
CIIA Second Round Table on Failed & Fragile States

Ottawa, May 16th, 2007

RECOMMENDATIONS FOR CANADA'S INTERNATIONAL POLICY

These recommendations emerged from the discussion of a group of experts, drawn from non-governmental organisations (NGOs), government and academia, at Carleton University on May 16th, 2007. The Round Table was organised by the National Capital Branch of the Canadian Institute of International Affairs and chaired by Bob Anderson, vice President Americas at the Canadian International Development Agency. It was a follow-up meeting to a Round Table on Failed and Fragile States held as part of a series organised across the country by the Canadian Institute of International Affairs (CIIA), with financial assistance from the Department of Foreign Affairs, on specific aspects of the International Policy Statement which the Government launched in April 2005. A list of participants is attached.

This round table built on the previous discussion held 19 November 2005 that focused on addressing the multiple challenges posed by failed and fragile states. Principles for intervention elaborated in the first roundtable include 1) Giving Priority to Intervention, 2) Exercising Political Leadership, 3) Strengthening Diplomatic Capacity, 4) Expanding Economic Opportunities for the Affected Population, 5) Engaging the Diaspora, 6) Sustaining Our Commitment, 7) Promoting Justice Development, 8) Fostering International Co-ordination, 9) Building «Whole of Canada» Linkages, and finally, 10) Distilling Lessons Learned.

This round table sought to explore the recommendations from the first round table in more depth by considering them in the context of two countries generally recognized as “fragile”, Guatemala and Guyana. General recommendations of the second roundtable emerging from the two case studies are immediately below while the next two sections focus on country specific recommendations and the final section highlights key obstacles to Canadian action .

The Round table recognised the importance of establishing clear and specific Canadian interests and potential roles, working bilaterally and in multilateral fora. There was accord that diagnosis and programming should consider both states not only as units, but also as parts of larger regional systems. Participants agreed that strengthening preventive diplomacy is crucial, as is “staying the course”, thereby avoiding the humanitarian toll and greater costs and challenges

posed by a failed state and its reconstruction. Enhancing government working partnerships with state, civil society, business, academic, and media actors, as well as better coordinating the roles and contributions of donor governments and multilateral institutions so as to more effectively focus limited resources for success is also essential. Concern was also expressed about the fact that the Canadian aid program gives priority to well-performing developing countries and no longer targets fragile countries – thereby increasing the likelihood that fragile countries will become failed states with critical requirements that will drain the foreign aid budget – as for example is occurring with Afghanistan. In other words, Canada’s aid program should also give priority to “prevention”, ie. Actions and programs intended to “prevent” a *fragile* state from becoming a *failed* state.

Round table participants also noted the necessity of recognising the unique interaction of disparate cultures with state fragility, and adapt the Canadian approach to these realities. Finally, there was consensus that all parties interested in addressing problems of country fragility should strengthen cooperation and work to create a toolbox of best practices that can increase the efficiency and effectiveness of intervention while doing no harm.

One participant argued that gains in effectiveness and efficiency could be realised by moving from reaction to prevention in situations of failure and fragility. Since bringing back a failed or a collapsed state is far beyond the scope of most development, diplomatic and defense budgets, there are significant returns to prevention. Preventive engagement can be effective, from both a budgetary and human security standpoint, compared to those that focus on peacebuilding and reconstruction. Accurate diagnosis of the problem is an important first step to getting prevention right. Diagnosis and accompanying early warning capacity should support the development of capabilities in preventive diplomacy and action. Both diplomacy and action should be aligned with local priorities and systems, and should recognise the links between security and development. Finally, the importance of ongoing assessment of the impact of programs with an eye to unintended consequences was highlighted.

The two following sections provide country specific analysis and recommendations for Guatemala and Guyana. The participants think that Canada’s new government will find these ideas useful as it works to contribute to improving conditions in fragile states in ways that are in keeping with Canadian interests and capabilities.

Guatemala

Guatemala’s Current Situation

Guatemala remains fragile with weak state authority, legitimacy, and capacity. Central issues affecting Guatemala raised by participants included the lack of government capacity to react to sudden change, corruption and the lack of

government transparency, drugs-cartels involvement in the politics and economy of the country as well as weakness of the police and judicial system.

Following its 36-year civil war Guatemala suffers from poor security and high levels of organised violence orchestrated by street gangs (known as *Maras*) and drugs cartels operating in the Northern regions of the country. High levels of unemployment, abundant light arms, and a corrupt and inefficient police force contribute to the Government's lack of control and its inability to provide security. The state is also struggling to establish effective control over its borders, to prevent the illicit flow of persons and goods, and reduce criminality.

Guatemala shows the lowest levels of human development in Latin America after Haiti. State legitimacy remains challenged by weakness in capacity that contributes to this situation. Over the years government has insufficiently addressed the needs of indigenous people, youth, as well as women and girls. Going forward, the presidential candidacy of Rigoberta Menchú could mobilise excluded indigenous groups politically and exacerbate social tensions.

While the international community was very active in the five years immediately following the civil war, it has paid insufficient attention since then and failed to adequately support economic recovery. The presenter stressed that Canada's initial engagement with Guatemala has since been dramatically reduced and does not contain a long-term component.

Some of the Canadian government initiatives were nonetheless highlighted. Officials from the Foreign Affairs and International Trade Canada mentioned the various mechanisms in which donors already coordinate in Guatemala, such as Donor Coordination Group at HOM level and OAS Friends of Guatemala and Belize. The fact that human rights are one of Canada's main priorities in the country, and the participation of women, youth and indigenous groups are a key element of our engagement in Guatemala was also stressed. Finally, initiatives such as the Canada-Guatemala Chamber of Commerce and recent CSR conferences were also mentioned. In term of regional perspective, DFAIT officials highlighted Canada's support of the CA4 negotiations and steps towards integration through SICA, Plan Puebla Panama and other similar mechanisms.

Recommendation for action

Considering Guatemala's main challenges, round table participants made the following recommendations:

1. It was the view of the participants that continuity and increased coordination between donor countries, including Canada, and NGOs would allow for greater efficiency and effectiveness in programming.

2. The need to look for good in-country partners and engage the Guatemalan Diaspora in Canada and beyond was highlighted.
3. The importance of a regional approach was also stressed as a key way to battle crime and strengthen Guatemala's security sector. Participants agreed that Guatemala's capacity and criminality problems had to be viewed within the Central American context because they are closely interlinked with issues in Mexico, El Salvador, Honduras and Nicaragua.
4. With a modest level of investment to make in Guatemala, Canada's aid program should specifically target interventions providing tangible results. Interventions should concentrate on areas in which Canada has strengths, and also in areas which Guatemala sees as a priority. This can include areas such as providing analytical and institutional capacity expertise.
5. Finally, participants emphasised the importance of recognising potential fault-lines that could provide a future basis for conflict, including ethnic divisions and inequality, and integrating lessons learned into future planning.

Guyana

Guyana's Current Situation

Guyana is fragile and at risk of failure but the government and non-government structures in place appear to keep Guyana on course at the moment. Round table participants concluded that the main problems facing the state include insecurity and a lack of public confidence in the government's security services, poverty, inequality, ethnic tension, corruption and organised crime. The failure of public security has led to an explosion of privatised security, and this is a major drain on the economy. A combination of media rhetoric, small arms availability, and security dilemmas for ethnic groups create a volatile environment.

The Caribbean as a region is suffering an exodus of educated individuals who could provide much needed leadership and expertise and Guyana is no exception. Despite the hope that can be garnered from recent successful elections, Guyana's fundamental problems remain unchanged. The current government is unwilling to seriously address issues of security sector reform although this is the sector most in need of change. Finally, Venezuela claims roughly one third of Guyana as its own territory and has tense relations with its neighbour.

Round table participants noted that although Guyana currently depends on exports of sugar and is vulnerable to price fluctuations of this primary product,

recent discoveries of oil could alter the economic base and increase the country's strategic importance. It could also bring in new development partners, such as China. This could bring mixed blessings if Guyana were to follow the same path as other energy rich states in the region with poor institutional strength.

Recommendations for action

1. Participants recognized that a consortium of donors working together could have more success in pushing for security sector reform than any single donor working alone. At the national level Canada should strengthen its "Whole of Government" approach to capitalise on the capabilities that each agency has developed over years.
2. One presenter stressed the need for aid to be made conditional upon improved government performance in this area and others. It was thought that this approach would prevent the Guyanese government from adopting a pick-and-choose approach and taking advantage of donors' help without reforming key sectors of concern. Others considered that the "stop-go" approach to aid that conditionality produced did more harm than good to country development over the long term – a perspective that the World Bank has now adopted.
3. It was also mentioned that Guyana's Diaspora in Canada is organised and benefits from active leadership that could work in partnership to multiply Canada's policy effectiveness.
4. NGOs can also act as valuable partners. Both Canadian and foreign organizations have a long history of engagement with the country including with NGOs domestic to Guyana. These NGOs could provide a wealth of knowledge and expertise to complement Canada's strengths.
5. Successful engagement with Guyana requires clear and well-defined targets, determination, risk acceptance, and a long-term commitment by the Governments of Guyana, Canada and other development partners. If successful, a significant Canadian engagement with Guyana could provide Canada with increased credibility and influence in the region. Moreover, compared to Guatemala, addressing Guyana's challenges appears to be a better fit for Canada to work with as a significant development partner than would Guatemala.

Obstacles

Round table participants made the point that several obstacles continue to prevent effective action by development partners. Coordination is hampered by

the fact that different actors have different objectives, making reaching consensus on priorities difficult except at the most general level. Scarce diplomatic resources limit Canada's capacity for preventive diplomacy. Long-term planning that would provide for continuous involvement is constrained by budgetary processes that emphasise year-to-year commitments. Effective action is also hindered by the lack of influence on local government caused by Canada's low financial engagement in the case of Guatemala, and the fact that Canadian and recipient countries' priorities often differ, so that for example, coordination with other donor countries is difficult in the case of Guyana. Regional cooperation also faces obstacles such as the vested interests of existing organisations including the Organization of American States (OAS).

Finally, Canada's priority focus on the "failed" states Haiti, Sudan and Afghanistan limit the resources available for aid to other countries such as Guatemala and Guyana. Canada currently lacks a mechanism that would enable the government to establish priority countries based on interests and threats to Canada and the region. Tension exists between Canada's need to focus its aid and its concerns about leaving the valid problems of other countries of concern not addressed. This reality is a problem for preventive actions, because prevention works best when problems are addressed early, before they necessarily attract attention in a reactive paradigm.

Conclusion

Despite these obstacles Canada can take practical steps to make the assistance it provides to Guyana and Guatemala more effective, and to ensure that positive outcomes are promoted. The most important of these are ensuring an accurate and systematic understanding of the problems these countries face, improving donor coordination, ensuring long-term commitments, focusing on prevention and being willing to take risks in order to realise gains.