, echoing the findings of Arndt, Jones and Tarp (2009) and Minoiu and Reddy (2010); however, these findings are not robust when retested using the GMM approach favoured by the literature. A more robust finding, and a key message for policy, is that a broadening of the tax structure in low-income countries is crucial in order to enable those countries to escape from the 'weak state – low tax trap', and to make aid more effective.

Onoma, A. (2014). 'Understanding post-conflict security sector reforms in Sierra Leone and Liberia: a transition regime approach'. WIDER Working Paper. 2014/012. Helsinki: UNU-WIDER.

Why are some countries more successful at carrying out post-conflict reconstruction programs than others? Why has Sierra Leone been more successful in the reform of its armed forces than Liberia has after the end of the Mano River Basin wars? This paper argues that the diverging outcomes are explained by the extent to which post-conflict regimes reflected the distribution of power on the ground in the two countries. Sierra Leone's transition regime reflected the distribution of power between forces on the ground and led to a consultative process that resulted in a moderate reform program. But the earlier input of key local actors made implementation less difficult. In Liberia the transition regime was built on a repudiation of local power realities. This led to a non-consultative process that resulted in a very radical reform program. But this lack of consultation has severely compromised the implementation of the reforms.

Pérez Niño, H. and P. Le Billon (2013). 'Foreign aid, resource rents and institution-building in Mozambique and Angola'. WIDER Working Paper 2013/102. Helsinki: UNU-WIDER.

Sharing similar colonial and post-independence civil war experiences, Mozambique and Angola's development paths are often contrasted, with foreign aid-dependent Mozambique hailed a success compared to oil rentier Angola. This paper questions the so-called Mozambican miracle and contrasts it with Angola's trajectory over the past two decades. Paying attention to the political trajectory of the ruling parties as well as the different timing and conditions linked to the post-war political economy transition, the authors discuss differences and similarities in the post-conflict reconstruction trajectory, policy space, and relative institutional fragility. They suggest that large aid flows to Mozambique have contributed to a relaxation of its government's urgency in creating the financial structure capable of capturing rents from natural resources in contrast to Angola, while the relative absence of official development aid has led Angolan elites to seek tenure prolongation partly through high rent capture and incipient socialization of massive oil rents. The study concludes by discussing the likely consequences of these factors in terms of the relative 'fragility' and 'robustness' of both states, and discuss implications for foreign assistance.

Pritchett, L. (2014). 'The Risks to Education Systems from Design Mismatch and Global Isomorphism: Concepts, with Examples from India.' WIDER Working Paper. 2014/039. Helsinki: UNU-WIDER.

The incredibly low levels of learning and the generally dysfunctional public sector schooling systems in many (though not all) developing countries are the result of a capability trap (Pritchett, Woolcock, Andrews 2013). Two phenomena reinforce persistent failure of schooling systems to produce adequate learning outcomes. One is the mismatch between system design—the allocation of activities across organizations and mechanisms of accountability—and the insights of the 'new institutional economics' from principal agent models and contract theory. In particular, many education systems attempt to manage teaching and learning as a 'thin' or 'logistical' activity that can be managed with top-down control and an emphasis on compliance. The reality is that teaching is a 'thick' or 'implementation intensive' activity that perform better when teachers and operators of schools are given performance standards, have multiple in-depth accountability channels, and are given greater autonomy. The second phenomenon that facilitates persistent failure is global isomorphism on enrollment and inputs (Meyers et al 1977, Meyers 1985, 1992). That is, the field (in the sense of Bourdieu 1993) of global education has produced an near exclusive emphasis on enrollments and duration in school, adequacy of physical inputs, and formal qualifications that allowed, perhaps encouraged, national systems to ignore completely performance on

child learning (of any type, measured in any way). The paper concludes with a comparison in India of the national government's recent efforts in basic education which have been almost exclusively isomorphic.

Pritchett, L., S. Samji, and J. Hammer (2012a). 'It's All About MeE: Using Structured Experiential Learning ('e') to Crawl the Design Space'. WIDER Working Paper 2012/104. Helsinki: UNU-WIDER.

There is an inherent tension between implementing organizations—which have specific objectives and narrow missions and mandates—and executive organizations—which provide resources to multiple implementing organizations. Ministries of finance/planning/budgeting allocate across ministries and projects/programmes within ministries, development organizations allocate across sectors (and countries), foundations or philanthropies allocate across programmes/grantees. Implementing organizations typically try to do the best they can with the funds they have and attract more resources, while executive organizations have to decide what and who to fund. Monitoring and Evaluation (M&E) has always been an element of the accountability of implementing organizations to their funders. There has been a recent trend towards much greater rigor in evaluations to isolate causal impacts of projects and programmes and more 'evidence based' approaches to accountability and budget allocations. Here the authors extend the basic idea of rigorous impact evaluation—the use of a valid counter-factual to make judgments about causality—to emphasize that the techniques of impact evaluation can be directly useful to implementing organizations (as opposed to impact evaluation being seen by implementing organizations as only an external threat to their funding). The authors introduce structured experiential learning (which we add to M&E to get MeE) which allows implementing agencies to actively and rigorously search across alternative project designs using the monitoring data that provides real time performance information with direct feedback into the decision loops of project design and implementation. Our argument is that within-project variations in design can serve as their own counter-factual and this dramatically reduces the incremental cost of evaluation and increases the direct usefulness of evaluation to implementing agencies. The right combination of M, e, and E provides the right space for innovation and organizational capability building while at the same time providing accountability and an evidence base for funding agencies.

Pritchett, L., M. Woolcock, and M. Andrews (2012b). 'Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation'. WIDER Working Paper 2012/63. Helsinki: UNU-WIDER.

In many nations today the state has little capability to carry out even basic functions like security, policing, regulation or core service delivery. Enhancing this capability, especially in fragile states, is a long-

term task. Countries like Haiti or Liberia will take many decades to reach even a moderate capability country like India, and millennia to reach the capability of Singapore. Short-term programmatic efforts to build administrative capability in these countries are thus unlikely to be able to demonstrate actual success, yet billions of dollars continue to be spent on such activities. What techniques enable states to ‘buy time’ to enable reforms to work, to mask non-accomplishment, or to actively resist or deflect the internal and external pressures for improvement? How do donor and recipient countries manage to engage in the logics of ‘development’ for so long and yet consistently acquire so little administrative capability? We document two such techniques: (a) systemic isomorphic mimicry, wherein the outward forms (appearances, structures) of functional states and organizations elsewhere are adopted to camouflage a persistent lack of function; and (b) premature load bearing, in which indigenous learning, the legitimacy of change and the support of key political constituencies are undercut by the routine placement of highly unrealistic expectations on fledging systems. The authors conclude with some suggestions for sabotaging these techniques.

Rakner, L. (2012). ‘Foreign Aid and Democratic Consolidation in Zambia’. WIDER Working Paper 2012/16. Helsinki: UNU-WIDER.

The study examines Zambia’s evolving aid relationship in relation to the country’s democratic trajectory. The impact of aid in terms of democratic consolidation is linked to the development of the party system, the efficacy of key democratic institutions, and accountability in relation to tolerance of participation by the media and civil society in the political process. The study suggests that there are many good reasons for so-called traditional donors to phase out aid to Zambia. Zambia has recorded economic growth for the most part of this decade, but poverty levels still stand at near 70 per cent and both equity issues and poor human development indicators provide reasons for concern. The study cautions against an aid exit at a time when economic growth and new foreign partners may strengthen the executive office vis-à-vis civil society, opposition and agencies of restraint. The study argues for an enhanced emphasis on democracy assistance that may strengthen stakeholders and institutions with capacity to hold the executive to account for their policy actions in terms of development.

Rashidi, M., F. Feroz, H. Saleh, N. Hasibullah, G. Qader, and K.N. Shah (forthcoming). ‘Afghanistan Health Sector Rehabilitation Programme’. WIDER Working Paper. Helsinki: UNU-WIDER.

In 2002, Afghanistan’s new government inherited a fragile health system and dire maternal and child health indicators. Subsequent investments and initiatives including standard service packages, varied

service delivery and financing modalities, and an emphasis on evidence-based practices, greatly improved health system functioning and health outcomes among the general population. Drawing on the authors' direct experience with the Health Sector Rehabilitation Programme, as well as on other research, this paper critically assesses the ability of Afghanistan's health system to maintain and build on early successes. It highlights the role of ownership, collaboration with international donors, and service delivery strategies in explaining programme successes.

Repucci, S. (2012). 'Civil Service Reform: A review'. WIDER Working Paper 2012/90. Helsinki: UNU-WIDER.

Civil service reform is one of the most intractable yet important challenges for governments and their supporters today. However, civil service reform thus far has largely failed. Based on a review of existing literature, this paper presents principles for donors, governments, and advocates to help them design more effective reform programmes. While the current understanding of how best to promote civil service reform has advanced, it remains broadly incomplete due to a combination of the complexity of the subject, disagreement on the objectives, and a failure of practitioners to reflect on their experiences and then disseminate the results. Recommendations are presented separately for reform designers and reform funders.

Resnick, D. (2012a). 'Foreign Aid in Africa: Tracing Channels of Influence on Democratic Transitions and Consolidation'. WIDER Working Paper 2012/15. Helsinki: UNU-WIDER.

How does aid impact democracy in sub-Saharan Africa? Drawing on existing literature, this study elaborates on the various channels, direct and indirect, through which development and democracy aid has influenced transitions to multi-party regimes and democratic consolidation within the region. The study's findings are at least threefold. First, development aid was effective at promoting democratic transitions during the 1990s in those African countries that were beset by economic crisis, faced domestic discontent, or possessed a high dependence on aid, as well as when major donors took concerted action. Second, development and democracy aid demonstrate disparate effects on key elements of consolidation, including the avoidance of democratic erosion, the enhancement of accountability, and the promotion of competitive party systems. Development aid's most direct influence is with respect to preventing democratic backsliding, though this is often done in an inconsistent manner. Democracy aid plays a more direct role with respect to enhancing accountability and party systems but, its cumulative impact remains hindered by the dispersion of assistance across different activities and its temporal focus on elections. Third, in some areas of consolidation, the disparate

objectives of development and democracy aid create clear trade-offs that remain unresolved.

Resnick, D. (2012b). 'Two Steps Forward, One Step Back: The Limits of Foreign Aid on Malawi's Democratic Consolidation'. WIDER Working Paper 2012/28. Helsinki: UNU-WIDER.

Since the era of one-party rule, Malawi's relationship with the donor community has proved erratic and contentious. During the second term of Malawi's current president, Bingu wa Mutharika, this trend has continued apace, with important implications for the consolidation of the country's nascent democracy. Donors providing democracy aid have assisted with the conduct of elections and improved the technical capacity of parliamentarians. However, inconsistency across programme cycles, the concentration of funding around elections, and a reluctance to support political parties hinders the long-term impact of democracy aid. Development aid, particularly general budget support, has tended to further sideline the role of parliament and indirectly has provided the incumbent party with an electoral advantage through support for the country's fertilizer input subsidy programme. To prevent an erosion of democracy caused by violations of civil liberties, donors often have threatened to withhold aid to Malawi. Yet, they frequently only proceed with these threats when concurrent concerns exist over economic governance, including corruption and management of the exchange rate.

Resnick, D., F. Tarp, and J. Thurlow (2012). 'The Political Economy of Green Growth: Illustrations from Southern Africa'. WIDER Working Paper 2012/011. Helsinki: UNU-WIDER.

The concept of 'green growth' implies that a wide range of developmental objectives, such as job creation, economic prosperity and poverty alleviation, can be easily reconciled with environmental sustainability. This study, however, argues that rather than being win-win, green growth is similar to most types of policy reforms that advocate the acceptance of short-term adjustment costs in the expectation of long-term gains. In particular, green growth policies often encourage developing countries to redesign their national strategies in ways that might be inconsistent with natural comparative advantages and past investments. In turn, there are often sizeable anti-reform coalitions whose interests may conflict with a green growth agenda. The authors illustrate this argument using case studies of Malawi, Mozambique, and South Africa, which are engaged in development strategies that involve inorganic fertilizers, biofuels production, and coal-based energy, respectively. Each of these countries is pursuing an environmentally suboptimal strategy but nonetheless addressing critical development needs, including food security, fuel, and electricity. We show that adopting a green growth

approach would not only be economically costly but also generate substantial domestic resistance, especially amongst the poor.

Rosser, A. and S. Bremner (2013). 'The World Bank's health projects in Timor-Leste: The political economy of effective aid'. WIDER Working Paper 2013/095. Helsinki: UNU-WIDER.

The World Bank's health sector projects in Timor-Leste—the Health Sector Rehabilitation and Development Project and the Second Health Sector Rehabilitation and Development Project—have been among the few successful operations it has funded in that country. This paper examines the factors underpinning their relative success and considers the wider lessons of the Bank's experience for our understanding of the conditions that lead to effective aid in fragile contexts. Much commentary on these projects has suggested, either implicitly or explicitly, that good design and management were key factors in their success. We argue that political economy factors also played an important role, extending and revising an earlier analysis. In particular, we suggest that these rehabilitation and development projects benefitted from (i) a political economy context that was relatively conducive to aid effectiveness in general and (ii) the fact that there was relatively little elite resistance to the World Bank's health policy agenda compared to its policy agenda in other sectors. In terms of wider lessons, we argue for a more political understanding of the determinants of aid effectiveness. Specifically we suggest that aid effectiveness needs to be seen as a function not just of the technical quality of project design and the administrative competence of project managers but also the extent to which there is congruence between donor and local elites' agendas.

Round, J.I. (2012). 'Aid and Investment in Statistics for Africa'. WIDER Working Paper 2012/93. Helsinki: UNU-WIDER.

Over many past decades countries in sub-Saharan Africa have received extensive bilateral and multilateral aid in support of the production of relevant, timely, and good quality data and statistics. But assessing aid effectiveness in the statistical area is a complex matter. Many datasets are effectively (global) public goods, as any restrictions on their availability and use are eventually relaxed. Hence it is extremely difficult to value or even measure the eventual impact of data production on general well-being. The aim of this paper is to review and scope how aid effectiveness might be assessed in this area. It sets out the context, the issues, and some possible approaches, going beyond existing measures of statistical capacity-building.

Sotiropoulos, D.A. (2013). 'International aid to southern Europe in the early post-war period: The cases of Greece and Italy'. WIDER Working Paper 2013/116. Helsinki: UNU-WIDER.

After the Second World War, both Greece and Italy experienced a Left-Right political polarization and a reproduction of earlier patterns of political patronage. Both Italy and Greece received international aid, including emergency relief, interim loans, and Marshall Plan funds. By the beginning of the 1950s, the Italian economy had recovered better from war destruction and had achieved industrial growth faster than Greece. Italy progressed quite rapidly from stabilization to reconstruction, and then on to development, while Greece progressed with reconstruction, but did not achieve stabilization until after the end of the Marshall Plan. Italy and Greece were obviously different with regard to population and market size, but the outcome of the foreign aid they received, differed in the two countries. This paper suggests that the different outcome is explained by historical legacies and conjunctures, as well as series of institutional, cultural, and political factors. Greece underwent a disastrous Nazi occupation (1941-44) and the destructive Civil War (1946-49) both of which Italy was spared. The Italian public sector was endowed with state agencies steering economic development, which the Greek public sector lacked until the early 1950s. Italian elections resulted in more stable governments, led by the Christian Democratic Party, which followed their own policy choices, often deviating from the donors' policy preference. This was a pattern absent from the long sequence of unstable and internally fragmented Greek governments. The Italian governing elites relied on a social alliance of middle and upper classes, while in Greece the corresponding classes distrusted the government, and resisted government policies. Finally, an economic culture fostering heavy industrialization, in the context of pragmatic liberal economic policies, was present in Italy, but absent in Greece.

Stren, R. (2012). 'Donor Assistance and Urban Service Delivery in Africa'. WIDER Working Paper 2012/49. Helsinki: UNU-WIDER.

Sub-Saharan African cities have been growing at historically unprecedented rates. Since the early 1970s, they have welcomed international assistance involving a succession of major thematic objectives. The main agency involved in urban assistance has been the World Bank. But as its goals have changed, it has been obliged to operate increasingly through a decentralized, more democratically structured local government system. Overall, the success of this international assistance regime has been positive but modest, given the overwhelming needs of African cities. Still, African cities are increasingly finding solutions both co-operatively and on their own.

Stroschein, S. (2013). 'Consociational settlements and reconstruction: Bosnia in comparative perspective, 1995-present'. WIDER Working Paper 2013/089. Helsinki: UNU-WIDER.

This paper examines Bosnia with some comparative insights from Northern Ireland. Both places were extremely fragile in the immediate aftermath of their brokered peace negotiations and consociational institutions, in Bosnia in 1995 and Northern Ireland in 1998. Bosnia in particular was the recipient of a large amount of international aid. While this aid was crucial to the initial state-building effort, the problems Bosnia now faces are due to its consociational governance structure. Some of the group-based aspects of consociationalism are at odds with individual rights, a problem which cannot be addressed by aid alone.

Tavakoli, H., W. Cole, and I. Ceesay (forthcoming). 'The Public Financial Management Reform in Sierra Leone'. WIDER Working Paper. Helsinki: UNU-WIDER.

Until recently, there has been limited empirical evidence on how public financial management operations have been affected by the changes associated with state fragility. This paper draws on previous research carried out by the authors to try to address this gap, and adds to it new perspectives and more recent experience on the challenges and opportunities of public financial management performance in Sierra Leone. Since the end of the civil war, the Government of Sierra Leone has made substantial and recognized progress in strengthening public financial management. The paper shows how improvements have been achieved across the budget cycle and are particularly notable for budget execution functions. It argues that factors that appear to have contributed to these improvements include a strong starting position at the start of the ceasefire, political appetite for public financial management reforms, a cadre of motivated and professional local technical advisors, considerable international support co-ordinated through budget support operations, and the timing and concentration of reform effort.

Tripp, A. (2012). 'Donor Assistance and Political Reform in Tanzania'. WIDER Working Paper 2012/37. Helsinki: UNU-WIDER.

Tanzania has been a relative success story in Africa in terms of political reform. While foreign aid has helped strengthen institutions that advance accountability, it simultaneously supports a status quo that undermines accountability and democratization. This study first explores the ways in which foreign donors directly strengthen civil society, parties, the media, as well as legislatures and the judiciary. It then looks at the ways in which donor support has unintended consequences in undermining accountability through the provision of

general budget support and through support of policies that undercut vertical accountability in decentralization and in public goods provision.

van de Walle, N. (2012). 'Foreign Aid in Dangerous Places: The donors and Mali's democracy'. WIDER Working Paper 2012/61. Helsinki: UNU-WIDER.

Mali long seemed a model, low-income democracy. Yet, in a few short weeks in early 2012, more than half of the territory came under the military control of an Islamist secessionist movement, and a military coup deposed the democratically-elected government in the capital. Given the substantial amount of foreign aid received by the democratic regime in the years before these events, this paper asks whether or not foreign aid could have done more to prevent the present outcomes. The paper concludes that it is very difficult to make such an assessment. On the one hand, aid can be credited for helping strengthen key elements of vertical accountability that are necessary for democracy. On the other hand, aid was not very successful at reducing several of the underlying, structural constraints that were to prove the country's undoing in 2012.

Williams, J. and W. Cummings (2013). 'Education from the bottom up: UNICEF's education programme in Somalia'. WIDER Working Paper 2013/127. Helsinki: UNU-WIDER.

The failure of the Somali state from 1993 to 2012 represents one of the world's most profound and prolonged cases of state collapse. Initially, education and other government services came to a standstill. With the halt of fighting in some areas, local communities with the support of the United Nations Children's Fund (UNICEF) and other agencies began to provide education and other critical services. Since then, slow progress has been made in providing educational services to increasing numbers of children, developing community capacity to manage schools in the absence of government support, and developing regional and national administrative systems to continue development of the education system. UNICEF played a central role in these developments. This case study looks at UNICEF's education programme in Somalia between 1991 and 2010. Highlighted are the contexts in which the programme operated, the challenges it faced, and the ways it adapted and learned. Of central importance was the agency's sensitivity to local context, its flexibility in programme responses, its willingness and ability to partner with available groups and agencies, its focus on helping the larger system get running, and its commitment to inclusion.

Woolcock, M. (2013). 'Using case studies to explore the external validity of 'complex' development interventions'. WIDER Working Paper 2013/096. Helsinki: UNU-WIDER.

Rising standards for accurately inferring the impact of development projects have not been matched by equivalently rigorous procedures for guiding decisions about whether and how similar results might be expected elsewhere. These 'external validity' concerns are especially pressing for 'complex' development interventions, in which the explicit purpose is often to adapt projects to local contextual realities and where high quality implementation is paramount to success. A basic analytical framework is provided for assessing the external validity of complex development interventions. It argues for deploying case studies to better identify the conditions under which diverse outcomes are observed, focusing in particular on the salience of contextual idiosyncrasies, implementation capabilities and trajectories of change. Upholding the canonical methodological principle that questions should guide methods, not vice versa, is required if a truly rigorous basis for generalizing claims about likely impact across time, groups, contexts and scales of operation is to be discerned for different kinds of development interventions.

Woolcock, M. (forthcoming) 'Engaging with Fragile and Conflict-Affected States: An Alternative Approach to Theory, Measurement and Practice'. WIDER Working Paper. Helsinki: UNU-WIDER.

Few dispute the ethical imperative and strategic importance of constructive engagement with the world's 'fragile and conflict-affected states', but the coherence and effectiveness of this engagement turns on two vexing issues. First, on what defensible basis is any given country, at any given historical moment, deemed to be (or not to be) 'fragile' and thus eligible for considerable – and perhaps quite distinct – development assistance from the international community? Second, if a defining characteristic of state fragility is low levels of capability to implement core responsibilities (e.g., security, public health, education), how can international agencies best support domestic public organizations to acquire capability? The first issue may appear to be a methodological one (wherein more and better data would provide a firmer empirical foundation on which to base key decisions) but any determination, especially of marginal cases, must also be grounded in a correspondingly comprehensive theory of change. Similarly, the optimal response to the second issue may appear to be importing technical and rigorously verified ('best practice') solutions, but in fact it is more likely to require a qualitatively different strategy, one able to experiment with alternative design specifications and adapt in real time to changing contextual realities (thereby iterating towards customized 'best fit' solutions). To this end, an alternative approach to the theory, measurement and practice of engaging with fragile states is outlined. This approach is not without its own risks and limitations, but is

offered in the spirit of rising concerns across the development community that prevailing strategies for assessing state fragility have demonstrably reached the limits of their effectiveness.

A3.2 UNU-WIDER research collections and collaborative projects

Many of the working papers listed above were commissioned as part of seven research collections or collaborative projects. A listing of relevant papers by project is included below.

A3.2.1 Aid and institution-building in fragile states: lessons from comparative cases

Project Leader: Rachel M. Gisselquist

Abegaz, B. (2013). 'Aid, Accountability, and Institution-building in Ethiopia: A Comparative Analysis of Donor Practice'. WIDER Working Paper 2013/083. Helsinki: UNU-WIDER.

Buss, T. (2013). 'Foreign aid and the failure of state building in Haiti under the Duvaliers, Aristide, Préval, and Martelly'. WIDER Working Paper 2013/104. Helsinki: UNU-WIDER.

Cruz, M. (forthcoming). 'Central American Trajectories: El Salvador, Nicaragua, Guatemala, and Honduras'. WIDER Working Paper. Helsinki: UNU-WIDER.

Curtis, D. (forthcoming). 'Explaining Divergent Trajectories: Rwanda and Burundi'. WIDER Working Paper. Helsinki: UNU-WIDER.

Gisselquist, R.M. (forthcoming 2014). 'Paired Comparisons and Theory Development: Implications for Case Selection'. *PS: Political Science & Politics*, 42(2).

Gray, K. (2013). 'Aid and development in Taiwan, South Korea, and South Vietnam'. WIDER Working Paper 2013/085. Helsinki: UNU-WIDER.

Fuady, A.H.. (2014). 'Aid in an Oil-Rich State: Indonesia (late 1960s to present), with Comparison to Nigeria'. WIDER Working Paper. 2014/023. Helsinki: UNU-WIDER.

Howard, L. (2013). 'State-building through 'Neo-trusteeship': Kosovo and East Timor (1999-present) in Comparative Perspective'. WIDER Working Paper 2013/126. Helsinki: UNU-WIDER.

Khan, M. (2013). 'Aid and governance in vulnerable states: Bangladesh and Pakistan since 1971'. WIDER Working Paper 2013/122 Helsinki: UNU-WIDER.

- Kim, J. (2013). 'Aid and state transition in Ghana and South Korea'. WIDER Working Paper 2013/121. Helsinki: UNU-WIDER.
- Menkhaus, K. (2014). 'Aid and Institution-Building across Somalia's Regions'. WIDER Working Paper. 2014/002. Helsinki: UNU-WIDER.
- Monten, J. (2013). 'Intervention, aid, and institution-building in Iraq and Afghanistan: A review and critique of comparative lessons'. WIDER Working Paper 2013/108. Helsinki: UNU-WIDER.
- Onoma, A. (2014). 'Understanding post-conflict security sector reforms in Sierra Leone and Liberia: a transition regime approach'. WIDER Working Paper. 2014/012. Helsinki: UNU-WIDER.
- Pérez Niño, H. and P. Le Billon (2013). 'Foreign aid, resource rents and institution-building in Mozambique and Angola'. WIDER Working Paper 2013/102. Helsinki: UNU-WIDER.
- Sotiropoulos, D.A. (2013). 'International aid to southern Europe in the early post-war period: The cases of Greece and Italy'. WIDER Working Paper 2013/116. Helsinki: UNU-WIDER.
- Stroschein, S. (2013). 'Consociational settlements and reconstruction: Bosnia in comparative perspective, 1995-present'. WIDER Working Paper 2013/089. Helsinki: UNU-WIDER.

A3.2.2 Aiding Government Effectiveness in Developing Countries

Project Leaders: Rachel M. Gisselquist and Danielle Resnick

- Dickovick, J.T. (2013). 'Foreign aid and decentralization: Policies for autonomy and programming for responsiveness'. WIDER Working Paper 2013/044. Helsinki: UNU-WIDER.
- Finkel, S. (2013). 'The impact of adult civic education programmes in developing democracies'. WIDER Working Paper 2013/064. Helsinki: UNU-WIDER.
- Fjeldstad, O.-H. (2013). 'Taxation and development: A review of donor support to strengthen tax systems in developing countries'. WIDER Working Paper 2013/010. Helsinki: UNU-WIDER.
- Gisselquist, R.M. and D. Resnick (2013). 'Aiding Government Effectiveness in Developing Countries'. Unpublished paper. Helsinki: UNU-WIDER.
- Kirkpatrick, C. (2012). 'Economic Governance: Improving the economic and regulatory environment for supporting private sector activity'. WIDER Working Paper 2012/108. Helsinki: UNU-WIDER.
- Marenin, O. (2013). 'Policing reforms and economic development in African states: Understanding the linkages: empowering change'. WIDER Working Paper 2013/013. Helsinki: UNU-WIDER.
- Repucci, S. (2012). 'Civil Service Reform: A review'. WIDER Working Paper 2012/90. Helsinki: UNU-WIDER.

A3.2.3 Building State Capability through Problem Driven Iterative Adaptation (PDIA)

Project Leaders: Lant Pritchett and Matthew Andrews

- Andrews, M. (2013a). 'Explaining positive deviance in public sector reforms in development'. WIDER Working Paper 2013/117. Helsinki: UNU-WIDER.
- Andrews, M. (2013b). 'How do governments become great? Ten cases, two competing explanations, one large research agenda'. WIDER Working Paper 2013/091. Helsinki: UNU-WIDER.
- Andrews, M. (2013c). 'Who really leads development?'. WIDER Working Paper 2013/092 Helsinki: UNU-WIDER.
- Andrews, M. and L. Bategeka (2013). 'Overcoming the limits of institutional reform in Uganda'. WIDER Working Paper 2013/111. Helsinki: UNU-WIDER.
- Andrews, M., (forthcoming). 'Can one retell a Mozambican reform story through problem driven iterative adaptation?'. WIDER Working Paper. Helsinki: UNU-WIDER.
- Andrews, M., L. Pritchett, and M. Woolcock (2012). 'Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)'. WIDER Working Paper 2012/064. Helsinki: UNU-WIDER.
- de Weijer, F. (2013). 'A capable state in Afghanistan: A building without a foundation?'. WIDER Working Paper 2013/063. Helsinki: UNU-WIDER.
- Larson, G. (2013). 'South Sudan: The Road from the Paris Declaration to the Reality of Juba (2005-11)'. WIDER Working Paper. 2013/141. Helsinki: UNU-WIDER.
- Larson, G., P.B. Ajak, and L. Pritchett (2013). 'South Sudan's capability trap: Building a state with disruptive innovation?'. WIDER Working Paper 2013/120. Helsinki: UNU-WIDER.
- Pritchett, L. (2014). 'The risks to education systems from design mismatch and global isomorphism: Concepts, with examples from India'. WIDER Working Paper. 2014/039. Helsinki: UNU-WIDER.
- Pritchett, L., S. Samji, and J. Hammer (2012a). 'It's All About MeE: Using Structured Experiential Learning ('e') to Crawl the Design Space'. WIDER Working Paper 2012/104. Helsinki: UNU-WIDER.
- Pritchett, L., M. Woolcock, and M. Andrews (2012b). 'Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation'. WIDER Working Paper 2012/63. Helsinki: UNU-WIDER.
- Woolcock, M. (2013). 'Using case studies to explore the external validity of "complex" development interventions?'. WIDER Working Paper 2013/096. Helsinki: UNU-WIDER.

Woolcock, M. (forthcoming). 'Engaging with Fragile and Conflict-Affected States: An Alternative Approach to Theory, Measurement and Practice'. WIDER Working Paper. Helsinki: UNU-WIDER.

A3.2.4 Decentralization and Urban Service Delivery: Implications for Foreign Aid

Project Leader: Danielle Resnick

Cameron, R. (2012). 'Vertical Decentralization and Urban Service Delivery in South Africa: Does Politics Matter?'. WIDER Working Paper 2012/87. Helsinki: UNU-WIDER.

Lambright, G. (2012). 'Opposition Politics and Urban Service Delivery in Kampala, Uganda'. WIDER Working Paper 2012/51. Helsinki: UNU-WIDER.

Mitullah, W. (2012). 'Decentralized Service Delivery in Nairobi and Mombasa: Policies, politics and inter-governmental relations'. WIDER Working Paper 2012/92. Helsinki: UNU-WIDER.

Stren, R. (2012). 'Donor Assistance and Urban Service Delivery in Africa'. WIDER Working Paper 2012/49. Helsinki: UNU-WIDER.

A3.2.5 Experimental and Non-experimental Methods to Study Government Performance: Contributions and Limits

Project Leaders: Rachel M. Gisselquist and Miguel Niño-Zarazúa. This is a joint project of the ReCom Governance and Fragility and Social Sectors themes.

Baldwin, K. and R. Bhavnani (2013). 'Ancillary experiments: Opportunities and challenges'. WIDER Working Paper 2013/24. Helsinki: UNU-WIDER.

Barrientos, A. and J.M. Villa (2013). 'Evaluating antipoverty transfer programmes in Latin America and sub-Saharan Africa: Better policies? Better politics?'. WIDER Working Paper 2013/009. Helsinki: UNU-WIDER.

Bratton, M. (2013). 'Measuring government performance in public opinion surveys in Africa: Towards experiments?'. WIDER Working Paper 2013/023. Helsinki: UNU-WIDER.

Dehejia, R. (2013). 'The porous dialectic: Experimental and non-experimental methods in development economics'. WIDER Working Paper 2013/11. Helsinki: UNU-WIDER.

Gisselquist, R.M., M. Niño-Zarazúa, and J. Sajuria Garces (forthcoming). 'Using Experimental and Quasi-Experimental Methods to Study Government Performance: A Systematic Review'. WIDER Working Paper. Helsinki: UNU-WIDER.

- Gisselquist, R.M. and M. Niño-Zarazúa (2013). ‘What can experiments tell us about how to improve governance?’. WIDER Working Paper 2013/077. Helsinki: UNU-WIDER.
- Humphreys, M. (forthcoming). ‘Ethical Challenges of Field Experiments’. WIDER Working Paper. Helsinki: UNU-WIDER.
- Martel Garcia, F. and L. Wantchekon (2013). ‘A graphical approximation to generalization: Definitions and diagrams’. WIDER Working Paper 2013/082. Helsinki: UNU-WIDER.

A3.2.6 Foreign Aid and Democracy in Africa

Project Leaders: Danielle Resnick and Nicolas van de Walle

- Dietrich, S. and J. Wright (2012). ‘Foreign Aid and Democratic Development in Africa’. WIDER Working Paper 2012/20. Helsinki: UNU-WIDER.
- Gazibo, M. (2012). ‘Beyond Electoral Democracy: Foreign Aid and the Challenge of Deepening Democracy in Benin’. WIDER Working Paper 2012/33. Helsinki: UNU-WIDER.
- Gyimah-Boadi, E. and T. Yakah (2012). ‘Ghana: The Limits of External Democracy Assistance’. WIDER Working Paper 2012/40. Helsinki: UNU-WIDER.
- Manning, C. and M. Malbrough (2012). ‘The Changing Dynamics of Foreign Aid and Democracy in Mozambique’. WIDER Working Paper 2012/18. Helsinki: UNU-WIDER.
- Rakner, L. (2012). ‘Foreign Aid and Democratic Consolidation in Zambia’. WIDER Working Paper 2012/16. Helsinki: UNU-WIDER.
- Resnick, D. (2012). ‘Two Steps Forward, One Step Back: The Limits of Foreign Aid on Malawi’s Democratic Consolidation’. WIDER Working Paper 2012/28. Helsinki: UNU-WIDER.
- Tripp, A. (2012). ‘Donor Assistance and Political Reform in Tanzania’. WIDER Working Paper 2012/37. Helsinki: UNU-WIDER.
- van de Walle, N. (2012). ‘Foreign Aid in Dangerous Places: The donors and Mali’s democracy’. WIDER Working Paper 2012/61. Helsinki: UNU-WIDER.

A3.2.7 Good Aid in Hard Places: Learning from What Works in Fragile Contexts

Project Leader: Rachel M. Gisselquist

- Al-Iryani, L., A. de Janvry, and E. Sadoulet (2013). ‘Delivering good aid in hard places: The Yemen social fund for development approach’. WIDER Working Paper 2013/080. Helsinki: UNU-WIDER.

- Bacon, L. (2013). 'Liberia's gender-sensitive police reform: Starting from scratch? Improving representation and responsiveness'. WIDER Working Paper 2013/114. Helsinki: UNU-WIDER.
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- Beath, A., F. Christia, and R. Enikolopov (2013). 'The National Solidarity Programme: Assessing the effects of community-driven development in Afghanistan'. WIDER Working Paper 2013/112. Helsinki: UNU-WIDER.
- Lepistö, R. and J. Ojala (forthcoming). 'Finn Church Aid's Programmes in Somalia'. WIDER Working Paper. Helsinki: UNU-WIDER.
- Rashidi, M., F. Feroz, H. Saleh, N. Hasibullah, G. Qader, and K.N. Shah (forthcoming). 'Afghanistan Health Sector Rehabilitation Programme'. WIDER Working Paper. Helsinki: UNU-WIDER.
- Rosser, A. and S. Bremner (2013). 'The World Bank's health projects in Timor-Leste: The political economy of effective aid'. WIDER Working Paper 2013/095. Helsinki: UNU-WIDER.
- Tavakoli, H., W. Cole, and I. Ceesay (forthcoming). 'The Public Financial Management Reform in Sierra Leone'. WIDER Working Paper. Helsinki: UNU-WIDER.
- Williams, J. and W. Cummings (2013). 'Education from the bottom up: UNICEF's education programme in Somalia'. WIDER Working Paper 2013/127. Helsinki: UNU-WIDER.

A3.3 Annotated bibliography of DIIS papers

Albrecht, P. (2013). 'Local Actors and Service Delivery in Fragile Situations'. DIIS Report. Copenhagen: Danish Institute for International Studies.

This report demonstrates why a broad definition of the state is necessary when programmes that aim to strengthen service delivery in fragile situations are being designed. Three case studies are presented that explore varying levels of external support to:

- community policing in Sierra Leone,
- primary healthcare provided by village doctors in Bangladesh,
- primary education provided by NGOs and madrasas in Pakistan.

On this basis two arguments are presented. First, the quantity and quality of service provision cannot be equated with a set of centrally governed institutions. It is performed by a broad range of actors, including NGOs, grassroots, community-based, faith-based, traditional voluntary organizations and customary organizations (chiefs and tribal leaders) as well as religious leaders. Second, no local service provider

acts independently of the broader system of governance in which it operates. As a rule, local service providers are part of an extensive system of governance that incorporates a variety of centrally and locally embedded organizations.

Andersen, L.R. and P.E. Engedal (forthcoming). 'Blue Helmets and Grey Zones: Do UN Multidimensional Peace Operations Work?'. DIIS Report. Copenhagen: Danish Institute for International Studies.

Multidimensional peace operations have emerged as one of the key instruments for addressing and managing the complex challenges related to violent conflict and state fragility in the Global South. Based on a reading of existing literature, this study provides an overview of what we know about the UN's ability to assist war-torn societies in laying the foundations for lasting peace. The basic message is that peacekeeping works, but statebuilding fails. In general, multidimensional UN-led peace operations have been successful at preventing the resumption of war, yet they have not succeeded in establishing effective and legitimate institutions of governance. The report also concludes that, while the system is far from perfect, the UN peacekeeping apparatus has been reformed and strengthened considerably in recent decades. Outstanding challenges relate to contextualizing interventions and ensuring local ownership, as well as to maintaining the normative consensus on the role of UN peace operations.

Bourgouin, F. and L. Engberg-Pedersen (2013). 'Pragmatic aid management in fragile situations'. DIIS Report. Copenhagen: Danish Institute for International Studies.

This report examines the relationship between aid management and results in the context of fragile situations. The success of aid-supported activities in fragile situations is highly uncertain. Yet, aid programmes sometimes succeed despite the adverse conditions. The report discusses the extent to which pragmatic aid management can explain relatively positive results based on an analysis of evaluations of reasonably successful aid-supported activities. Pragmatic aid management is conceptualized in terms of policy liberty, flexibility, responsiveness, context dependence and political sensitivity. The report concludes that, while a high degree of pragmatic aid management appears to be linked to relatively positive results of aid-supported activities, such aid management is rarely enough to count as success. Other factors are important as well. These include high-level political commitment, quality of aid management staff on the ground, and a process of transferring ownership and responsibility to actors and institutions in fragile societies.

Buur, L., O. Therkildsen, M.W. Hansen, and M. Kjær (2013). 'Extractive Natural Resource Development: Governance, Linkages and Aid'. DIIS Report. Copenhagen: Danish Institute for International Studies.

Literature reviews and limited fieldwork in Mozambique, Tanzania, and Uganda help to identify main factors that influence the political incentives for governments in African countries to use industrial policies and other measures to create linkages between extractive industries and other parts of the economy, which generate jobs, sustain growth and alleviate poverty. This governance perspective complements analyses of the economic implications of resource-based development strategies. Both perspectives help to identify main implications for donor assistance to extractive natural resource-driven development. The basic message is that linkages policies can clearly help to create jobs and reduce poverty in resource rich African countries, but this potential has not yet been sufficiently exploited. For this to happen, governments should pursue more active industrial policies, which 'fit' the domestic political constraints and opportunities. Donors should also be more active in linkage creation through technical and organizational advice and by supporting training, technical education and technology transfers.

Friis-Hansen, E. and S.M.C. Ravnkilde (2013). 'Social Accountability Mechanisms and Access to Public Service Delivery in Rural Africa'. DIIS Report: Copenhagen: Danish Institute for International Studies.

Social accountability can be broadly defined as citizen-led action to demand accountability from service providers. This study aims to generate evidence-based conclusions regarding experiences in supporting social accountability mechanisms, the focus being on rural Africa in the context of decentralization. The report reviews experiences in supporting social accountability mechanisms in rural Africa, including PETS, rights based approaches, participatory budgeting, community-based monitoring, participatory priority setting and demand driven service provision. The study finds that technical social accountability mechanisms in rural Africa are seriously under-institutionalized and would be more effective if anchored in district and sub-district level institutions and ignore the political context and power politics in which they take place. Training for the transformation of local government staff and sustained devolution of resources and powers can support an enabling environment for citizen realization of rights and participation in development and governance.

Kjertum, J. (forthcoming). 'Social protection in fragile situations'. DIIS Report. Copenhagen: Danish Institute for International Studies.

Given the little agreement on the meaning of social protection, the study starts out with a relatively thorough discussion of the concept and the various meanings attached to it. Subsequently, the report analyses experience with macro-level co-ordination of social protection measures in Afghanistan and Nepal, and finally, it turns to micro-level instruments, including cash transfers, food aid, school feeding, social funds, and community driven development programmes. The report concludes that measures will need to be promotive and transformative in their approach rather than only protective and preventing if they should go beyond temporary mitigation of adverse conditions. Moreover, interventions which build on the resilience of people and communities and make use of existing structures already in place are likely to be more successful than pre-defined programmes.

Kleist, N. and I. Vammen (2012). 'Diaspora groups and development in fragile situations'. DIIS Report Copenhagen: Danish Institute for International Studies.

Migrants send three times as much money to developing countries as the total ODA. They support hospitals and schools in fragile situations, and transfer skills and resources through return migration. This report explores how donors can support their contributions. First, donors can facilitate the development effects of remittances through reducing transfer costs and adapting a risk-weighted approach in relation to the regulation of remittance transfers. Second, diaspora organizations with local knowledge and transnational activities constitute potential partners for donors and can be supported through partnerships, matching funds, and capacity development. Third, the resource transfer of diaspora professionals can be supported through temporary return programmes and facilitation of transnational mobility. Finally, lessons learnt point to the importance of locally embedded programmes, long-term commitment and realistic expectations. They also emphasize the need for policy coherence from a migration-development perspective and question the division between social service and civil society programmes.

Petersen, B.L. (2013). 'Regaining a future? Lessons learned from education of young people in fragile situations'. DIIS Report. Copenhagen: Danish Institute for International Studies.

This report analyses available impact documentation and lessons learned from educational programmes aimed at young people in fragile situations. It concentrates on secondary education, accelerated learning/second chance and technical and vocational training programmes. It shows that different forms of education directed at

youth have enhanced local peace and stability; lead young people into productive activities, further work and community work; altered the social status of youth and created strong hope which is the fundament for young people to act. The successful programmes have been holistic and incorporated both hard and soft skills adapted to the context and specific needs of youth. They have also prioritized content and quality to counter inequalities that underpinned conflict. Finally, they have aligned with communities as well as the government to ensure ownership and scale up good experiences. The report concludes that there is a need to ensure immediate, long-term and sufficient financial support to youth education to meet the present challenges.

Petersen, B.L. and L. Engberg-Pedersen (2013). 'Capacity development of central state institutions in fragile situations'. DIIS Report Copenhagen: Danish Institute for International Studies.

This report analyses foreign aid to capacity development in central state institutions in fragile situations. The report discusses five cases with relatively successful outcomes in Afghanistan, Rwanda, Sierra Leone, Liberia, and South Sudan. These cases show that interventions tend to succeed if they fit well the given situation and context (donor, sector, conflict etc.). This does not imply conforming to the context. In some cases the initiative, which seems to fit the context, may be one that finds a window of opportunity to confront specific malfunctions. Several issues appear as vital for change to occur: First, there has to be strong motivation for capacity development to result. Second, people are central to institutional change and there is a need to pay close attention to both internal and external staff. Third, working with the external relations and environment of an institution may lead to a push for institutional change. Finally, there is a need to balance change in formal systems and procedures with alteration of internal hierarchies and power relations.

Stepputat, F. and L. Greenwood (2013). 'Whole-of-Government Approaches to Fragile States and Situations'. DIIS Report. Copenhagen: Danish Institute for International Studies.

OECD's principles for 'good international engagement in fragile states and situations' point to the need to use a mixture of political, security and development instruments in such contexts. Therefore the OECD has suggested that donors develop 'Whole-of-Government approaches' when engaging in areas such as Somalia, Afghanistan and DR Congo. But we still know too little about the outcomes of these approaches which is why this report seeks to give an overview of selected donors' experience as documented in recent evaluations. The report suggests that there is a need to be more transparent about, and to better grasp, the necessary trade-offs between political, security and development objectives as well as the consequences. It questions one of the

assumptions behind Whole-of-Government approaches, that development aid can help improving security and stabilizing fragile situations. This can happen in some contexts where credible political settlements and transition plans exist, but in many other contexts, there is little evidence to suggest that improved service provision and short term reconstruction efforts will lead to improved security for the population.

Appendix 4: Report summary

A4.1 Overview

This position paper covers a huge literature on a wide range of interlocking subjects. It gives an overview both of existing research and also more than 100 newly commissioned ReCom papers on the theme. This material provides an insight into the four ‘ReCom questions’—‘what works? What could work? What is scalable? What is transferable?’ By implication it also provides evidence on what does not work—although that was not specifically framed as a research issue for the ReCom programme. For the different types of readers to benefit most for their particular needs in addressing this repository of material, it is worth outlining a three-tiered approach to the organization of the material. First, *section 3.4.2* provides an overview by grouping the commissioned papers on governance and fragility by theme. Second, the annotated bibliography (Appendix 3) provides synopses of the content of the commissioned research papers. Third, researchers, specialists and practitioners are referred to the UNU-WIDER website for the full papers. This summary gives a flavour of the approach taken and themes covered, and provides some headlines from the rich source material.

A4.2 Core arguments

The position paper has four core arguments. Fragile states are, as a rule, also badly governed states, so it makes sense to study the issues in tandem, as two sides of the same coin. Second, it is important to disaggregate governance as it is an umbrella term covering many subject disciplines and aspects of a wide set of potential problems. The importance of context emerges as a constant theme. So there can be no institutional handbook or ‘how to’ guide which is generally applicable. Third, however, patterns emerge—it becomes possible to determine some principles of engagement. The Problem-Driven Iterative Adaptation (PDIA) approach explained below is one which builds on core principles which can be applied in a context-sensitive manner. Finally, it is increasingly emphasized in the literature that long-term institution building is the way to good governance and overcoming fragility.

A4.3 Key terms

The position paper provides an overview of the usage of terms fragility, fragile states and governance. Part of the complexity of addressing the issues in an authoritative and convincing manner is that the main multilaterals and stakeholders have different but overlapping working definitions of the key terms. (The resulting ‘language game’ and ‘family resemblances’ in definitions and usage underlines the continued value of Wittgenstein’s linguistic

philosophy.) Careful study of the relevant tables in the position paper is recommended.

A4.4 Fragile – poor: overlaps and development traps

What one can say with great confidence is that there is consensus that fragile states are problematic policy environments, where donors find it difficult to work effectively. The economics of peace and the economics of development are clearly related. A comparison of the list of fragile states (as defined by the World Bank and OECD) and the Least Developed Countries (LDCs) according to the World Bank (which uses the UN classification) typology provides a list of about 50 countries—of which 30 emerge as both fragile and among the poorest. This 60 per cent overlap of the lists suggest a Weberian ‘elective affinity’ between being trapped in poverty and poor governance. This is not yet to say anything about the nature or direction of causation. A popular diagnosis, Paul Collier’s *The Bottom Billion* identifies four ‘development traps’ as well as the burden of ill-health highlighted by Jeffrey Sachs (which is addressed in the ReCom position paper on Social Sectors). They are: conflict, natural resources, being landlocked with bad neighbours, and bad governance in a small country (Collier 2008). The need for regional integration and larger markets is discussed in the ReCom position paper on Aid, Growth and Employment. The other three, conflict, natural resources and governance are part of the following analysis. Collier’s analysis is but one of the extensive resources available. These are now augmented by many detailed reports—commissioned in line with the disaggregated analysis adopted by ReCom as a result of the conviction that governance and fragility are richly explanatory terms, but need detailed case studies and greater analytical rigour.

The position paper suggests that the existing literature does not adequately explain how some countries manage to escape the post-conflict fragility trap, but others do not. The ReCom approach of comparative studies has endeavoured to illuminate some of the longer-term processes of state-building, going back as far as the Second World War and the immediate reconstruction period in order to look for a long view on the state- and institution-building processes which are certainly not a ‘quick fix’.

A4.5 Inclusive methodology

This insight means that ReCom has used a wide variety of approaches. There is value in both the experimental and non-experimental approaches—and the project has salient comments on the limitations of randomized controlled trials, which are valuable on health and education outcomes, but have ethical, practical and methodological limitations in the overall field of governance. Further, the project takes a broad view of success when analysing governance and fragility, since a state-building project or an evaluation of state capacity to

deliver essential services and protect citizens cannot be reduced to a handful of clear performance indicators. The position paper looks, for example, of how the Paris Declaration (2005) and the follow-up meeting in Accra (2008) play out in the context of governance. The five Peacebuilding and Statebuilding Goals (legitimate politics, security, justice, economic foundations, and revenue and services) provide an organizing framework for addressing the salient issues. The merits and challenges of integrating development and human rights are also rehearsed.

A4.6 Problem-Driven Iterative Adaptation (PDIA)—A new approach

The PDIA work referred to above provides a new and rich repertoire of analytical tools—most notably isomorphic mimicry, ‘looking like a state, but not delivering like a state’ and the ‘capability trap’ of low/stagnant and/or falling capacity to deliver. This is perhaps most dramatic in cases of premature load-bearing, where countries such as Afghanistan and South Sudan serve as examples.

PDIA has four core principles—it is problem driven; it authorizes positive deviation into the design space; it treats and adapts using experiential learning, and it scales up through diffusion. Thus, it is looking for local, rather than pre-packaged imported solutions; local responsibility for designing and implementing what needs to be done; experimentation and learning with local agents engaging in reforms which are viable, legitimate, relevant and supportable.

A4.7 Legitimate Politics

The treatment of ‘Legitimate Politics’ in the position paper centres on issues including electoral assistance, party political support and strengthening legislatures. This institutional approach is augmented by the content of the interventions—in particular addressing democratic involvement and support for human rights.

Democratic trajectories in Africa have been a major focus for study within the project (Resnick and Van de Walle 2013)—with the impact of aid carefully analysed within that topic. New ReCom work has been conducted on Benin, Ghana, Malawi, Mozambique, Tanzania, and Zambia.

Electoral assistance highlights the need to support the entire electoral cycle and build a democratic culture, not just support elections in a narrow sense. Basket funds (often co-ordinated by UNDP) co-ordinate the resources of multiple donors. They have been used in a number of countries including the Democratic Republic of Congo (DRC), Bangladesh, Burundi, Sierra Leone, Tanzania, Rwanda, Sudan, Zambia and Malawi. Other key strategies include

support for electoral commissions and ensuring robust elections (at the correct time interval after fighting stops) in post conflict situations—such as East Timor, El Salvador, and Kosovo. Civic education programmes have also been widely used.

Party political support has been a minor, but contested aspect of democracy assistance. Agencies divide on the approach to follow—whether it is better to follow a partisan/fraternal approach based on similar political direction or multi-party approaches to strengthen the entire system of democratic contestation. In post-conflict situations, particular attention is paid to initiatives across the contentious divides. Multiparty funding for the 1999 Mozambique election and public radio debates for the competing candidates in Liberia (2005) serve as illustrations.

Promoting effective legislatures, particularly the budget oversight function in Parliament, is a favoured way of ensuring transparency and accountability. Zambia, Benin, Uganda, and Kenya are cases in point.

A4.8 Human rights and development

The position paper outlines three different approaches to human rights and development. The World Bank for legal reasons does not integrate implementation of human rights into its operations. Other agencies such as USAID and CIDA (Canada) stress human rights as governance. They and other donors actively support freedom of expression, the rule of law and the right to political participation for example. Finally, some donors have adopted a Human Rights Based Approach to all development programming. Given the wide range of civil and political rights, and economic, cultural and social rights, this presents real difficulties in terms of consistent and effective implementation. Techniques used include country-level assessments (Cambodia), disaggregated evaluations of impact on vulnerable groups (e.g. women, children, ethnic, religious, linguistic, and indigenous minorities) as DfID have done in Nepal, and the explicit recognition that human-rights based approaches require work with a wide range of stakeholders. The European Initiative for Democracy and Human Rights (EIDHR) is cited as the EU's main financial instrument to work on strengthening civil society organizations addressing such areas as democratization, the rule of law and abolition of the death penalty and torture. It also includes support for international tribunals and criminal courts. Internally, such institutions as Human Rights Commissions and the office of Ombudsman are examples of donor support to increase the capacity of duty-bearers and rights-holders (e.g. Ghana). Effective anti-discrimination legislation on caste (Nepal) and ethnic minorities (DRC) are also cited.

The position paper also reviews initiatives to promote access to justice in Bolivia, Nicaragua and Bangladesh. Desks in police stations dedicated to responding to gender-based violence have been instituted in many Latin

American countries, and others including Kosovo, Kenya, Rwanda, and Tanzania—an example which is clearly transferable.

Economic, cultural and social rights including the rights to education, health, and water are addressed in the position paper, but analysed in much more detail in an equivalent study on the Social Sectors.

A4.9 Security

The focus here is primarily on the security of people rather than state security. It has attracted considerable attention at the level of the World Bank, UN, OECD and others. Police reform in African states has been one emphasis of the ReCom work. In the DRC and Somalia, policing failed. In Sierra Leone and Liberia, it collapsed and was resurrected; whereas in South Africa the police system was dramatically transformed. Four criteria for successful police reform (based on examples such as Northern Ireland and South Africa) are adduced—a political settlement, shared values of governance, administrative capacity, and a vibrant civil society.

Multinational Peace Operations are also subjected to scrutiny. A literature review conducted by DIIS for the ReCom programme concludes that ‘peacekeeping works, state-building fails’ (Andersen and Engedal forthcoming). ‘Whole of government’ approaches which use the full range of political, security and development strategies, have been commended for application in countries such as Somalia, Afghanistan and the DRC. The DIIS study (Stepputat and Greenwood 2013) and other literature suggests that it is hard to reach a conclusive judgement because the approach is relatively recent (cf OECD/DAC 2007) and stakeholders have not been fully transparent. It seems though, that development assistance and service delivery cannot substitute for or create basic levels of security.

A4.10 Justice

The rule of law is a central challenge for governments and states—and increasingly it has become a focus in conflict and post-conflict states (UNDP 2008). Using the analytical scheme of O'Donnell (2004) which identifies five key flaws (in the legal system, application of law, issues of access, flawed relations between state agencies and citizens and finally situations of lawlessness), the position paper makes comments on each and provides practical examples. ReCom commissioned a study on judicial facilitators in Nicaragua (Barendrecht et al. 2013) which augments experience from other community-based para legal programmes in countries such as Bangladesh, India, Malawi, the Philippines, Sierra Leone, South Africa, and Zimbabwe. It shows that such schemes are transferrable and cost effective.

The work on transitional justice by dealing with the legacy of massive human rights violations covers a wide range of issues—arguably too wide (Hellsten

2012). It is also vital to distinguish between transitional measures and longer-term reform which establishes a viable and durable society.

There are particular issues related to gender justice which transitional justice mechanisms have often failed to address adequately. The application of UN Security Council Resolution 1325 on Women, Peace and Security is a standard which is hard to achieve.

Other UNU-WIDER research identifies five challenges faced by transitional societies: transitional justice, distributive justice, prosperity, participation and peace (Addison 2009).

A4.11 Economic foundations

The position paper argues that donors, in operating in fragile contexts, face development challenges in exacerbated form. The overlap between the lists of fragile and Least Developed Countries underlines the central contention of the position paper that governance and fragility are arguably two sides of the same coin, and further that governments of the poorest countries are unlikely to be able to provide the basics for their citizens, in terms of security, human rights and the rule of law, health and education. Arguing back in the other direction, states which cannot make even the basic requirements of social existence available to their citizens are unlikely to be stable and participatory. If they do seem stable, they are unlikely to be upholding human rights or be models of inclusiveness and transparency.

Such states are likely to be dependent on aid—it is worth noting again the considerable overlap between the fragile and Least Developed country lists as well as the list of countries receiving high levels of aid. Sub-Saharan Africa is over-represented in all of these lists.

A4.12 Domestic mobilization of resources and the ‘resource curse’

Domestic mobilization of resources is one route out of the development traps. The World Bank has pioneered an agenda stressing economic governance, public sector management and combating corruption. One of the studies commissioned by ReCom (Kirkpatrick 2012) specifically focusses on regulatory reform. The World Bank’s *Doing Business* surveys indicate that progress is being made, as the average time taken to register a new business fell from 50 to 31 days between 2003-2011. ReCom has also commissioned work on extractive industries and how these resources could benefit the population more widely. The DIIS ReCom study (Buur et al. 2013) on extractive industries examined how industrial policies could be used to create linkages between the extractive industry sector and the rest of the economy, thereby generating jobs, sustaining growth and alleviating poverty. The study combined review of the academic

literature and fieldwork in Mozambique, Tanzania, and Uganda. Two of the comparative studies in the project on *Aid and Institution-Building in Fragile States* are of relevance here—one contrasted the experience of aid-dependent Mozambique with oil rich Angola (Pérez Niño and Le Billon 2013); the other looked at policies in Indonesia and Nigeria—two oil rich states (Fuady 2014).

A4.13 Revenues and services

Relevant work has been conducted in the ReCom programme on (1) tax policy and administration (2) public administration reform and (3) service delivery. The last mentioned is a central theme of the position paper on Aid, Poverty and the Social Sectors—so the emphasis here has been focussed on (a) service delivery in fragile situations and (b) decentralization and urban service delivery.

A number of countries have been able to escape the ‘low-tax trap’, including Bangladesh, Cambodia, Ghana, Kenya, Nepal, Rwanda, Sierra Leone, Uganda, and Vietnam. One of the ReCom emphases has been to analyse ways to strengthen tax systems (see Fjeldstad 2013). The difficulty of achieving successful civil service reform is documented in Repucci (2012). This study gives pointers to how chances of success can be improved, through the recognition that context is crucial, reform takes time, sequencing and timing require careful attention; there also has to be national ownership of the reform process and donors must co-ordinate. Practitioners are divided over whether to go for ‘big bangs’ or ‘quick wins’.

As an example of public financial management, ReCom commissioned a detailed study on post-conflict Sierra Leone—a country identified by the World Bank as having made substantial success in this regard (Tavakoli et al. forthcoming).

Paul Collier provided a ReCom study on public spending in weak institutional environments. This analyses how essential it is for the delivery capacity of fragile states to be strengthened if aid is to be spent effectively. The entire ReCom programme on *Good Aid in Hard Places* considers aspects of delivery in the fields of health, education, social funds and community-driven development, access to justice, policing and public administration more generally. The position papers on Gender and the Social Sectors are also relevant at this point. Decentralization and urban delivery is also highly important given the pace of urbanization in Africa in particular, and the needs of heavily concentrated urban populations.

A4.14 Conclusion

Some of the main findings of the position paper can be briefly summarized. Governance and fragility are closely related. A highly disaggregated, contextual and political approach is required to understand how to proceed in fragile situations. No universal manual can be produced. Nonetheless some key

principles emerge. One approach is that of Problem-Driven Iterative Adaptation (PDIA) which can act as a framework. The issues of fragility and governance will remain important in the post-2015 world, not least because much of the aid given will be to the overlapping group of fragile and Least Developed Countries. The problem is that the evidence of ‘what works’ is fragmentary and weak (which may just be another way of saying that these are indeed challenging environments in which to work). A strength of the ReCom programme has been to work in great detail on the particularities of these issues and to understand the factors at work in specific contexts of fragility. In the work, it has become clear that the transnational and sub-national dimensions of the problems are less well understood than the national level. Two further dimensions are of importance, the governance of international assistance and inequality—particularly horizontal inequality. Much work has been done, but much remains to be done.

Appendix 5: Research briefs

The research briefs are two-page documents providing in a compact and easy language some of the key findings and implications of WIDER Working Papers from ReCom programme. The briefs are also the building blocks of the highly praised ReCom website (www.wider.unu.edu/recom), which delivers a wide range of knowledge on the five themes of the research programme. All papers coming out of the ReCom programme will also have research briefs on the ReCom website.

1. [Impact of aid for health and education on gender equity and human development - WIDER Working Paper 2013/66](#)
2. [Assessing the role of gender in DfID and Sida challenge funds - WIDER Working Paper 2013/043](#)
3. [How to promote sustainable jobs in Mozambique - WIDER Working Paper 2013/45](#)
4. [The effectiveness of aid to women's political participation in MENA - WIDER Working Paper 2013/74](#)
5. [Lessons from US interventions to Japan, Afghanistan and Iraq - WIDER Working Paper 2013/108](#)
6. [Maximizing the effectiveness of foreign aid in the forestry sector - WIDER Working Paper 2013/054](#)
7. [Supporting design of green cities - Working Paper 2013/051](#)
8. [Neotrusteeship in post-conflict states – lessons from Kosovo and East Timor - WIDER Working Paper 'Aid and Institution-Building in Fragile States: State-Building through Neotrusteeship: Kosovo and East Timor in Comparative Perspective'](#)
9. [Policing reforms in African states – exploring the link to economic development - WIDER Working Paper 2013/013](#)
10. [Gender sensitivity of World Bank investments - WIDER Working Paper 2013/017](#)
11. [Using foreign aid to incentivize pioneer investing - WIDER Working Paper 2013/004](#)
12. [Building a capable state in Afghanistan - WIDER Working Paper 2013/063](#)
13. [Global poverty, middle-income countries and the future of development aid - WIDER Working Paper 2013/062](#)
14. [How to achieve economics of peace? - WIDER Working Paper no. 2012/47](#)
15. [Confronting climate change: The role of land - WIDER Working Paper 2013/107](#)

16. Trends in environmental aid: global issues, bilateral delivery - *WIDER Working Paper 'Environmental and Climate Finance in a New World'*
17. Improving food security: what works and what could work? - WIDER Working Paper 2013/061
18. Foreign aid, capacity building and climate change - WIDER Working Paper 2013/46
19. Job creation and small and medium size enterprises - WIDER Working Paper 2012/94
20. How can aid help mitigate the problem of overfishing in Africa? - *WIDER Working Paper 'Foreign Aid and Sustainable Fisheries Management in Sub-Saharan Africa'*
21. How can aid help agriculture become more resilient to climate change? - WIDER Working Paper 2013/047
22. Gender mainstreaming: the comparative case of the Nordic Development Agencies - WIDER Working Paper 2012/91
23. An assessment of a village development programme in Mozambique - WIDER Working Paper 2012/88
24. Curbing early childhood undernutrition in lower and middle income countries – findings and lessons for the future - *This research brief is based on a series of systematic reviews and evaluations conducted by Elizabeth Kristjansson, Damian Francis, Selma Liberato, Trish Greenhalgh, Vivian Welch, Eamonn Noonan.*
25. Principled aid: ways to attain MDG4 and MDG5 - *This research brief is based on 'A review of external assistance and aid effectiveness for maternal and child health: challenges and opportunities'*
26. Evaluations: crucial for the spread of social protection programmes - WIDER Working Paper 2013/009
27. Education aid - a way forward - WIDER Working Paper 2013/018
28. What is the effect of aid on primary enrolment and quality of education? - WIDER Working Paper 2012/21
29. Aid, poverty, and the working poor - WIDER Working Paper 2012/86
30. What works? - lessons from aid to education - WIDER Working Paper 75/2012
31. Healthcare: Barriers to effective aid - WIDER Working Paper 2012/69
32. The development process – the problem of imitating success - WIDER Working Paper no. 2012/63
33. The development process - escaping the capability trap - WIDER Working Paper no. 2012/64
34. Gender and transitional justice - WIDER Working Paper no. 2012/06
35. Does aid promote development? - WIDER Working Paper 2011/44

36. Foreign assistance in a climate-constrained world - WIDER Working Paper 2011/66
37. Service delivery in Nairobi and Mombasa - WIDER Working Paper no. 2012/92
38. Aid for statistics in Africa - WIDER Working Paper no. 2012/99
39. Aid and management training - WIDER Working Paper no. 2012/99
40. Financing growth in low-income countries - WIDER Working Paper no. 2012/77
41. Barriers to effective civil service reform in developing countries - WIDER Working Paper no. 2012/90
42. Growth for low-income countries? - WIDER Working Paper no. 2012/77
43. The unique character of EU aid - WIDER Working Paper no. 2012/76
44. Greenhouse gas emissions and China's agriculture sector - UNU-WIDER working paper no. 2012/74
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87. Food Aid: What we know and what we need to know - UNU-WIDER working paper no. 2012/34

Appendix 6: Definitions of Governance and Fragility

Section 3.1 discusses the diversity of ways in which governance and fragility are defined and measured in work in this area, which has implications for theory and policy. This appendix provides further illustration of these points by providing two tables on working definitions. The first lists working definitions of good governance from selected multilaterals circa 2012. The second includes definition of fragility circa 2006.

It is worth pointing out that organizations' definitions have in some cases changed since the tables below were compiled; the point here is to underscore the definitional diversity that has characterized work in this area over the past decade, not to providing a listing of current definitions in use.

TABLE A6.1
Working definitions of good governance from selected multilaterals (circa 2012)

United Nations	
United Nations	<p>'In the community of nations, governance is considered "good" and "democratic" to the degree in which a country's institutions and processes are transparent. Its institutions refer to such bodies as parliament and its various ministries. Its processes include such key activities as elections and legal procedures, which must be seen to be free of corruption and accountable to the people. A country's success in achieving this standard has become a key measure of its credibility and respect in the world.</p> <p>Good governance promotes equity, participation, pluralism, transparency, accountability and the rule of law, in a manner that is effective, efficient and enduring. In translating these principles into practice, we see the holding of free, fair and frequent elections, representative legislatures that make laws and provide oversight, and an independent judiciary to interpret those laws.</p> <p>The greatest threats to good governance come from corruption, violence and poverty, all of which undermine transparency, security, participation and fundamental freedoms'.</p> <p>Source: UN website, 'Governance'</p>
United Nations Development Programme (UNDP)	<p>'Good governance refers to governing systems which are capable, responsive, inclusive, and transparent. All countries, developed and developing, need to work continuously towards better governance.</p> <p>Good, or democratic governance as we call it at UNDP, entails meaningful and inclusive political participation. Improving governance should include more people having more of a say in the decisions which shape their lives'.</p> <p>Source: Remarks by Helen Clark, Administrator of the United Nations Development Programme, at the Fourth United Nations Conference on the Least Developed Countries High Level Interactive Thematic Debate on Good Governance at All Levels, Istanbul, 11 May 2011</p>
Multilateral Development Banks	
World Bank	<p>"In the last half-century we have developed a better understanding of what helps governments function effectively and achieve economic progress. In the development community, we have a phrase for it. We call it good governance. It is essentially the combination of transparent and accountable institutions, strong</p>

	<p>skills and competence, and a fundamental willingness to do the right thing. Those are the things that enable a government to deliver services to its people efficiently".—Paul Wolfowitz, World Bank President, Jakarta, 11 April 2006'</p> <p>Source: World Bank, <i>Strengthening the World Bank Group Engagement on Governance and Anticorruption</i>, 21 March 2007, p. 1</p>
African Development Bank	<p>'Good governance is defined in several ways. According to the 2000 Bank Group Policy on Good Governance, governance is "a process referring to the manner in which power is exercised in the management of the affairs of a nation, and its relations with other nations". p. 2. The policy identifies the key elements of good governance as: accountability, transparency, participation, combating corruption, and the promotion of an enabling legal and judicial framework'.</p> <p>Source: AfDB, <i>Governance Strategic Directions and Action Plan Gap 2008-2012</i> (2008), fn. 1, p. 15</p>
Asian Development Bank (ADB)	<p>'Among the many definitions of "governance" that exist, the one that appears the most appropriate from the viewpoint of the Bank is "the manner in which power is exercised in the management of a country's economic and social resources for development".ⁱⁱⁱ ... Although policy aspects are important for development, the Bank's concept of good governance focuses essentially on the ingredients for effective management. In other words, irrespective of the precise set of economic policies that find favour with a government, good governance is required to ensure that those policies have their desired effect. In essence, it concerns norms of behaviour that help ensure that governments actually deliver to their citizens what they say they will deliver. ... [I]n formulating an analytical framework for addressing governance issues, the Bank prefers to draw a distinction between, on the one hand, elements of good governance and, on the other, the specific areas of action (e.g., public sector management) in which they could be promoted or their existence enhanced. In line with this reasoning, and building upon the approach of the World Bank, the Bank has identified four basic elements of good governance: (i) accountability, (ii) participation, (iii) predictability, and (iv) transparency'.</p> <p>Source: ADB, <i>Governance: Sound Economic Management</i> (August 1995), pp. 3, 4, 8</p>
European Bank for Reconstruction and Development (EBRD)	<p>The term 'good governance' is not in wide use in EBRD documents. Chapter 10 of the 2010 Annual Report deals with 'Governance and Accountability', which refers to 'good corporate governance' in EBRD's activities (i.e., 'All operations, programmes, strategies and policies are scrutinized by independent evaluation, which ensures accountability and allows lessons to be learned'.) Founding documents of the EBRD highlight several issues commonly associated with good governance ('multiparty democracy, the rule of law, respect for human rights, and market economics'), but do not use the term.</p> <p>Source: EBRD, <i>Annual Report 2010: Securing the Recovery</i> (2010), p. 64</p>
Inter-American Development Bank (IADB)	<p>The term 'good governance' is not in wide use in IADB documents, although documents highlight several issues commonly associated with good governance (accountability, transparency, democracy, institutional development). It is not highlighted explicitly, for instance, among the five institutional priorities approved by the Board of Governors in 2010 'to sharpen [its] effectiveness as a development partner in the region: (1) Social Policy for Equity and Productivity, (2) Infrastructure for Competitiveness and Social Welfare, (3) Institutions for Growth and Social Welfare, (4) Competitive Regional and Global International Integration, and (5) Protecting the Environment, Respond to Climate Change, Promote Renewable Energy, and Ensuring Food Security'.</p> <p>Source: IADB, <i>Development Effectiveness Overview 2010</i> (2010), p. xxv</p>
Other Multilaterals	
European	<p>"Governance" means rules, processes and behaviour that affect the way in which powers are exercised at European level, particularly as regards openness,</p>

Commission	<p>participation, accountability, effectiveness and coherence. ... Five principles underpin good governance and the changes proposed in this White Paper: <i>openness, participation, accountability, effectiveness and coherence</i>. Each principle is important for establishing more democratic governance. They underpin democracy and the rule of law in the Member States, but they apply to all levels of government—global, European, national, regional and local’.</p> <p>Source: EC, ‘European Governance: A White Paper’, Brussels, 25 July 2001, fn. 1 on p. 8, p. 10 (<i>sic</i>)</p>
International Monetary Fund (IMF)	<p>‘Good governance is important for countries at all stages of development. ... Our approach is to concentrate on those aspects of good governance that are most closely related to our surveillance over macroeconomic policies—namely, the transparency of government accounts, the effectiveness of public resource management, and the stability and transparency of the economic and regulatory environment for private sector activity’. (Michel Camdessus, IMF Managing Director, Address to the United Nations Economic and Social Council, 2 July 1997)</p> <p>‘The IMF is primarily concerned with macroeconomic stability, external viability, and orderly economic growth in member countries. The contribution that the IMF can make to good governance (including the avoidance of corrupt practices) through its policy advice and, where relevant, technical assistance, arises principally in two spheres:</p> <p><i>improving the management of public resources</i> through reforms covering public sector institutions (e.g., the treasury, central bank, public enterprises, civil service, and the official statistics function), including administrative procedures (e.g., expenditure control, budget management, and revenue collection); and</p> <p><i>supporting the development and maintenance of a transparent and stable economic and regulatory environment conducive to efficient private sector activities</i> (e.g., price systems, exchange and trade regimes, and banking systems and their related regulations)’.</p> <p>Source: IMF, <i>Good Governance: The IMF’s Role</i> (August 1997), p. iv, 3</p>
Organization for Economic Cooperation and Development (OECD)	<p>‘In its work on public governance, the OECD focuses in particular on the principal elements of good governance, namely:</p> <p>Accountability: government is able and willing to show the extent to which its actions and decisions are consistent with clearly-defined and agreed-upon objectives.</p> <p>Transparency: government actions, decisions and decision-making processes are open to an appropriate level of scrutiny by others parts of government, civil society and, in some instances, outside institutions and governments.</p> <p>Efficiency and effectiveness: government strives to produce quality public outputs, including services delivered to citizens, at the best cost, and ensures that outputs meet the original intentions of policymakers.</p> <p>Responsiveness: government has the capacity and flexibility to respond rapidly to societal changes, takes into account the expectations of civil society in identifying the general public interest, and is willing to critically re-examine the role of government.</p> <p>Forward vision: government is able to anticipate future problems and issues based on current data and trends and develop policies that take into account future costs and anticipated changes (e.g. demographic, economic, environmental, etc.).</p> <p>Rule of law: government enforces equally transparent laws, regulations and codes’.</p> <p>Source: OECD, Directorate for Public Governance and Territorial Development, ‘Principal Elements of Good Governance’.</p>

Source: (Gisselquist 2012).

TABLE A6.2
Working definitions of fragile states circa 2006

ADB	Since governments in weakly performing countries either have weak capacities and/or they are not committed to reform, key initial conditions under which aid conditionality can be effective are likely to be missing.
Australia (AusAID)	Poorly performing countries are those with weak policies and institutions and where there is little chance of sustainable development.
EU (EC)	Difficult partnerships are characterized by a lack of commitment to good governance. They differ from weak governance cases, where the government makes efforts and is committed, but capacity is weak and outcomes are limited.
EU (European Council)	In many parts of the world bad governance, civil conflict, and the easy availability of small arms have led to a weakening of state and social structures. In some cases, this has brought about something close to the collapse of state institutions.
France	'The situation of a "fragile state" is assessed in negative terms... poor economic performance ... [and] the effective impotence of government ... Another approach ... is to use the ... MDGs ... to underscore the fact that "fragile states" are in fact where the MDGs will not be achieved ... The degree of "fragility" is defined according to a few simple criteria (the rule of law, control over the country's territory, respect for minorities, delivery of basic services) ... Such definitions pay little attention to the country's external vulnerability or the harmful consequences of certain policies of the developed countries or large private sector forms. The "fragile states" approach does, however, allow for the inclusion of the notion of preventative action ...'
Germany	Fragile and failed states are characterized by a 'gradual collapse of state structures and a lack of good governance'.
OECD-DAC	Difficult partnerships where the usual DAC country-led model does not apply; difficult partnerships should be differentiated from cases where the partner government is making its best efforts but performance, in the sense of outcomes, is weak.
UK (DfID)	DfID does not limit its definition of fragile states to those affected by conflict. Fragile states include those where the government cannot or will not deliver core functions to the majority of its people, including the poor. The most important functions of the state for poverty reduction are territorial control, safety and security, capacity to manage public resources, delivery of basic services, and the ability to protect and support the ways in which the poorest people sustain themselves.
UK (FCO)	Focuses on the security agenda and the threats that fragile states pose to the UK, including drug trafficking, illegal immigration, terrorism, proliferation of WMD and international crime. Development assistance is understood as one weapon in the fight against instability.
UN (UNDP)	WB LICUS definition, with outcomes measured in terms of human development indicators and MDGs.
US (USAID)	Failed states are characterized by a growing inability or unwillingness to assure provision of even basic services and security to their populations.
WB	LICUS are characterized by very weak policies, institutions and governance. Aid does not work well in these environments because governments lack the capacity or inclination to use finance effectively for poverty reduction. The WB's CPIA ranks countries in terms of their economic management, structural policies, policies for social inclusion and public sector management and institutions.

Source: Torres and Anderson (2004) and Prest et al. (2005) as cited in Cammack et al. (2006: 17).

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Notes in appendices

- ⁱ This list does not include some papers that will be submitted after the completion of the ReCom position papers.
- ⁱⁱ This list does not include papers currently under review.
- ⁱⁱⁱ *Webster's New Universal Unabridged Dictionary* (London: Dorset & Baber 1979).

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