



**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

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THE SECURITY AND DEVELOPMENT NEXUS: CHALLENGES FOR AID

DAC High Level Meeting, 15-16 April 2004

This paper has been prepared to help launch the DISCUSSION under item 3a of security and development issues at the DAC High Level Meeting on 15-16 April 2004.

The paper refers to the request to the HLM for endorsement of the "Security System Reform and Governance: Policy and Good Practice" [DCD/DAC(2003)30/REV3], and to the proposal on ODA eligibility regarding security and conflict [DAC/CHAIR(2004)3].

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"The narrow definition of security as it is applied to states is inadequate for present realities and therefore misleading. One must go deeper into the structure, into the ethnological strata, as it were, of states, and broaden the notion of security to include that of people. The security of states and the security of peoples are clearly intertwined, for the insecurity of peoples inexorably leads to the disintegration of states and to regional and international instability." - "Security for Peoples, Security for States", Speech by Sergio Vieira de Mello (1996)¹

I. Why is security important to development? What challenges and risks does development co-operation face in working on security issues?

What are the relative costs and risks of working on security and conflict issues in relation to those of not doing so, or of not giving them sufficient emphasis?

1. Security from violence is fundamental for reducing poverty and achieving the Millennium Development Goals (MDGs) and, more broadly, for sustainable economic, social and political development. Where violent conflict breaks out, within or between countries, development is arrested. Related problems – such as trans-national crime and corruption, terrorism, the emergence of ‘war economies’, arms and drug trafficking, and the illicit proliferation of small arms and weapons of mass destruction – pose increased threats to people, nations and international security. Globalisation has transformed relationships among and within states. Security has thus emerged as a vital concern for development. This is most explicitly enunciated in the human security agenda² with its focus on building open and responsive states that ensure the livelihoods and safety of their people.

2. In 2001, Ministers and Agency Heads in the Development Assistance Committee committed - in the Policy Statement to the DAC Guidelines on *Helping Prevent Violent Conflict* - to help partner countries to manage and resolve disputes through peaceful means, democratic norms, and the application of sound principles of governance and the rule of law. Experience has shown the need for sustained involvement, and close co-ordination of external partners. The ‘cost of neglect’, letting countries drift into deep difficulties or become failed states, can be huge, at the national, regional, and international levels. As one indication of the costs of violent conflict (and natural disasters), the share of humanitarian assistance has risen sharply, from about 3 per cent of Official Development Assistance (ODA) in the 1980s to close to 10 per cent in recent years.³ And aid should not stop when the humanitarian crisis is over. There needs to be a seamless transition from humanitarian to reconstruction assistance and long-term development. This is another indication of the need to focus more on the links between security and development. It also demonstrates a need for OECD governments and multilateral institutions to adopt more proactive conflict

¹ Speech to NATO in his capacity as UN Assistant High Commissioner for Refugees (1996) www.csdr.org/96Book/deMello.htm.

² The report to the United Nations Secretary General by Sadako Ogata and Amartya Sen on 1 May 2003 articulates the relevance of human security to development.

³ This covers aid in response to both natural and man-made disasters, including refugee assistance. Development Co-operation Report 2003 www.oecd.org/dac .

prevention and peace building strategies that include identifying tools for effective early intervention and generating political will to prevent, rather than just respond to, insecurity and violent conflict.

3. Democratically run, accountable and efficient security systems can help enhance the security of the people and reduce the risk of violent conflict: this is the goal of security system reform (SSR).⁴ SSR goes well beyond the narrower focus of security assistance on the armed forces, intelligence and policing. The security system includes in addition: judicial and penal institutions; the elected and duly appointed civil authorities responsible for control and oversight (e.g. Parliament, the Executive, and the Defence Ministry); and civil society institutions, including the media. This important aspect of work on conflict prevention and security is covered in the policy statement and paper presented for approval at this High Level Meeting (HLM): "Security System Reform and Governance: Policy and Good Practice" [DCD/DAC(2003)30/REV3], developed by the DAC Network on Conflict, Peace and Development Co-operation (CPDC).

II. Where are reinforced efforts to address security and development issues needed?

As development agencies increasingly engage in this politically sensitive area, what are the implications for aid allocations and volume?

4. Work on security and development, and SSR in particular, is relevant to all partner countries. It is particularly important to those exposed to violent conflict, and to other "difficult partnerships", being addressed by the Joint Learning and Advisory Process on Difficult Partnerships (LAP).⁵ These countries need help to address their severe weakness in governance systems and civil society in order to help prevent them from falling into - or relapsing into - armed conflict or state failure. They need support to meet the needs of the people by dealing with issues such as insecurity, endemic corruption, a lack of capacity and basic social services and to achieve the MDGs. Key conflict-related issues include: competition over natural resources that fuels violent conflict and is exacerbated by corruption; and endemic corruption's contribution to state failure. Donors need to be committed to staying engaged in these countries. Their commitment must be long term, sustained and co-ordinated among external actors.

5. Working more effectively on the range of issues at the nexus of security, conflict, peace and development raises dilemmas about how to allocate aid to "strong" country programmes and at the same time provide additional support to conflict-prone and other "difficult partnership" countries. Diversion of aid from better performing nations is not the answer. The needs of fragile countries in difficulty must be additional and built into a necessary increase in overall aid.

III. How can there be more coherence, within and across OECD governments, on security issues?

Coherent approaches to security across OECD governments are needed. How can agencies and ministries with lead responsibility for development work more effectively with other parts of government on conflict and security issues, including on SSR? What are the challenges and opportunities of different approaches to establishing government-wide mechanisms to assure coherent, government-wide responses on development, including SSR and other security issues?

⁴ *The DAC Guidelines: Helping Prevent Violent Conflict (2001), policy statement, page 15.*

⁵ The LAP is a partnership sponsored by the DAC's Networks on Governance (GOVNET) and Conflict, Peace and Development Co-operation (CPDC), established through active collaboration with the World Bank (WB), the European Commission (EC) and the United Nations Development Programme (UNDP). The DAC uses the term "difficult partnerships" to describe countries characterised by weak governance, lack of capacity or willingness to address poverty reduction issues, and often violent conflict.

6. OECD governments are increasingly seeking ways to improve the coherence of their policies in dealing with security and conflict issues. Coherence requires identifying a common goal, employing the full range of policy and funding instruments: diplomacy, trade, finance and investment, defence and development co-operation. Development agencies should be proactive in promoting government-wide support for development priorities. This is crucial to achieving the MDGs, security and other development objectives. Comprehensive approaches contribute more broadly to regional and global security, including more specifically to the national and international security concerns of OECD countries.

7. Using an appropriate and coherent mix of policies requires government departments to work together differently. Such “joined up” approaches require comprehensive and context-specific strategies and additional capacity, including new institutional mechanisms. DAC Members are trying interesting innovations, with potential for broader application and adaptation. The United Kingdom and the Netherlands, for example, have developed new inter-ministerial committees and funding mechanisms. In these approaches, each branch maintains its comparative advantage and mission, drawing on the full range of budgetary options to respond to violent conflict and insecurity.⁶ Potential clashes – for instance between military and development objectives – need to be resolved at a high level in the light of clear analysis.

8. It is also crucial to help partner countries lead the way to their own vision of addressing security and conflict issues so that support to security-related programmes is not misinterpreted as an attempt to mould partner country security institutions and objectives according to individual donor government priorities. This involves facilitating partner country-led strategies, harnessing the vision and capacity of local actors - such as civil society and women - and developing and supporting local initiatives for SSR. Improved coherence, as well as the involvement of the United Nations or regional organisations, can also assist in addressing these concerns.

9. The security system reform agenda in particular cannot be defined in terms of what development actors alone can do. Development co-operation agencies can help their governments avoid contradictory policies by playing a key role with other relevant parts of government and within multilateral organisations to set up policy frameworks for SSR. This is a tough challenge that some are already addressing.

IV. How can the international architecture and aid co-ordination for conflict prevention be improved?

What challenges are faced in intensifying collaboration among OECD governments and with multilateral institutions, and how can the appropriate division of labour be successfully developed?
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10. OECD governments could work together to bolster the capacity of key international players, like the UN and the European Union, in order to improve their peace building, conflict prevention and peace keeping capacities and promote better co-ordination in international responses to crises and more effectively support regional efforts for peace and security.⁷

11. Bilateral development agencies are currently emphasising increased co-ordination, harmonisation and alignment in their work with partner countries in the DAC Working Party on Aid Effectiveness. This type of collaboration is even more important, although more difficult, in countries subject to serious security and conflict problems. For example, bilateral and multilateral donors need to agree on joint or common conflict and security assessments in these countries. Innovative approaches are also required since

⁶ *Security Sector Reform Policy Brief*, United Kingdom Department for International Development, the Foreign Commonwealth Office and the Ministry of Defence (2003).

⁷ Report of the Panel on United Nations Peace Operations, “The Brahimi Report” www.un.org/peace/reports/peace_operations/.

ordinary aid co-ordination mechanisms tend to work less effectively. In addition, the need to involve other donor-government ministries not yet familiar with the harmonisation agenda makes this effort that much more of a challenge that must be addressed.⁸

V. How can OECD governments deal with security and conflict-related issues while preserving the integrity of Official Development Assistance (ODA)

What are the implications for ODA definitions? What political questions arise in considering the ODA eligibility of conflict, peace and security-related issues?

12. As donors focus on achieving the MDGs, the current global security context requires their governments to respond to crises abroad with both national security and development concerns in mind. It is important that the objectives of poverty reduction, peace and security remain mutually supportive.⁹ The need to provide clarity on what is considered “development” and what can and should be considered ODA has become more acute. In this connection, it is also important to develop whole-of-government responses that are development friendly, to ensure that development funds are not misused, and to preserve the integrity and credibility of ODA statistics.

13. As noted, in a few donor countries, systems are in place already, in principle, to allow operational actions to be funded from several budgetary sources. In other cases, demands on development funds to support non-military aspects of peacekeeping forces have increased. In the case of the African Peace Facility, the European Development Fund is providing €250 million, even though this will not be recorded as ODA.

14. Supported and guided by the Senior Level Meeting on 10-11 December 2003, the DAC CPDC Network and DAC Working Party on Statistics held a workshop to discuss the extent to which ODA definitions and the creditor reporting system capture development-related donor allocations for preventing conflict and building peace, improving security, and providing relief, rehabilitation, and reconstruction in war-torn countries. As requested, the workshop established a two-track approach to reaching agreement. Members agreed *ad referendum* on seven items for clarification in the ODA directives (“Tier One”), and two items for further discussion (“Tier Two”). The Tier Two items – training of security forces and peace keeping – require political guidance and further discussion. The DAC Chair is circulating his recommendation for reaching consensus in this area.

15. Issues raised at the workshop regarding Tier Two items included the following:

- Regarding training, the issue is how to ensure that security forces in developing countries receive essential training in such areas as human rights, international humanitarian law, gender equality, HIV/AIDS and other health-related issues. One suggestion was that training should be ODA eligible if it is conducted by civilian groups outside of regular military training programmes, as the military would not be directly funded. Others disagreed though, urging that this item should not be ODA eligible and that funding should come from non-ODA sources.

⁸ DAC Guidelines on *Harmonising Donor Practises for Effective Aid Delivery*, 2003.

⁹ Lead Speech by the European Commission, DAC Senior Level Meeting, 2003, DCD/DAC/A(2003)15/RD13.

- In terms of peacekeeping, some members asked whether it is appropriate that support to OECD peacekeeping troops (in the areas specified in paragraph 1.35 of the Directives) is ODA eligible while support to peacekeeping troops from developing countries for the same activities is not. In both cases, concerns were expressed about the risk of big increases in ODA that could undermine the credibility of DAC statistics.

VI. How does SSR fit into this broad agenda, and how can it and other related work best be taken forward?

How can donor governments improve their support to partner countries through SSR? What can development agencies do to further this work?

16. OECD government strategies to help developing countries reform their security systems can provide a critical step on their path towards democracy and the protection of the people and the state. The policy paper “Security System Reform and Governance: Policy and Good Practice” [DCD/DAC(2003)30/REV3] – submitted for approval by the HLM – is designed to guide development agencies and other government departments through some challenges at the intersection of security and development and to examine how to apply sound development principles to SSR. Since SSR is an issue of broad concern to OECD governments, some DAC Members have also suggested that this paper be submitted to the OECD Council for information. Ministers and Agency Heads may want to consider other ways to bring this work to a wider range of actors in other parts of their governments.

17. The follow-up rests primarily with DAC Members and international agencies, but having a sense of the priorities as seen by Ministers and Agency Heads can help give a steer to further work on the security and development nexus. Several DAC subsidiary bodies have, in response to signals from recent DAC HLMs and SLMs, made proposals for further work on conflict and security. These include:

- Implementing SSR policy through regional workshops with partners and the CPDC SSR task team to stimulate increased priority and concrete steps toward SSR (CPDC).
- Further mainstreaming and building political will to establish proactive conflict prevention and peace building efforts (CPDC), and a review of experience in peace building (Evaluation Network).
- Managing the environment and natural resources for peace, as well as improving integrity and corporate social responsibility in conflict zones in collaboration with the OECD Directorate for Financial Affairs (CPDC).
- Encouraging a seamless transition from humanitarian to reconstruction assistance and long-term development (CPDC). In addition, donors have been discussing the concept of “good donorship”, and the DAC is considering whether and how its peer review process might be extended to humanitarian assistance.
- Following guidance from the HLM, the CPDC and the WP-STAT will continue work on ODA eligibility and CRS coding questions.
- Bolstering co-ordination in difficult partnerships and considering aid allocations dilemmas between these and "stronger" country programmes (LAP).
- Supporting anti-corruption efforts, including through the DAC high level event, "The DAC Development Partnership Forum on Improving Donor Effectiveness in Combating Corruption" on 15-16 June 2004 (GOVNET), to be carried out in collaboration with several OECD Directorates.
- Addressing issues of trafficking of women and children in conflict situations (GENDERNET).