

## **Conference on Canada's Policy Towards Fragile, Failed and Dangerous States**

### **Working out strategies for strengthening fragile states - the British, American and German experience**

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#### **Abstract**

With the passing of the Cold War as the primary threat to international order, failed states have emerged as perhaps the greatest threat to international stability. Though estimates vary there are anywhere between 25 and 50 states that are currently effectively failed, or are at a high risk of failing in the near future. Michael Ignatieff characterizes weak and collapsing states as the chief source of human rights abuses in the post-cold war world. Notable policy makers have illustrated state failure's relationship with poverty and terrorism. James Wolfensohn, formerly of the World Bank, calls for a global strategy that includes measures designed to address "the root causes of terrorism: those of economic exclusion, poverty and under-development." Others have noted the mutually reinforcing nature of poverty and state failure – weak governments deprive the poor of the basic means of survival, even as the desperately poor are forced to engage in illicit activities such as drug production in order to survive. This paper outlines the state failure policies of Canada's allies, namely the USA, the UK and Germany and identifies similarities and differences among them. It concludes with a brief overview of how Canada can develop an effective and coherent strategy on state failure.

## Introduction

With the passing of the Cold War as the primary threat to international order, failed states have emerged as perhaps the greatest threat to international stability. Though estimates vary, there are anywhere between 25 and 50 states that are currently effectively failed, or are at a high risk of failing in the near future. Michael Ignatieff characterizes weak and collapsing states as the chief source of human rights abuses in the post-cold war world.<sup>1</sup>

Notable policy makers have illustrated state failure's relationship with poverty and terrorism. James Wolfensohn, formerly of the World Bank, calls for a global strategy that includes measures designed to address "the root causes of terrorism: those of economic exclusion, poverty and under-development."<sup>2</sup> Others have noted the mutually reinforcing nature of poverty and state failure – weak governments deprive the poor of the basic means of survival, even as the desperately poor are forced to engage in illicit activities such as drug production in order to survive.<sup>3</sup>

This paper outlines the state failure policies of Canada's allies, namely the USA, the UK and Germany and identifies similarities and differences among them. It concludes with a brief overview of how Canada can develop an effective and coherent strategy on state failure.

11 September, 2001, fundamentally altered Western nations' approach to failed states. Disengagement disappeared as an option as Western nations in general, and the US in particular, came to equate their own national security with stability and order in the world's poorest, and poorest governed, regions. The goal

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<sup>1</sup> Michael Ignatieff, "Intervention and State Failure", *Dissent*, Vol. 49, No. 1 (2002), 115.

<sup>2</sup> James Wolfensohn, "Making the World a Better and Safer Place: The Time for Action is Now", *Politics*, Vol. 22, No. 2 (2002) 118.

<sup>3</sup> Jessica West, "Concept Paper: Fragile States and Poverty", unpublished research paper for CIDA (February 2005).

would no longer be purely developmental, but also related to security, not just locally within the fragile state, but regionally and globally as well.<sup>4</sup>

Though the concept of state failure is relatively new, it has quickly established itself as an indispensable part of the international lexicon. Various characterized as difficult partners,<sup>5</sup> difficult environments,<sup>6</sup> fragile states,<sup>7</sup> Low Income Countries Under Stress (LICUS),<sup>8</sup> poor performers,<sup>9</sup> weak performers,<sup>10</sup> failing and/or failed states,<sup>11</sup> and countries at risk of instability,<sup>12</sup> the phrase encompasses a number of partially overlapping, yet analytically distinct concepts regarding vulnerability. The graphic below provides definitions based on the CIFP Net Assessment methodology.

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<sup>4</sup> See for example the policy of the United States Government, "The National Security Strategy of the United States of America," (Washington D.C.: The White House, 2002), available: <<http://www.whitehouse.gov/nsc/nss.html>>. Some recent research suggests that aid decisions have become even more politicised since 11 September 2001. See for instance Mark McGillivray, "Aid Allocation and Fragile States," *Background Paper for the Senior Level Forum on Development Effectiveness in Fragile States, 13-14 January, 2005*, available: <[www.oecd.org/dataoecd/32/43/34256890.pdf](http://www.oecd.org/dataoecd/32/43/34256890.pdf)>.

<sup>5</sup> OECD, "Poor Performers: Basic Approaches for Supporting Development in Difficult Partnerships – Note by the Secretariat", *OECD DAC*, (November 2001), available: <[www.oecd.org/dataoecd/26/56/21684456.pdf](http://www.oecd.org/dataoecd/26/56/21684456.pdf)>.

<sup>6</sup> Magüi Moreno Torres and Michael Anderson, "Fragile States: Defining Difficult Environments for Poverty Reduction", *PRDE Working Paper*, No. 1, (August 2004), available: <[www.oecd.org/dataoecd/26/56/21684456.pdf](http://www.oecd.org/dataoecd/26/56/21684456.pdf)>.

<sup>7</sup> Jack Goldstone et al., *State Failure Task Force Report: Phase III Findings*, (McLean, VA: Science Applications International Corporation (SAIC), 2000), available: <<http://www.cidcm.umd.edu/inscr/stfail/>>.

<sup>8</sup> World Bank, "World Bank Group Work in Low-Income Countries Under Stress: A Task Force Report" *World Bank LICUS Task Force*, (September 2002), available: <[www1.worldbank.org/operations/licus/documents/licus.pdf](http://www1.worldbank.org/operations/licus/documents/licus.pdf)>.

<sup>9</sup> AUSAid, "Australian Aid: Investing in Growth, Stability and Prosperity", *AUSAid*, (September 2002), available: <[http://www.ausaid.gov.au/publications/pubout.cfm?Id=6624\\_6294\\_3682\\_4822\\_1275](http://www.ausaid.gov.au/publications/pubout.cfm?Id=6624_6294_3682_4822_1275)>.

<sup>10</sup> Asian Development Bank, "ADB's Approach to Weakly-Performing Developing Member Countries", *Discussion Paper for the Asian Development Fund (ADF) IX Donors' Meeting*, (March 2004), available: <[www.adb.org/Documents/Reports/ADF/IX/weakly\\_performing.pdf](http://www.adb.org/Documents/Reports/ADF/IX/weakly_performing.pdf)>.

<sup>11</sup> Robert Rotberg (ed.), *When States Fail: Causes and Consequences*, (Princeton N.J.: Princeton University Press, 2004).

<sup>12</sup> Prime Minister's Strategy Unit, "Investing in Prevention: An International Strategy to Manage Risks of Instability and Improve Crisis Response", *A Prime Minister's Strategy Unit Report to The Government of the U.K.* (February 2005), available: <[www.strategy.gov.uk/work\\_areas/countries\\_at\\_risk/index.asp](http://www.strategy.gov.uk/work_areas/countries_at_risk/index.asp)>.

## What is State Fragility? Fragility Spectrum

Strong	CNA Net Indicator Score
States in control of territory and boundaries, willing and able to deliver a full range of public goods to their citizens. Such states are able to withstand significant external shocks without requiring large amounts of external aid. Examples: Czech Republic, Brazil	1 - 5
Weak	
States that are susceptible to fragility or failure because of limited governance capacity, economic stagnation, and/or an inability to ensure the security of their borders and sovereign domestic territory. Examples: Indonesia, Kenya	6 - 7
Failed	
States characterized by conflict, humanitarian crises, and economic collapse. Government authority, legitimacy, and capacity no longer extends throughout the state, but instead is limited either to specific regions or groups. Examples: Sierra Leone, Sri Lanka	8 - 10
Collapsed	
States in which central government no longer exists. These nations exist purely as geographical expressions, lacking any characteristics of state authority, legitimacy, or capacity. Examples: Somalia	11 - 12

Operationalization issues are always problematic when dealing with a class of events that are relatively rare, politically sensitive, ill-defined, and poorly understood. State failure, the overarching concept, is defined by the CIA's State Failure Task Force (now called Instability Task Force) as the collapse of authority of the central government to impose order in situations of civil war, revolutionary war, genocide, politicide, and adverse or disruptive regime transition. While the Task Force definition is predominant it is not the only one. Rotberg characterizes failed states as being marked by an inability to provide basic political goods – especially security, dispute resolution and norm regulation, and political participation – to many, if not most, of its citizens.<sup>13</sup> Capturing the diversity of failed state environments, Jean-Germain Gros specifies a detailed taxonomy of five different

<sup>13</sup> Robert Rotberg, "The Failure and Collapse of Nation-States: Breakdown, Prevention, and Repair," in Rotberg (ed.), *When States Fail*, 5-10.

failed state types: chaotic, phantom, anaemic, captured, and aborted. The various types derive their dysfunction from different sources both internal and external and receive different policy prescriptions as a result.<sup>14</sup>



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**International Perspectives: the US**

**Rationale**

- National security objectives
- Reducing poverty and advancing development
- Aid effectiveness

According to French government analysts:

The situation of a “fragile state” is assessed in negative terms, on the basis of two main criteria: (1) poor economic performance (the 46 fragile states listed in the DFID paper are all low-income countries, and most of them are among the less developed countries [LDCs]); (2) the effective impotence of government (the DFID paper refers to the World Bank’s Country Policy and Institutional Assessment [CPIA] ranking<sup>15</sup>). Another approach to the same problem is to use the Millennium Development Goals (MDGs) as the point of reference, in order to underscore the fact that “fragile states” are in fact those where the MDGs will not be achieved, or to highlight deficiencies in service delivery to the population. 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), used exclusively within the national context. 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 firms. The “fragile states” approach does, however,

<sup>14</sup> Jean Germain Gros, “Towards a taxonomy of failed states in the New World Order: decaying Somalia, Liberia, Rwanda and Haiti”, *Third World Quarterly*, Vol. 17, No. 3 (1996) 548-461.

<sup>15</sup> The CPIA ranking is an aggregate quantitative indicator of the quality of macroeconomic management, of the government and public sector, and of structural and poverty-reduction policies. It is criticised, however, for its static nature, its failure to take structural handicaps into account and its connection with the Washington consensus (Severino and Charnoz, 2005).

allow for the inclusion of the notion of preventive action, whereas previously the conceptual debate had been restricted to countries emerging from crisis or in post-conflict situations.<sup>16</sup>

Focusing on development issues, the Organization for Economic Cooperation and Development (OECD) defines fragile states as “countries where there is a lack of political commitment and insufficient capacity to develop and implement pro-poor policies.”<sup>17</sup> The British Department for International Cooperation (DfID) defines state weakness in broadly similar terms, focusing on states in which “the government cannot or will not deliver core functions to the majority of its people, including the poor.”<sup>18</sup> The German Government’s “Action Plan on Civilian Conflict Prevention, Conflict Resolution, and Post Conflict Peace-Building,” describes failed and failing states as being “characterized by a gradual collapse of state structures and a lack of good governance.”<sup>19</sup>

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<sup>16</sup> « Beyond the fragile state : Taking action to assist fragile actors and societies,” Jean-Marc Châtaigner François Gaulme. (unpublished paper, November 2005).

<sup>17</sup> Karim Morcos, “Chair’s Summary”, *Senior Level Forum on Development Effectiveness in Fragile States, London, 13-14 January 2005*, (January 2005), available: <<http://www.oecd.org/dataoecd/60/37/34401185.pdf>>.

<sup>18</sup> DfID, “Why We Need to Work More Effectively in Fragile States”, *DfID* (January 2005), available: <[www.dfid.gov.uk/pubs/files/fragilestates-paper.pdf](http://www.dfid.gov.uk/pubs/files/fragilestates-paper.pdf)>.

<sup>19</sup> German Federal Government, “Action Plan: ‘Civilian Crisis Prevention, Conflict Resolution and Post-Conflict Peace-Building’” (2004) 64, available: <<http://www.auswaertiges-amt.de/www/en/infoservice/download/pdf/friedenspolitik/AP%20EN.pdf>>

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### International Perspectives: the US

USAID uses the term fragile states to refer generally to a broad range of failing, failed, and recovering states.

The USAID strategy distinguishes between fragile states that are **vulnerable** from those that are already in **crisis**.

**Vulnerable states** - unable or unwilling to adequately assure the provision of security and basic services to significant portions of their populations and where the legitimacy of the government is in question.

**Crisis states** - the central government does not exert effective control over its own territory or is unable or unwilling to assure the provision of vital services to significant parts of its territory, where legitimacy of the government is weak or nonexistent, and where violent conflict is a reality or a great risk.

Clearly, state failure defies simple definition. For example, there is an inevitable tension between the inclusiveness found in the German definition and the specificity of the State Failure Task Force definition. While the latter may possess greater analytical power, the former may be of greater political utility. One element that appears in all of the definitions is that failed states are qualitatively different than other types of developing states, with unique problems that require novel policy responses. Moreover, as Gros points out, each failed state environment is itself unique, facing challenges unseen in other failed states. Ultimately, “business as usual” has not worked, and will not work; current development, security, and diplomatic tools have proven insufficient to the task of stabilizing and rehabilitating these failed states.

Given the enormous difficulties associated with programming in failed state environments, there has been some effort to reach a consensus on crucial issues. The first area of consensus is that policy must be grounded in an ongoing process of risk assessment and monitoring capable of identifying countries at risk of impending

crisis and providing guidance as to the type of intervention required to either stave off, or mitigate that crisis. That assessment must draw on the widest range of possible sources of instability. To focus on a single factor such as governance is to invite incomplete analysis of the problem, and ineffective intervention as a result. Timely intervention also requires some type of early warning to allow for policy deliberation and resource mobilization.

A second area of emerging consensus is that a “whole-of-government” response is necessary to overcome the particular difficulties faced by failed states. Development alone cannot succeed in stabilizing a failed state, any more than a military intervention can rebuild destroyed political infrastructure. Defence and development must work towards a common end, and that common end must be coordinated with other diplomatic international efforts in a given fragile state. Outside involvement must therefore be coordinated at the strategic level.

### **Different Problems, Different Solutions**

In developing policies towards state failure, there are at least three critical elements that guide the choice of decision makers: proper understanding of the problem; selecting the proper objectives, such as fixing the state, stopping the fighting, and relieving humanitarian suffering, and assessing the likelihood of achieving the chosen objectives if pursued with the means available applied in appropriate and realistic ways. Two basic policies have come to dominate responses to state failure, each driven by a different motivation and policy recommendations.

The first, typified by USAID and the US National Security Strategy, begin with the assumption that failed states are a threat to individual nations’ national security and the international order.<sup>20</sup> The second approach, grounded in the development

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<sup>20</sup> USAID, “Fragile States Strategy”, *USAID* (January 2005), available: <[www.usaid.gov/policy/2005\\_fragile\\_states\\_strategy.pdf](http://www.usaid.gov/policy/2005_fragile_states_strategy.pdf)>.



literature, is most concerned with the significant challenge represented by state failure with respect to alleviating poverty and achieving the Millennium Development Goals (MDG).<sup>21</sup> Examples of this second approach include the OECD Learning Advisory Process on Difficult Partnerships (LAP), and the Fragile State Strategy released by the UK Department for International Development (DfID).<sup>22</sup>

From the German perspective, the terms poor performers and difficult partnerships are intended to have global applicability, but they have particular relevance for Sub-Saharan Africa. Many poor performers, including some of the most fragile, are located in the region. Accordingly, Stephan Klingebiel and Huria Ogbamichael examine the nature of poor performing states within the sub-continent.<sup>23</sup> Their discussion in some ways, reminiscent of the German government's own position, distinguishes between states that lack a minimum governmental capacity and those that are unwilling to implement development-related policy. Though clearly sensitive to security concerns caused by poor performers, they nonetheless consider the problem primarily through the lens of international development, examining the goals, effects, and limitations of fragile state-oriented development policy. Given the variety of ways in which states may fail, they classify conflict-ridden, failing, failed, and rogue states as subsets of the poor performers, emphasizing the need for a context specific approach for each poor performer.

Given the variety of ways in which states can emerge as poor performers, they identify a generalized set of basic goals to guide government-oriented development in such regions: enhanced legitimacy to justify policy, sufficient will to

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<sup>21</sup> United Nations General Assembly, "United Nations Millennium Declaration," *Resolution A/55/L.2*, 18 September 2000, available: < <http://www.un.org/millenniumgoals/>>.

<sup>22</sup> OECD DAC, "Principles for Good International Engagement in Fragile States", *DAC Learning and Advisory Process on Difficult Partnerships (LAP) High Level Meeting*, 3 March 2005, available: <[www.oecd.org/dataoecd/59/55/34700989.pdf](http://www.oecd.org/dataoecd/59/55/34700989.pdf)>; DfID, "Why We Need to Work More Effectively in Fragile States", *DfID*, January 2005, available: <[www.dfid.gov.uk/pubs/files/fragilestates-paper.pdf](http://www.dfid.gov.uk/pubs/files/fragilestates-paper.pdf)>.

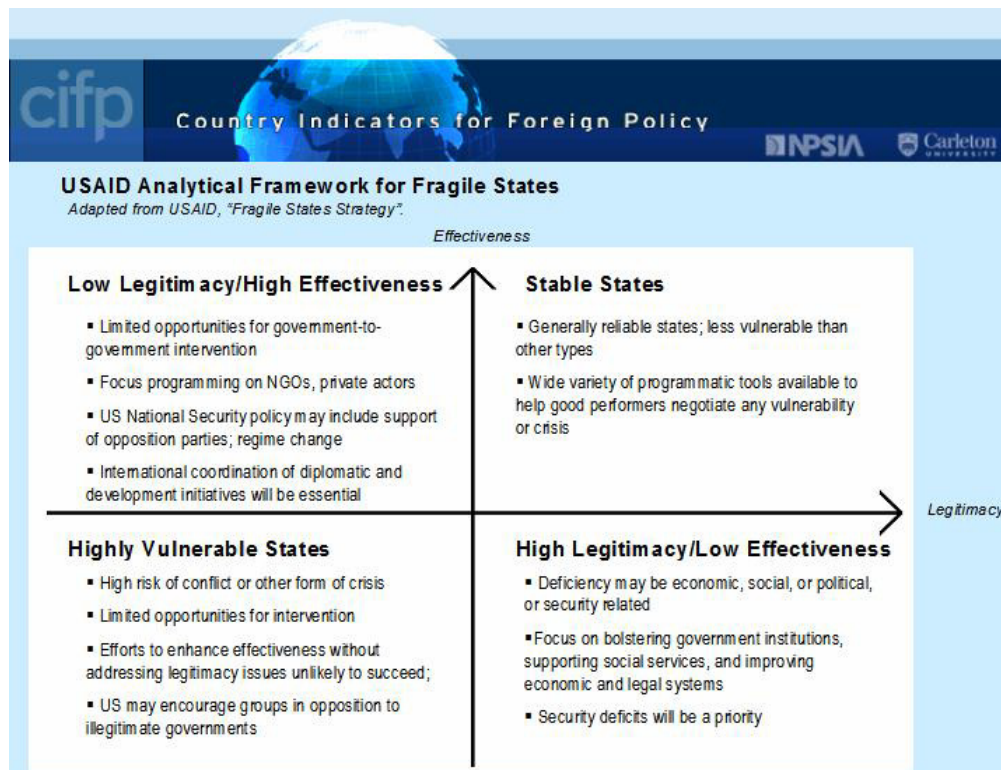
<sup>23</sup> Stephan Klingebiel and Huria Ogbamichael, "Poor Performers in Sub-Saharan Africa," *African Security Review*, Vol. 13, no. 1 (2004) 13-19.

create policy, and effective authority to implement policy. In describing methods to achieve such ends, Klingebiel and Ogbamichael echo many of the themes found elsewhere in current development literature, including cooperation among actors at all levels, programming flexibility, and an emphasis on points of entry and leverage most likely to produce results.

In contrast to the German development-centred approach, current U.S. efforts at policy coordination in fragile state environments focuses more on considerations around short term interventions than on medium-to long-term development issues. In particular, the newly-created Office of the Coordinator for Reconstruction and Stabilization within the Department of State (S/CRS) is the new locus for American response to fragile states.<sup>24</sup> The office is intended to coordinate all civilian government efforts within those states deemed to be most at risk of instability, to pose the greatest risk of regional destabilization, and to impact most seriously on American national security. Though some emphasis is placed on preventive action, the core mission of S/CRS is to quickly mobilize and coordinate the American response to any emerging conflict situation. Towards this end, the office coordinates efforts of both the State Department and USAID, and draws on resources from Department of Defense, the intelligence community, and other relevant government departments. As a new policy initiative, S/CRS is still evolving, with questions regarding funding and other resource still in process. Ultimately, its success will largely depend on its authority and ability to actively and effectively harness the resources of diverse governmental departments; a difficult task given the departments' differing, sometimes conflicting institutional priorities.

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<sup>24</sup> Stephen Krasner and Carlos Pascual, "Addressing State Failure," *Foreign Affairs*, Vol. 84, no. 4 (July/Aug 2005) 153-163.



For the USA short term security strategies are paramount. The US president's National Security Strategy (NSS), promulgated one year after 11 September, identified America's main threat as failing states and discounts deterrence and containment as ineffective in a world of amorphous and ill-defined terrorist networks.<sup>25</sup> The threats in the world are so dangerous that the US should 'not hesitate to act alone, if necessary, to exercise our right of self-defense by acting pre-emptively'.<sup>26</sup> The strategy also states that the US aims to create a new world order that favours democracy and defeats terror at the same time. The NSS document is laudable in recognizing the importance of addressing state failure as an immense structural and global problem which is unlikely to go away in the short run. The list of failing states is extensive and growing, and all regions of the world are affected by the multiple consequences of these failures: state failures serve as the potential

<sup>25</sup> (*Economist*, 2002).

<sup>26</sup> US Government, "National Security Strategy, 6.

breeding ground for extremist groups, and most contemporary wars are fought either within nation-states or between states and non-state actors.

In the immediate aftermath of 11 September, media reports indicated that primary countries harbouring terrorists included Afghanistan, Sudan, and Algeria. However, dismantling the *Al-Queda* network now involves intelligence and law enforcement efforts in the over thirty countries where the terrorist network is believed to have cells. To be sure, the Bush government's efforts to address threats abroad do take other forms beyond military intervention. Continuities in US foreign policy exist, including training for armies and police forces trying to deal with terrorism, such as in the Philippines, Pakistan and Yemen; enhanced American participation in multilateral aid programs, where aid is increasingly tied to 'good governance' by recipient countries; and the pursuit of 'integration', which has the US directing many of its policies towards helping countries to join the international flow of trade and finance.<sup>27</sup>

Thus, the two approaches are driven by divergent imperatives and arrive at different policy prescriptions as a result. Failed state policies most concerned with national and international security will tend to encourage policies that provide immediate stability, such as strengthening domestic military and police forces, limiting opportunities for international terrorist activities, and suppressing transnational crime. Policies most concerned with achieving the MDGs will focus on programming that enhances opportunities for education and employment, reduces disease and malnutrition, increases At best, these two dominant perspectives result in policy approaches that are only partially complementary. They define failed states differently, generate different lists of unstable states, and prescribe different policy

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<sup>27</sup> Some writers also identify a third formulation, driven primarily by current inadequacies in the provision of aid in fragile state environments. See for instance Torres and Anderson, *op. cit.* The latter two streams have become closely linked in both theory and policy, however.

approaches. Crucially, they require close coordination to ensure that the pursuit of one does not undermine the efforts of the other.<sup>28</sup>

Efforts to synthesise or reconcile the two approaches have thus far made limited progress. For instance, though the recent document, "Principles for Good International Engagement in Fragile States," produced as part of OECD Learning Advisory Process (LAP) acknowledges that a secure environment is a necessary prerequisite of effective aid, the document gives very little indication of how this might be achieved.<sup>29</sup> Though the LAP process has made considerable progress towards harmonizing and aligning donor agency actions in failed state environments, there is no similar process in place to enhance coordination between development agencies and security forces operating in the same theatre. All such efforts are left to individual governments, with inconsistent results. Conversely, USAID's policy clearly places poverty reduction within the context of the overall US NSS, with the former ultimately subordinate to the latter.<sup>30</sup>

There are, of course, a number of other important concerns emanating from failed state environments. Though not always included in the fragile states literature, the recent report "A More Secure World: Our Shared Responsibility," drafted by the UN's *High Level Panel On Threats, Challenges, and Change* offers

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<sup>28</sup> To cite just one example, efforts to suppress terrorism and crime in Afghanistan included campaigns to eradicate poppies, thereby removing a source of income for transnational criminals and terrorists alike. Unfortunately, the poppies also provided much of the income for Afghans in the poorest parts of the country. The UN's "Afghanistan Opium Survey 2004" estimates that the opium economy is worth 60% of the nation's total licit GDP, making opium production the dominant engine of growth in the country. Clearly, this is a complicated issue, in which efforts to combat drug production will inevitably have drastic consequences for economic development over a significant area of the country. See UN Office on Drugs and Crime (UNODC), "Afghanistan Opium Survey 2004" *UNODC*, (November 2004), available: <[http://www.unodc.org/80/pdf/afg/afghanistan\\_opium\\_survey\\_2004.pdf](http://www.unodc.org/80/pdf/afg/afghanistan_opium_survey_2004.pdf)>.

<sup>29</sup> OECD DAC, "Principles for Good International Engagement in Fragile States", *DAC Learning and Advisory Process on Difficult Partnerships (LAP) High Level Meeting, 3 March 2005*, available: <[www.oecd.org/dataoecd/59/55/34700989.pdf](http://www.oecd.org/dataoecd/59/55/34700989.pdf)>.

<sup>30</sup> USAID, "Fragile States Strategy". Tellingly, the first footnote in the USAID Fragile State Strategy refers to the US National Security Strategy. The document also draws on another USAID report, entitled "Aid in the National Interest: Promoting Freedom, Security, and Opportunity", which stresses the need for aid to align with American national strategic priorities. See "Aid in the National Interest: Promoting Freedom, Security, and Opportunity", *USAID Task Force Report* (2002), available: <[www.usaid.gov/fani/Full\\_Report--Foreign\\_Aid\\_in\\_the\\_National\\_Interest.pdf](http://www.usaid.gov/fani/Full_Report--Foreign_Aid_in_the_National_Interest.pdf)>.

perhaps the most complete justification currently extant for international engagement in failed and failing states. In its account of the most pressing threats to national and international security, the panel goes beyond traditional concerns of interstate conflict, and includes “economic and social threats, including poverty, infectious disease and environmental degradation; internal conflict, including civil war, genocide and other large-scale atrocities; nuclear, radiological, chemical and biological weapons proliferation; terrorism; and transnational organized crime.”<sup>31</sup> All of these threats are particularly likely to emerge in failed state environments, and any truly comprehensive failed state strategy must take them all into account. Though many nations’ policies mention these other important considerations in failing and failed state environments, few specify how such factors could be incorporated into fragile state analysis and policy.

There are also issues surrounding the focus on government legitimacy and democratization in fragile state policies.<sup>32</sup> There is a plethora of academic literature advocating or discounting the link between peace and democracy or trade, or a combination of the two. The effect is not as simplistic as most academics, many of them American, formulate.<sup>33</sup> Several recent studies have suggested that democracy’s relationship to peace is in fact non-linear; poor countries that make the transition to democracy are actually *more* likely to engage in conflict, either civil or

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<sup>31</sup> High Level Panel on Threats, Challenges, and Change, “A more secure world: Our shared responsibility”, *UN (2004)*, 2, 14-16. Available: <[www.un.org/secureworld](http://www.un.org/secureworld)>.

<sup>32</sup> USAID, “Fragile State Strategy”.

<sup>33</sup> The literature on the democratic peace is extensive, beginning with Doyle’s seminal articles in 1983. More recently, writers have explored the linkages between economic factors and interstate peace; see for instance Mousseau, Hegre, and Oneal. The State Failure Task Force exhaustively documents data exploring the linkages between, among other things, regime type, economic performance, and state failure. See Michael Doyle, “Kant, Liberal Legacies, and Foreign Affairs”, *Philosophy and Public Affairs*, Vol. 12 No. 3 (1983), 205-235; M. Mousseau, H. Hegre, and J.R. Oneal, “How the Wealth of Nations Conditions the Liberal Peace”, *European Journal of International Relations*, Vol. 9, No. 2 (June 2003), 277-314; and Goldstone et. al, *op. cit.*

interstate, in the years immediately following the transition.<sup>34</sup> Early research in state failure clearly indicates that elections and regime change, whether legitimate or not, are often trigger events for instability.<sup>35</sup> Though democracy and trade may create peaceful states over the long term, fragile states often have short-term vulnerabilities that make transition to effective democratic governance extremely problematic, and even destabilizing. Thus, any failed state strategy advocating democratization, good governance and economic modernization must take into account the possibility that such efforts may themselves trigger conflict and possibly even state failure in the short term, ultimately denying the promise of long term democratic stability.

Unfortunately, donor policy has lagged behind such basic findings. For example, donor assistance *may* have a stabilizing effect on failed and failing states as Wolfensohn and others suggest. But the answer depends on whether the country has the absorptive capacity to direct aid towards poverty reduction and good governance.<sup>36</sup> Conditional aid that does not take into account the absorptive capacity of a state rarely induces desired changes. Though aid can have an indirect effect on patterns of governance and poverty reduction in recipient governments, without strong domestic leadership, the effect is relatively weak and even somewhat

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<sup>34</sup> For articles regarding democratization and civil violence, see Helen Fein, "More Murder in the Middle: Life-Integrity Violations and Democracy in the World, 1987", *Human Rights Quarterly*, Vol. 17, No. 1 (February 1995), 170-191; or Scott Gartner and Patrick Regan, "Threat and Repression: The Non-Linear Relationship Between Government and Opposition Violence", *Journal of Peace Research*, Vol. 33, No. 3 (1996), 273-287.

<sup>35</sup> For more on the role of accelerators and triggers in onset of crises and state failure, see Barbara Harff, "Early Warning of Humanitarian Crises: Sequential Models and the Role of Accelerators", in John L. Davies and Ted Robert Gurr (eds.), *Preventive Measures: Building Risk Assessment and Crisis Early Warning Systems*, (Oxford: Rowman and Littlefield Publishers, 1998), 70-94.

<sup>36</sup> Though the idea had been around for some time, the concept of aid effectiveness being dependent on a sound policy framework became truly entrenched in the literature through David Dollar and Lant Pritchett, *Assessing Aid: What Works, What Doesn't, and Why*, World Bank Policy Research Report (New York, Oxford University Press for the World Bank, 1998). Other significant contributions include J. Isham and D. Kaufmann, "The Forgotten Rationale for Policy Reform: The impact on projects," *Quarterly Journal of Economics*, (1999) Vol. 114, No. 1, 149-184; Craig Burnside and David Dollar, "Aid, Policies, and Growth", *American Economic Review*, Vol. 90, No. 4, (2000) 847-868; Paul Collier and Anke Hoeffler, "Aid, Policy and Growth in Post-Conflict Societies", *European Economic Review*, Vol. 48, No. 5, (2004), 1125-1145.

ambiguous. The high level of fungibility associated with most development financing, ensures that uncooperative recipient governments will be able to arrogate targeted support, regardless of the conditions placed on it.<sup>37</sup> The answer to this problem, according to Collier and Dollar, is to make selectivity a core part of effective aid policy.<sup>38</sup> Current examples of aid policies incorporating selectivity, in which the donor nations factor the strength of potential recipients' policy frameworks into their decision-making processes, include Canada's Strengthening Aid Effectiveness (SAE) effort and the US Millennium Challenge Fund.<sup>39</sup> Such considerations are broadly reflected in the Monterrey consensus as well.<sup>40</sup>

As a consequence, the latter half of the 1990's was witness to a wide and, in some cases growing, inequality in aid allocation. Levin and Dollar confirm that aid flows to OECD "difficult partnership countries" (DPC) have been and continue to be both smaller and more volatile than other countries in broadly similar circumstances;<sup>41</sup> McGillivray shows that fragile states are under-aided even when taking their limited absorptive capacity into account.<sup>42</sup> Using the poverty-efficient allocation benchmark developed by Collier and Dollar, the authors find that fragile states receive at least 40% less aid than their levels of poverty; population; and

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<sup>37</sup> David Dollar and Lant Pritchett, *op. cit.*

<sup>38</sup> Paul Collier and David Dollar, "Aid Allocation and Poverty Reduction", *European Economic Review* Vol. 46, No. 8, (2002), 1475-1500. David Dollar and Victoria Levin provide evidence that nations have been practicing increasing selectivity over the last 20 years. See "The Increasing Selectivity of Foreign Aid, 1984-2002," *World Bank Policy Research Working Paper* No. 3299, (2004).

<sup>39</sup> Current policy examples include CIDA, "Policy Statement on Strengthening Aid Effectiveness", *CIDA*, (September 2002), available: <<http://www.acdi-cida.gc.ca/aideffectiveness>>; and USAID, "Millennium Challenge Account", *USAID*, (January 2004), available: <<http://www.mca.gov>>.

<sup>40</sup> See UN, "Report of the International Conference on Financing for Development", *UN* (March 2002), available: <[www.un.org/esa/ffd/aconf198-11.pdf](http://www.un.org/esa/ffd/aconf198-11.pdf)>.

<sup>41</sup> Victoria Levin and David Dollar, "The Forgotten States: Aid Volumes and Volatility in Difficult Partnership Countries", *Summary Paper Prepared for the DAC Learning and Advisory Process (LAP)*, (January 2005), available: <[www.oecd.org/dataoecd/32/44/34687926.pdf](http://www.oecd.org/dataoecd/32/44/34687926.pdf)>.

<sup>42</sup> Mark McGillivray, "Aid Allocation and Fragile States", *Background Paper for the Senior Level Forum on Development Effectiveness in Fragile States, 13-14 January 2005, Lancaster House, London*, (January 2005), available: <[www.oecd.org/dataoecd/32/43/34256890.pdf](http://www.oecd.org/dataoecd/32/43/34256890.pdf)>.



policy effectiveness, as measured by the World Bank Country Policy and Institutional Assessment (CPIA), would justify.<sup>43</sup>

Even when taking donor responses to rapidly changing situations into account, aid flows to fragile states are nearly twice as volatile as to other developing nations. Levin and Dollar also highlight the growing presence of aid “darlings” and “orphans” among fragile and failed states, whereby the darlings – generally nations emerging from conflict or otherwise considered strategically important – receive far more aid than one would otherwise expect. The orphans – typically very large or very small countries, or those considered strategically insignificant – receive comparably smaller amounts of aid.<sup>44</sup>

Other research begins to quantify some of the costs associated with total disengagement from failed states. For instance, Chauvet and Collier provide a calculation of costs associated with failed states. Their analysis incorporates direct costs such as investment in post-conflict reconstruction, as well as indirect costs like regional destabilisation and the ills associated with endemic poverty, disease and famine; the results indicate that the total costs of state failure are prohibitive at national, regional, and global levels.<sup>45</sup> When combined with concerns of national security emanating from failed states since 11 September, such studies provide compelling evidence that the price of disengagement is simply too high to be contemplated as a serious policy alternative.<sup>46</sup> Moreover, the suggestion that state failure can be reversed or ameliorated through conventional donor assistance

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<sup>43</sup>*Ibid*; Levin and Dollar, *op. cit.*

<sup>44</sup> Levin and Dollar, *Ibid.*, 14-22.

<sup>45</sup> Lisa Chauvet and Paul Collier, “Development Effectiveness in Fragile States: Spillovers and Turnarounds,” *Centre for the Study of African Economies, Department of Economics, Oxford University*, (January 2004), available: <[www.oecd.org/dataoecd/32/59/34255628.pdf](http://www.oecd.org/dataoecd/32/59/34255628.pdf)>.

<sup>46</sup> For a clear argument on the dangers of disengagement from an American national security perspective, see Jeremy M. Weinstein, John Edward Porter and Stuart E. Eizenstat, “On the Brink: Weak States and US National Security”, *Report of the Commission on Weak States and US National Security, Center for Global Development (CGD)* (June 2004), available: <[www.cgdev.org/docs/Full\\_Report.pdf](http://www.cgdev.org/docs/Full_Report.pdf)>.

programmes is flawed. At best such efforts may prove ineffective and at worst counterproductive.

### **The Coordination Issue**

For governments and multilateral institutions, policy coordination has emerged as one of the key obstacles to creating an effective international response to fragile states. Much recent work in the donor community has focused on overcoming such problems in the context of aid allocation. The “Principles of Engagement”, for instance, were developed and agreed to by the OECD/DAC, UNDP, World Bank, European Commission and several bilateral aid agencies working collaboratively.<sup>47</sup> This interagency collaboration represents a concerted effort by a large part of the development community to coordinate problem-solving efforts and to combine research programmes rather than focusing on independent agendas. This is clearly a positive development with respect to problems such as development harmonization and alignment, as consensus, and therefore coordination, is achieved during the research and analysis phases, rather than negotiated afterwards.

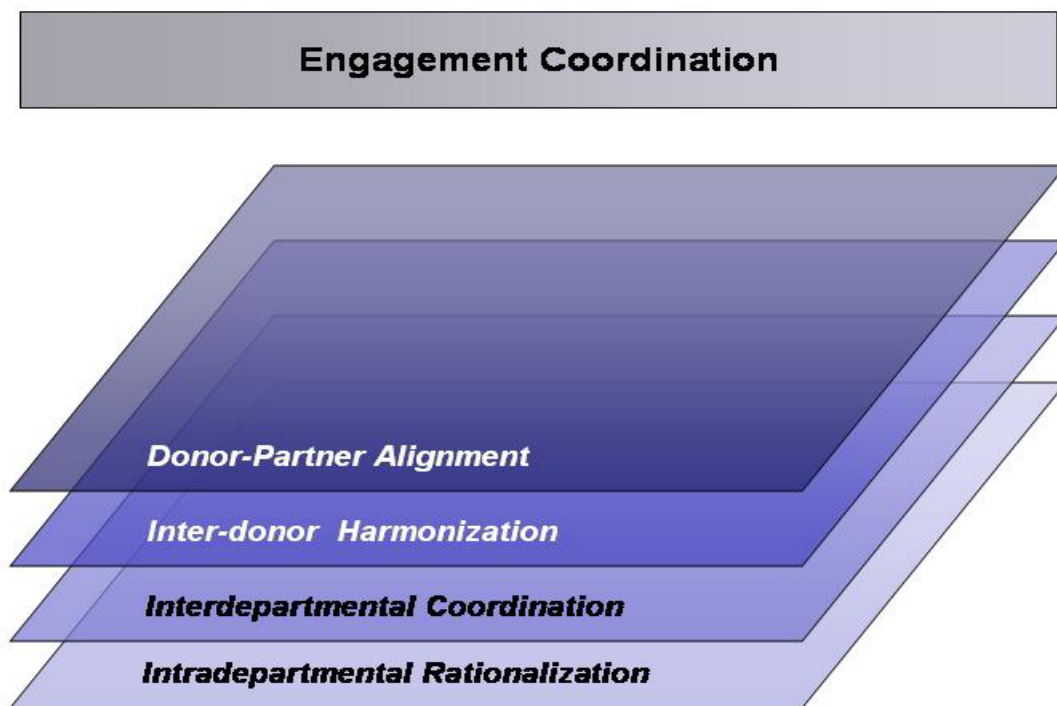
Unfortunately, such coordination represents only one facet of a much larger problem, one that cannot be addressed completely, or even primarily, within the confines of the international donor community. Picciotti et al. identify four different levels of coordination in fragile state policy.<sup>48</sup> The first, intradepartmental rationalization, calls for coordination of all development programs targeting a given nation within each donor department, ensuring that all projects in a given fragile

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<sup>47</sup> High Level Forum, “Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability”, *High Level Forum, Paris, 28 February - 2 March, 2005*, available: <[www1.worldbank.org/harmonization/ Paris/FINALPARISDECLARATION.pdf](http://www1.worldbank.org/harmonization/Paris/FINALPARISDECLARATION.pdf)>.

<sup>48</sup> Robert Picciotto, Charles Alao, Eka Ikpe, Martin Kimani, and Roger Slade, “Striking a New Balance: Donor Policy Coherence and Development Cooperation in Difficult Environments”, *Background Paper for the Senior Level Forum on Development Effectiveness in Fragile States, 13-14 January 2005, Lancaster House, London*, (January 2005), available: <[www.oecd.org/dataoecd/31/62/34252747.pdf](http://www.oecd.org/dataoecd/31/62/34252747.pdf)>.

state share complementary objectives and methods; the second, known as whole-of-government coordination, denotes coordination between aid and non-aid agencies within individual donor governments; the third, inter-donor harmonization, refers to coordination between both aid and non-aid agencies across donor governments; and the fourth, donor-partner alignment, describes efforts to coordinate the efforts of various external actors with the needs and priorities of the recipient government's own strategic priorities. Each of these levels has both national and international dimensions.



*Adapted from Picciotto et al.*

Taken together, they represent an almost unprecedented international challenge in international policy coordination. Several nations are engaging in various types of coordination efforts, with varying degrees of commitment and success. Examples include: Germany's Action Plan on "Civilian Crisis Prevention, Conflict Resolution and Post-Conflict Peace-Building," which provides a policy based on the

country's extended security concept.<sup>49</sup> With its focus on civilian efforts however, the German policy stops short of a true "whole-of-government" approach, limiting itself instead to ensuring that "the interface between military and civilian crisis prevention be taken into account."<sup>50</sup> The UK government has created two Conflict Prevention Pools (CPPs), one for Sub-Saharan Africa (ACPP) and one for outside Africa (Global CPP or GCPP), to improve department coordination and priority-setting. The CPPs are jointly funded administered by three departments of state: the Ministry of Defence (MOD), Department for International Development (DfID) and Foreign and Commonwealth Office (FCO).<sup>51</sup>

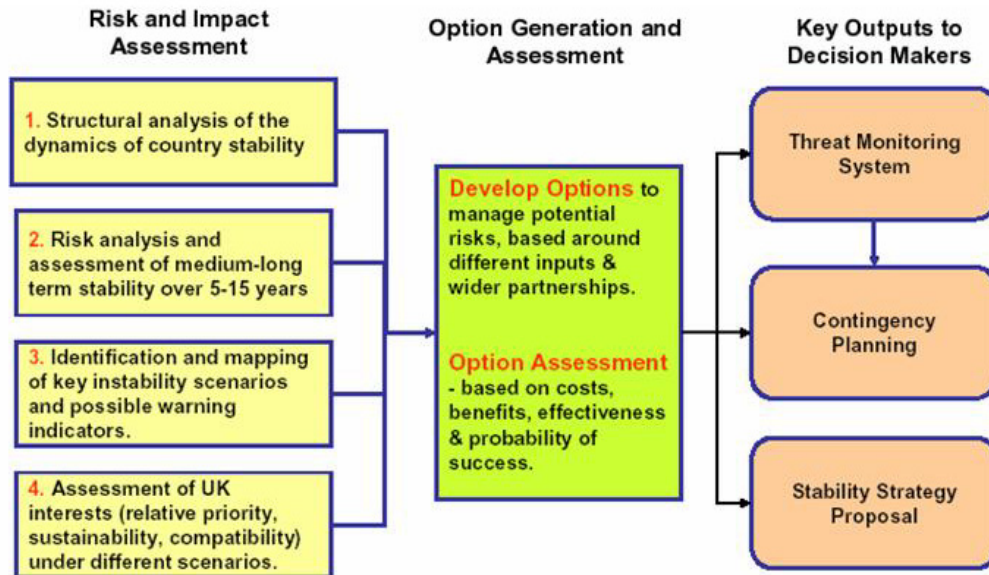


**UK Intervention Policy Timeline, from PMSU CRI Process Manual on Risk Assessment and Strategic Analysis**

<sup>49</sup> German Federal Government, *op. cit.*

<sup>50</sup> *Ibid.*, 2.

<sup>51</sup> The main new organizational additions were an inter-departmental steering mechanism and a process for joint priority-setting for each conflict. Once established, the CPPs brought together budgets for programme spending and peacekeeping costs. Although still in development, this coordinated effort is an example of a commitment to cooperation between departments to ensure an intervening effort that includes all aspects of reconstruction, from security to economics, participation and social development.



***UK Intervention Decision-Making in Unstable Environments, from PMSU CRI Process Manual on Risk Assessment and Strategic Analysis***

USAID's recent Fragile States Policy suggests that the method and level of interagency coordination for a given fragile state will likely depend on the country's strategic importance to American security interests.<sup>52</sup> Areas of key concern to US national security are coordinated through the Defense and State Departments, while high priorities not involving military assets are to be coordinated through the newly created Office of the Coordinator for Reconstruction and Stabilization at the Department of State. Efforts in less strategic areas may be coordinated through an interagency administrative council.

In all of these models, interagency cooperation depends on agreement between the various arms of government on a number of different areas. First, they must have a mechanism for shared assessment and early warning, to determine which countries to intervene in, and when. Once in, they must share a general conceptualization of the problem, including the primary sources of instability in the

<sup>52</sup> USAID, "Fragile States Strategy", 1-3.

country; a strategy on how best to intervene, specifying both short-term priorities for action and long term goals for the national effort; a common pool of resources, ensuring that funding flows to the true priority areas in the country; and an integrated administration and decision-making structure, to ensure that the efforts of each government department do not impede, or even actively undermine, the efforts of the others. Clearly, no country has yet demonstrated the ability to sustain such a high level of coordination over an extended period of time.

According to French Government Analysts:

Behind this theoretical fog and troubling lack of conceptual rigour<sup>53</sup>, there are also two fundamentally opposed views as to what stance to adopt in terms of action to assist "fragile states". The first is that of the United Kingdom, or more precisely the DFID, which is increasingly influential in forums like the World Bank<sup>54</sup> and which, seeking a revision of the "Washington consensus", consistently argues for a holistic, harmonised, technocratic and ostensibly non-partisan approach to the problems of these states, regarded as a specific target group. The second view, that of the United States, has been given vigorous expression in international meetings such as the Senior Level Forum on fragile states held in London in January 2005, and the Paris forum on aid effectiveness the following March. As we have seen, the United States refuses to accept that idea that there exists an internally coherent group of fragile states comparable to the group of LDCs. It therefore insists on case-by-case treatment, with a technical approach confined to the phase of situation analysis, as all development assistance activity properly speaking is subject to political criteria (special relationship with Washington and a desire for democracy and/or combat terrorism, according to the views repeated tirelessly, at all levels, by the spokespersons of the current administration). The recent division of the US bilateral ODA system between the traditional field of activity of USAID and that of the MCA, which was established with a new objective of supporting "winners" (and hence in theory is not concerned with fragile states), has reinforced a tendency in Washington to adopt a cautious attitude towards the principles of aid harmonisation and alignment of both donors and beneficiaries – principles that continue to be strongly affirmed at the level of the OECD.<sup>55</sup>

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<sup>53</sup>. The consequences of labelling states as "fragile" may also be related to a certain stigmatisation of such states, which discourages private investment and the arrival of external assistance all the more strongly, and paradoxically increases their vulnerability (see also below).

<sup>54</sup>. In this regard, Paul Wolfowitz's appointment as head of the World Bank in June 2005 may help to stabilise or reduce its influence.

<sup>55</sup> « Beyond the fragile state : Taking action to assist fragile actors and societies," Jean-Marc Châtaigner François Gaulme. (unpublished paper, November 2005).

## Whole-of-Government Approaches

As the previous section illustrates, there are a number of rationales behind the emerging focus on failed states: the Americans view state failure through a national security lens<sup>56</sup>; the British have adopted a development-oriented perspective<sup>57</sup>; and the Germans, while largely in line with the British approach, emphasise environmental elements of instability.<sup>58</sup> Despite these differences, there are a number of common themes that thread themselves through the various approaches to state failure. First, as already mentioned, there is a shared understanding of the need to improve coordination among donor government aid programmes. A more important step is to improve coordination between all relevant arms of government.<sup>59</sup> This is variously referred to as the whole-of-government or 3D – Defence, Development, and Diplomacy – approach.<sup>60</sup>

Secondly, there is agreement on the necessity of improving the analysis that underpins efforts to respond to fragile states.<sup>61</sup> There is so much that is implied in government policies regarding the causes and manifestations of state failure that these points need to be clarified in two ways. On the one hand, the theories we choose to explain the causes of state failure have implications for theory

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<sup>56</sup> *Ibid.*

<sup>57</sup> DfID, “Why we need to work more effectively in fragile states”.

<sup>58</sup> German Federal Government, *op. cit.*

<sup>59</sup> Picciotto et al., *op. cit.*

<sup>60</sup> OECD DAC, “Principles for Good International Engagement in Fragile States”, 3. According to the OECD DAC, the Whole of Government approach is intended to promote ‘policy coherence within the administration of each international actor.’ 3D – Defence, Development, Diplomacy – is the term applied to the approach of pursuing coherence among the international efforts of the Canadian Government.

<sup>61</sup> DfID, “Why we need to work more effectively in fragile states”, 14. USAID, “Fragile States Strategy”, 3-5. At the 8<sup>th</sup> Annual Peacebuilding and Human Security Consultations, Ambassador Carlos Pascual, the coordinator of the the US State Department’s newly created Office of Reconstruction and stabilization, issued a call for improved analysis to support his organisation’s efforts to respond to failing states.

development. If one emphasizes root causes (for example, mass mobilization relative deprivation, or intra-elite competition), then we should be able to comment satisfactorily on the implications the findings have for the validity of those theories. Alternately, if one emphasizes dynamic interactions within a given state, then the contending theoretical explanations stressing environmental constraints and opportunities must be considered.

On the other hand, even though the choice of policy responses to state failure depends on the explanations we accept for their onset, decay and collapse, to be policy relevant those responses must be matched to the needs of decision makers who are in a position to act. This means that analysis must mesh with the existing capabilities of state institutions.

Three studies are prominent in this regard In the United States, USAID has taken the lead in preparing the country's strategy on fragile states including analysis and monitoring.<sup>62</sup> However, the focus is on the intended result of the monitoring and assessment to be undertaken with primary attention being given to a state's political legitimacy and effectiveness in extracting and distributing resources.<sup>63</sup> On a positive note, the document expresses USAID's intention to continue to improve its analytical framework.<sup>64</sup>

In the United Kingdom, both the Department for International Development (DfID) and the Prime Minister's Strategy Unit (SU) have released policy and strategy documents in response to the growing concern over state failure. While the DfID statement is largely policy oriented and focuses on the development and aid related

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<sup>62</sup> USAID, "Fragile States Strategy", 3-5.

<sup>63</sup> There are a number of references to the intention to draw on multiple and external sources of information, but no specifics on the manner in which the various sources of information and analysis are to be integrated into a coherent, comprehensive assessment. The USAID website is equally unrevealing. There is a reference in the policy statement to a document - A Strategy Framework for the Assessment and Treatment of Fragile States - prepared by the University of Maryland, with the support from USAID's Policy and Program Coordination division. According to the University of Maryland, the objective of the Agency funded research is to 'develop a methodology for conducting rigorous, generally field-based, investigations into the dynamics of fragility and translating that analysis into effective and actionable programme options.'

<sup>64</sup> USAID, "Fragile State Strategy", 4.



aspects of state failure, it does contain a call for closer cooperation between the arms of the UK Government.<sup>65</sup> The DfID document also identifies a need for improved early warning and better analysis, but nothing on the mechanics for assessing instability. From a methodological perspective, a more comprehensive framework for responding to fragile states has been developed by the SU.<sup>66</sup> The SU documents outline a detailed process for formulating better prevention and response strategies for 'countries at risk of instability'. The assessment model specifies a process for incorporating endogenous and exogenous (de)stabilising factors, country capacity, and potential shocks into the analysis of stability.<sup>67</sup> The response strategy also contains a component for the identification and assessment of UK interests in intervention and the potential impact of (in)action.<sup>68</sup>

Another comprehensive framework has been prepared by the Conflict Research Unit of the Netherlands Institute of Foreign Affairs (Clingendael) for the Dutch Ministry of Foreign Affairs.<sup>69</sup> At the core of the Clingendael methodology is the Stability Assessment Framework (SAF).<sup>70</sup> The SAF integrates a number of elements into the analysis: macro-level structural indicators; institutional capacity; political actors; and policy interventions. In addition, the assessment process incorporates a workshop component to bring together policy-makers, staff members, and local partners.<sup>71</sup> The workshop is intended to provide an opportunity for dialogue, information sharing and consensus building. It serves to consolidate the stability

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<sup>65</sup> DfID, "Why we need to work more effectively in fragile states", 16.

<sup>66</sup> Prime Minister's Strategy Unit. "Investing in Prevention: A Prime Minister's Strategy Unit Report to the Government. An International Strategy to Manage Risks of Instability and Improve Crisis Response."

<sup>67</sup> Ibid, 16-39.

<sup>68</sup> Ibid, 42-46.

<sup>69</sup> Clingendael, "The Stability Assessment Framework: Designing Integrated Responses for Security, Governance and Development", (January 2005), available: <[http://www.clingendael.nl/publications/2005/20050200\\_cru\\_paper\\_stability.pdf](http://www.clingendael.nl/publications/2005/20050200_cru_paper_stability.pdf)>.

<sup>70</sup> Ibid, 5.

<sup>71</sup> Ibid, 54.

assessment and constitutes a forum in which to explore options for international policy intervention.

The strength of these assessment methodologies is their reliance on multiple sources of data and a variety of analytical approaches. This type of approach was developed by David Nyheim and Samuel Doe, among others at the London-based Forum on Early Warning and Early Response (FEWER) working in partnership with research organisations and NGOs in the conflict prevention field. FEWER promoted a highly integrated and comprehensive framework, combining risk assessment and early warning. Not surprisingly, the FEWER framework continues on in different slightly guises at Clingendael and DfID both of whom contributed to FEWER's analytical and financial capacity building. Additional inputs came from some of its core members: structural indicators from CIPP; events-based data from FAST based at the Swiss Peace Foundation; and country expertise from local NGOs like the West African Network for Peacebuilding (WANEP) and EAWARN in the Caucasus. The rationale behind the FEWER methodology was the basic understanding that no single analytical approach, be it data- or judgment-based, was capable of adequately capturing the complexity of risk potential or of providing a sufficient foundation upon which to develop early warnings to emerging crises. Although FEWER has disbanded, the integrated approach employed by the network has since become the basis for a number of methodological frameworks, including those above.

The second strength of the above analytical frameworks is the inclusion of an assessment of the impact of state failure on the donor's interests and the likely consequences of their intervention in failed or failing states.<sup>72</sup> Building response strategies on a foundation of relevancy raises the likelihood of firstly international actors engaging, and secondly, once engaged, that the implemented responses will

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<sup>72</sup> The impact assessment element is an outgrowth of the work on absorptive capacity, the ability of developing countries to absorb and effectively utilise development assistance. However, the focus is shifting to how donors can craft response strategies that are more appropriately attuned to the specific needs and capabilities of developing partners.

be maintained for a sufficient period of time and with a sufficient intensity to have a positive impact on the incidence of state failure or instability.

### **A Way Forward for Canada**

Canada's current efforts to develop its analytical capacity with respect to failed and fragile states did not emerge in a vacuum. Recent examples of this tradition extend from the Human Security agenda advanced by successive Ministers of Foreign Affairs and International Trade in the latter half of the 1990s, to the current initiatives enunciated in the ISP, including the Responsibilities Agenda, the new Global Peace and Security Fund, and START. CIFP's Fragile States Analysis and Assessment project is also successor to previous attempts by CIDA, along with its domestic and international partners, to create analytical and assessment tools to aid in policy and programming decision-making in unstable or otherwise conflict-prone areas.

Between 1997 and 2003, CIDA's Peacebuilding Unit (now Peace and Security), under the direction of Susan Brown, played a key role in advancing the role of analysis, assessment, and conflict sensitive programming in conflict-plagued regions. Together with a number of international partners – the German Agency for Technical Co-operation (GTZ), the Dutch Foreign Ministry and the Swedish International Development Agency (SIDA) – and a variety of NGOs – FEWER, International Alert, and Saferworld from the UK; the Africa Peace Forum (APFO) in Kenya, the Center for Conflict Resolution (CECORE) in Uganda, and the Consortium of Humanitarian Agencies (CHA) in Sri Lanka – CIDA pioneered the Peace and Conflict Impact Assessment (PCIA) initiative. Domestic partners included the International Development Research Centre (IDRC) and DFAIT-AGP. The PCIA initiative sought to create a series of tools to aid in programming and policy decision-making. Though not concerned with fragile states *per se*, the initiative's focus on

early warning and early response, driven by objective analysis and risk assessment, clearly has much in common with current efforts to enhance monitoring and assessment capability in fragile state environments.

In addition to its efforts to develop tools to aid policy, the PCIA initiative also sought to enhance research and policy networks in Canada, bringing together academics, policymakers, and makers of the NGO community with expertise in monitoring for, and responding to, conflict. Again, though the present remit to monitor and assess fragile state environments goes far beyond issues of peace and conflict, the latter are nonetheless important pieces of the fragile state puzzle. Given this, the previous analytical tools and policy networks developed over the course of the PCIA initiative should be revisited, re-evaluated, and – whenever appropriate – reintroduced to current policy through the fragile states project. The following table contains partial lists of analytical tools and project participants related to the PCIA initiative that may be relevant to the current fragile states project.

**Table 1 – Partnerships and Outputs**

Tools	Description	Possible contribution to Fragile States Project
"Conflict and Peace Analysis and Response (CAPAR) Manual," (FEWER, July 1999)	This manual provides a basic qualitative risk assessment template. It does not provide a definitive list of indicators, or even indicator clusters; instead, it employs sectoral analysis (economic, political, socio-cultural, and institutional), using a framework of drivers, accelerants, and triggers to operationalize assessment and warning (cf. Harff and Gurr, 1998). Its simplicity enhances its adaptability, but limits its capacity to provide complete and comprehensive risk analysis and early warning.	Manual may provide some guidance in establishing state failure analytical methodology; more importantly, those involved in the forum represent an important source of expertise in the field of conflict analysis; some of which will undoubtedly be of use to the current project. Given its international nature, successful rekindling of FEWER networks may significantly enhance efforts to increase policy harmonization at an international level through shared analytical techniques, and possibly even shared analysis. Also includes a recommended set of indicators identified through the Africa Peace Forum, PIOOM Foundation, Russian Academy of Sciences/Institute of Ethnology, United Nations High Commissioner for Refugees/Centre for Documentation and Research, and the University of Maryland.
"Developing Capacity for Conflict Analysis and Early Response: A Training Manual," (UNDESA,	Based upon FEWER manual. Provides a framework for a 5 day intensive training course for policymakers, members of the NGO community, as well as parties to the conflict. Provides grounding in then-current conflict theory, while also building analysis and assessment capacity among participants.	Both documents represent previous practical applications of the PCIA approach; they may be reviewed as efforts to both integrate recent conflict theory into the FEWER assessment manual and broaden and operationalize the FEWER methodology for practitioners
"Preventive Peacebuilding in West Africa," (WANEP, October 2000)	a region-specific adaptation of the FEWER CAPAR manual	
PCIA – Peace and Conflict Impact Assessment Resource Package; also known as Conflict Sensitivity Approach	Conflict sensitive approaches to development, humanitarian assistance and peace building: tools for peace and conflict impact assessment	Methodology should be incorporated into CNA Impact Assessment, providing an important resource when assessing the impact of current projects within a fragile as well as the potential impact and consequences of further intervention.
ICISS – R2P	A response to the perceived failure of the international community to respond to several internal conflicts of the 1990's, the document lays out a new definition of sovereignty that includes rights and responsibilities for sovereign states, and outlines avenues for international intervention should states fail to meet those responsibilities.	R2P and the Fragile State strategy are largely complementary, as the states most likely to fall under the mandate of R2P are fragile and failed states. Thus, R2P will prove an extremely valuable resource when developing government strategies to respond to fragile and failed states.

**Table 2 – Cooperation and Networks**

Partner	Role	Possible contribution to Fragile States Project
CIDA-PBU	Coordinated CIDA's policy on conflict prevention and post-conflict reconstruction; CIDA bureau responsible for PCIA initiative; organized a series of broadly attended workshops organized geographically, focusing on the Philippines, the Great Lakes region, Sierra Leone, and the Congo. These workshops provided case studies for the conflict sensitivity resource package.	Learning from PCIA may be of use to SF project in developing methodology for impact assessments; networks established during the project should be possible and appropriate
DFAIT-AGP	Coordinated DFAIT policy on issues of Global Peace and Security; involved in PCIA initiative.	
IDRC	Funding source for the PCIA initiative	May be interested in promoting elements of the fragile state strategy applicable and beneficial to NGO community, both domestically and internationally.
FAC-GPSF	New \$100 million funding envelope within FAC; also responsible for new Stabilization and Reconstruction Task Force (START). Will undoubtedly be a key player in Canada's response to fragile states as they weaken further and exhibit signs of failure. Will fund secondments from all 3 D's, providing a natural nexus for interdepartmental coordination.	To be effective, GPSF and START will require a risk assessment and early warning system, to allow for preventive deployment. Those efforts must also be coordinated across government departments, to ensure a coordinated and rationalized response by the Canadian government.
DND	CFEC	Effects-Base Planning and Operations
FEWER	An intergovernmental, interorganizational forum dedicated to improving policy through integration of early warning and early response into decision-making cycles when programming in situations of potential conflict.	Now defunct, the results of FEWER may be mined for insight into effective early warning and response; contacts established between CIDA, IDRC, and other international agencies and organizations may be revisited for input into Fragile State project
CPCC	A network bringing together Canadian NGOs dedicated to the prevention of conflict.	Likely to be an important player in mobilizing civil society support for CIDA's current state failure project. Given CIDA's approach focuses on the prevention of conflict whenever possible, CPCC likely to be quite receptive and supportive.
The West Africa Network for Peacebuilding (WANEP)	The lead FEWER organization in West Africa, WANEP is still functioning in the region.	Familiar with early warning and risk assessment methodologies; may become partner in implementing initial state fragility projects

CIFP has been tasked by CIDA to assist in the development of a number of wide-ranging tools that encompass, among other things, monitoring, forecasting and evaluation of failed and fragile states and supporting policies to address them. Such tools will be used to *assist the Canadian government in resource allocation to improve whole of government approaches, develop comprehensive country-specific strategies and to enhance information sharing with allies and partners within multilateral fora*. Project outputs will build on CIFP's current work in conflict monitoring, training and risk analysis and expands the range of indicators that are relevant to assessing state failure and fragility.

**Table 3: CIFP's Primary and Secondary Consequences of State Failure and Fragility**

Indicators of Fragility	Primary Consequences (for failed state)	Secondary Consequences (for region)
Governance	Parties competing for political power Widespread corruption and extortion Atrophy of state capacity Decaying national infrastructure Suspended provision of services e.g. electricity Erosion of civil society	Regional power vacuum Political parties seeking sympathy in neighbouring states Destabilization of political authority in neighbouring states
Economic	Poverty and unemployment Hunger / famine Inflation, deficits, debt Obstructed or withdrawn trade, aid, and investment Smuggling and black markets	Smuggling and black markets Increased competition for employment in neighbouring states Contagion – withdrawn investment from neighbours in anticipation of economic collapse
Security	Conflict over borders and territory Ongoing political disagreement, failed peace talks, broken treaties Looting of natural resources and apprehension of land by rebel groups	Insurgent bands operating and recruiting Deployment of peacekeepers in the region Aggravated inter-group hostility
Crime	Child soldiers Privatization of security and internal arms races Killings, robbery, rape	SALW and drug trafficking
Human Development	Human rights abuses, esp. against women, children, and minorities Spread of infectious disease	Spread of infectious disease across borders
Demography	Mass migration and IDPs Civilian casualties Increased number of orphans	Human trafficking Cross-border refugee flows and camps
Environment	Environmental degradation Competition for resources	Environmental degradation Competition for resources

