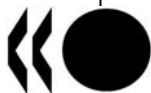


Unclassified

DCD/DAC(2009)34/FINAL



Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

07-Apr-2010

English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

DCD/DAC(2009)34/FINAL
Unclassified

LEARNING THROUGH PEER REVIEWS - SPECIAL THEMES (2007-2008)

SYNTHESIS REPORT

This report presents a synthesis of findings from special themes section of DAC peer reviews undertaken in 2007-2008. It contains minor revisions based on feedback on the draft of 27 July 2009. The report has been discussed by the DAC at its 30 March 2010 methodology meeting; although its conclusions were not adopted, the discussion and findings of the report will feed into the process to revise the DAC peer review content guide.

Contact:

Michael Ward - Tel. 33 (0)1 45 24 76 47 - Email: michael.ward@oecd.org

JT03281378

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format

English - Or. English

TABLE OF CONTENTS

OVERVIEW OF SPECIAL THEMES.....	4
1.1 Background	4
1.2 Limitations.....	4
1.3 Linkages between special themes.....	5
1.4 Conclusions	5
SPECIAL THEME: CAPACITY DEVELOPMENT	6
2.1 Background	6
2.2 Peer review findings.....	6
2.2.1 Policy	7
2.2.2 Operational considerations.....	8
2.2.3 What is missing?.....	9
2.3 Conclusions	9
SPECIAL THEME: GOVERNANCE, ACCOUNTABILITY AND ANTI-CORRUPTION.....	11
3.1 Background	11
3.2 Peer review findings.....	11
3.2.1 Policy	11
3.2.2 Resource allocations	12
3.2.3 Organisation.....	12
3.2.4 Implementation	13
3.2.5 Role of non-state actors	14
3.2.6 Knowledge management.....	14
3.2.7 What is missing?.....	14
3.3 Conclusions	15
SPECIAL THEME: CONFLICT, PEACE, SECURITY AND FRAGILE STATES.....	16
4.1 Background	16
4.2 Peer review findings.....	16
4.2.1 Policy	17
4.2.2 Approaches	18
4.2.3 Instruments and modalities	18
4.2.5 Institutional responsibilities.....	20
4.2.6 What is missing?.....	21
4.3 Conclusions	21
ANNEX A: PEER REVIEWS INCORPORATING THE 2007-2008 SPECIAL THEMES	22
ANNEX B: CAPACITY DEVELOPMENT MATRIX	23
ANNEX C: GOVERNANCE, ACCOUNTABILITY AND ANTI-CORRUPTION MATRIX	27
ANNEX D: CONFLICT, PEACE, SECURITY AND FRAGILE STATES MATRIX.....	30

Tables

Table 1. DFAIT and CIDA's roles and responsibilities..... 20

Figures

Figure 1: Share of bilateral allocable ODA committed to the Governance and Civil Society Sector..... 13
Figure 2: Donors' ODA to governance activities 2007 13

Boxes

Box 1. Accra Agenda for Action: Capacity Development Priorities 6

OVERVIEW OF SPECIAL THEMES

1.1 Background

1. In April 2007, the Committee agreed to incorporate a chapter on special themes in the Secretariat (Part Two) reports of DAC peer reviews¹. The purpose of the chapter was identified as “*to promote shared learning on issues specifically chosen by the Committee for their importance to the current context*”². Accordingly, the Committee approved one mandatory topic (“capacity development”) and two elective topics (“governance, accountability and anti-corruption” and “conflict, peace, security and fragile states”) as the special issues for the biennium 2007-2008. The Committee also agreed, that “*on an exceptional basis and pending examiner and Secretariat agreement, the reviewed country ... may propose an alternate second topic*” but that, in this case, the topic “*should offer learning opportunities for the Committee*”. To provide some structure to the dialogue and report, key questions were outlined in a revised content guide³. Finally, in July 2007, the DAC approved the *Learning through Peer Reviews Action Plan 2007-2008*, which included synthesis reports for the biennium on the three special themes⁴. This report responds to that requirement by presenting peer review findings on all three themes in a single document.

2. A total of nine peer reviews were conducted during the 2007-2008 biennium. The peer review of Ireland (March 2009) began before the special themes for the next biennium were selected and accordingly, the 2007-2008 special themes were also applied. The findings of the Irish peer review are therefore also included in this report. These peer reviews (10) included field visits to sixteen countries where, in most - but not all – cases, donor performance against the elected themes was “tested”. The capacity development theme was reviewed in nine peer reviews⁵, the “governance accountability and anti-corruption” theme in five cases and the “conflict, peace, security and fragile states” theme in four cases. Two donors nominated alternative themes – Denmark (private sector development) and Luxembourg (microfinance) (see Annex A).

1.2 Limitations

3. The peer review reports demonstrate the limitations of the DAC peer review process. The overarching aims of peer reviews are both learning and accountability. However, as noted above, the overarching goal of the special themes chapter was unequivocal – learning. Nevertheless, due to time, resource and methodological constraints, commentary in the reports has tended to be skewed towards assessing donor progress against thematic commitments (*i.e.* accountability) rather than systematically documenting lessons. As a result, DAC peer review reports have tended to provide a snapshot of institutional strategies and systems and an audit of the reviewed country’s efforts on the special themes. But the analysis underpinning this inventory has been more limited. As well, the sample size - for the elective topics at least – has been too small to enable substantive or systemic conclusions to be inferred and

1 DCD/DAC(2007)4

2 DCD/DAC(2007)6/REV1

3 DCD/DAC(2007)6/FINAL

4 DCD/DAC(2007)35/ADD1

5 The assessment framework for capacity development had not been agreed at the time of the headquarters and field visit of the EC, which was not, therefore, assessed against this mandatory topic.

the elective provision may have resulted in some bias towards donor good practices. Furthermore, the evidence from the alternative themes selected by Denmark and Luxembourg has not been subject to further scrutiny by the DAC. In brief, DAC peer reviews of development co-operation systems have provided some insights into donor practices but they have yielded rather fewer learning opportunities than might have been anticipated when they were introduced. Moreover, review of the chapters on special themes also reveals some methodological and stylistic inconsistencies across peer reviews. Steps have already been taken to address these irregularities in the subsequent cluster of special themes through revisions to the Content Guide⁶ but these are unlikely to fully address the discrepancy between the evidence-based learning objectives of peer reviews and the content of peer review reports. However, on the positive side of the ledger, renewal of the mandatory theme for the 2009-2010 biennium will at least ensure an expanded sample for the capacity development theme and provide for deeper analysis of trends.

1.3 Linkages between special themes

4. Although not specifically selected on the basis of perceived linkages between the three special themes, the peer reviews have nevertheless reinforced their close association for development practitioners. The accountability of public institutions, the ability of the State to promote and regulate corporate activity and the efficiency of public services are all closely linked to the capacity of State institutions to oversight economic and public sector activity as well as the capacity of civil society to demand good governance. Moreover, weak capacity and weak governance are widely recognised as significant contributors to state and societal fragility as well as featuring prominently in the menu of structural drivers of violent conflict. Other requisites for stability and state functionality (e.g. political will and accountable security sector) also emphasize overlaps with other policy agendas and contribute an important policy coherence dimension to discussions of the special themes.

1.4 Conclusions

5. Inclusion of special themes within the peer reviews has not yet yielded the intended learning outcomes. The extent to which thematic learning can be blended within reviews of systemic accountability may be limited. In order to optimise thematic learning in the future:

- Themes should become mandatory and options to elect or nominate alternatives should be removed.
- Complementary themes with identifiable linkages should be selected.
- Themes should be repeated across several bienniums in order to build a representative sample of case studies or could be supplemented by limited surveys of members not reviewed in the biennium.
- Reports should be re-oriented towards capturing and reporting of lessons and good (as well as, poor) practices.

6 DCD/DAC(2008)46/FINAL

SPECIAL THEME: CAPACITY DEVELOPMENT

2.1 Background

6. The DAC considers capacity development a fast evolving priority. Since issuing the 2006 guidance, *The Challenge of Capacity Development: Working towards Good Practice*, the DAC has sought to assist members make priority use of good practice principles in their bilateral operations. In 2008, the DAC launched a new initiative in capacity development by recruiting a full-time Senior Coordinator (February 2008). The Accra Agenda for Action (AAA) raised the visibility of capacity development further in development dialogues (September 2008), i.e. the AAA contains reference to capacity development in 16 different passages, broadly related to six priority areas (Box 1). Accordingly, in October 2008, the DAC approved a two-year work plan for capacity development, which primarily focuses on implementing the priorities of the AAA through 2011.

Box 1. Accra Agenda for Action: Capacity Development Priorities

- **Civil society and private sector** - Enable local civil society and the private sector to play their capacity role.
- **National, sector, and thematic strategies** - Ensure integration of capacity development priorities in relevant national, sub-national, sector and thematic strategies.
- **Technical co-operation** - Work towards demand-driven technical co-operation and promote the use of local and regional resources, including South-South arrangements.
- **Enabling environment** - Address systemic impediments to local capacity development.
- **Country systems** - Assess, strengthen and promote use of country systems to implement policies and manage public resources, including procurement, financial management, results, statistics and information systems.
- **Fragile situations** - Tailor, phase and coordinate capacity building and development in situations of fragility, including countries emerging from conflict.

7. Because DAC peer reviews are one of the primary references for tracking member practices, they are useful and regular reminders of the need for member systems to evolve with the emerging priorities of the international community. These emerging priorities include the reinvigorated focus on capacity development as a core objective of development co-operation. The new mandate offered by the AAA will require all DAC members to reconsider their own approach to capacity development over the next cycle of peer reviews and, in this regard, the DAC recently renewed the mandate to examine donor practices in capacity development during the 2009-2010 biennium.

2.2 Peer review findings

8. This section summarizes the key findings of the nine peer reviews conducted in the 2007-2008 biennium in which capacity development approaches were examined (see Annex A). It provides a

descriptive overview of i) policies and ii) operational approaches for capacity development, drawn from the main observations, conclusions and recommendations. More detailed information on the status of capacity development themes within the nine DAC member systems can be found in Annex B.

2.2.1 Policy

9. **Growing focus on capacity development and its political dimension.** Capacity development is recognized as fundamental to enhance partner country ownership and leadership of development processes. All reviewed donors acknowledge the need to address capacity development issues in their aid programmes. However, of the nine countries reviewed, only Denmark and Canada have produced documents and/or toolkits that illustrate their overall thinking and approach to guide their staff in designing and implementing capacity development interventions. Definitions and understanding of capacity development used by the reviewed countries tend to be similar, generally in line with definitions used in the DAC 2006 Guidance, i.e. capacity development i) is a multi-dimensional concept that addresses individuals, organizations, and society as a whole, and ii) is not only a technical issue, but primarily a political one and requires political commitment, appropriate incentive systems and government-wide reforms. In practice, peer reviews suggest that, although the majority of capacity development interventions deal with individual skills and learning, the reviewed countries are increasingly interested in the capacities of organizations, institutions, and country systems (public financial management, statistics, procurement, monitoring, evaluation), and the context in which they are embedded (enabling environment). Peer reviews commend such efforts and recommend donors to further enhance their efforts to understand and confront the systemic factors that discourage country-led capacity development. The peer review of Canada notes that donors have an important role to play in helping to position capacity development at the centre of overall policy dialogue and to build a consensus with national authorities on priorities to be addressed.

10. **Mainstreaming capacity development.** The peer reviews observe that capacity development is usually considered a cross-cutting concern and mainstreamed into donor sector/thematic strategies and country programmes. However, the extent to which the reviewed countries have included capacity development in their programmes and strategies varies. For Finland, Luxembourg, Norway and Spain, capacity development concerns are mainly implicit: capacity development receives little direct attention in strategic and policy documents, and it is rarely the explicit aim of a project or programme. Of the nine DAC members reviewed, only Denmark has developed formal guidance that provides a strategic framework and operational direction to systematically address capacity development needs in partner countries. All nine peer reviews emphasise the need to develop a framework or strategy that provides clearer guidance on engaging in, mainstreaming and systematically addressing capacity deficit issues within sector and thematic strategies or country-level programmes, in line with partner countries' objectives. To facilitate monitoring of results, most reviews also highlight the need to identify capacity development as an explicit objective of programmes and strategies, and also observed that guidance should explain how to define, measure, and monitor capacity development outcomes.

11. **Focus areas.** The reviewed countries often have special focus areas for capacity development action, consistent with their own policy objectives and priorities. Australia, Canada and France have a strong focus on capacity development in fragile states and countries with weak governance, to provide support for core state functions and recovery. Australia, Spain and Ireland have a focus on strengthening capacities for local governance and effective decentralization. Some donors are increasingly focused on specific sectors. The peer review of Ireland notes that long term capacity development in specific sectors can contribute to strong partnerships with line ministries.

2.2.2 *Operational considerations*

12. **Re-thinking technical co-operation (TC).** The peer reviews observe that technical assistance (TA), training, twinning, and other TC-driven approaches remain the most commonly funded mechanisms for promoting capacity development. This also includes TA provided by donor experts and advisors, education grants and support to local training and education institutions. Because of the substantial size of their investments in technical co-operation, most countries were encouraged to review carefully the sustainability aspects of their technical co-operation. Reviews note that technical co-operation for some is now being re-cast as part of a broader framework of interventions which requires not only individual skills development but also political commitment, favourable incentive systems and government-wide reform processes. Australia, Denmark and France are currently revising their technical co-operation approach to increase its effectiveness. Recommendations increasingly affirm that technical co-operation should be demand-led, integrated into national and sector programmes, and should rely as much as possible on local resources and expertise, and on the use of country management systems to promote partner country ownership. A special concern in many reviews has been the approach to scholarship and educational grant programmes, which often seem disconnected from broader development programmes and objectives (Australia, Ireland, and France). Another important issue has been the provision of technical assistance through foreign experts. Some countries (France, Australia) have relied extensively on the placement of advisors within partner country systems, often on a long-term basis. In some cases, this has led to unnecessary substitution for local capacity and potentially jeopardised prospects for country ownership. Several reviews (France, Australia, Ireland, Norway and Spain) noted, however, a renewed effort to use local expertise, where available, and to promote South-South cooperation as an alternative to placements of advisers.

13. **Tools for capacity development.** For some reviewed countries, targeted operational guidance in the form of tools, methodological guidelines or training packages has been produced, revised, or is under review. However, tools and guidelines for capacity development are often developed in isolation from the experiences of other donors. The peer reviews have encouraged all countries to join together to avoid duplication of efforts and to fuel more efficient collaboration in development and dissemination of tools (e.g. joint training packages). More specifically, several reviews emphasized the importance of strengthening analytical approaches. The design of capacity development interventions must be preceded by a thorough analysis of existing capacities and capacity needs at all levels. Clear guidance should be provided to partner governments and donors on how to jointly and systematically conduct this type of investigation.

14. **Co-ordination and joint efforts.** The peer reviews promote member country collaborative frameworks to support capacity development in partner countries, especially to assure co-ordination and alignment with nationally identified needs and priorities, and to avoid fragmentation and duplication of interventions. This is especially critical in fragile situations but is also applicable to more stable situations where dispersed initiatives can drain the resources and commitment of partner countries. While most of the peer reviews pre-dated the AAA, the peer review of Ireland hints at the potential utility of using the AAA to provide a framework for co-ordinated action.

15. **Enabling non state actors.** Several peer reviews have highlighted the importance of involving non-government actors – including civil society organizations, media, local authorities, parliaments and private sector – in capacity development interventions. This can contribute to promote greater social inclusion in decision-making at the central and local level and to strengthen non-government level capacities. Several reviewed donors were invited to enhance their understanding of how to harness fully the potential of non-government actors to contribute to capacity development and to evaluate their experience in working with them.

16. **Organising for capacity development.** Australia, Denmark and Ireland have specifically appointed an administrative unit within their systems to provide guidance on capacity development issues. In the remaining six countries covered in this synthesis, capacity development responsibilities are shared among different agencies or administrative units. This can create co-ordination and fragmentation issues. The peer reviews point out that the lack of an overarching strategy or policy statement on capacity development heightens this risk, as different actors within the same donor system are not driven by a common approach and vision on capacity development.

17. **Evaluate capacity development interventions, synthesise and share best practices.** The evaluation of past and existing initiatives on capacity development helps synthesise lessons learned, identifies failures and successes and provides guidance for future action. Of the nine countries considered, only Denmark and Australia have conducted studies or evaluations that draw lessons from their experiences in capacity development. None of the remaining members countries reviewed have evaluated capacity development efforts made so far in relation to impact, effectiveness or sustainability. Reviewed countries were encouraged to share information on good practices for capacity development - which could be adapted and replicated elsewhere. This will require more systematic attention to evaluating capacity development impacts in the future.

2.2.3 *What is missing?*

18. Peer review reports provide little insight into donor policies regarding some other key determinants of capacity in partner countries – notably in fragile and conflict-affected contexts where existent capacity is likely to have been depleted by out-migration - e.g. incentives for the diaspora to return; risks associated with “brain drain” into international organisations and associated distortions in salary levels at the country level.

2.3 **Conclusions**

19. The majority of the countries that were peer reviewed over the last two years have yet to embrace capacity development concepts and issues in a systematic and structured manner. This accounts for a relatively limited scope of the findings in peer review reports. Overall, this suggests the need for DAC member countries to define jointly a future approach, which more pragmatically defines good practice in this area and encourages a similarly pragmatic process of change in partner countries.

1. **To promote change, DAC members should:**

- produce a simple statement of approach that explains the importance of capacity development for the aid strategy, organisation and resource allocation. Issues that relate to definition of terms, mainstreaming, special focus and how to best join up the various parts of the national system, should also be addressed.
- establish as an objective, to work with other donors to identify good practices and optimal organisational/administrative arrangements to implement the principles of capacity development and promote the provision of co-ordinated capacity development programmes consistent with national development strategies.
- seek strong partner country involvement (and leadership) in capacity development action, whether at the international or local level.

- reflect upon the type, location and skills needed to implement capacity development policies and objectives. Training should be offered to all relevant staff wherever skills are lacking. Human resource incentives should be offered to improve performance in this area.
 - monitor and assess the results of capacity development interventions.
2. **To promote joint action with partner countries,** DAC members should adopt the six priority themes identified by the DAC (Box 1) to move forward together around a common set of operational priorities through 2011.
 3. **To improve the focus of future reviews in order to contribute better to DAC dialogues on capacity development,**
 - the capacity development section of the Content Guide should be reviewed to ensure that it adequately reflects the six priority areas and to improve peer review insights into donor policies regarding other key determinants of capacity in partner countries, e.g. incentives for the diaspora to return; risks associated with “brain drain” into international organisations and associated distortions in salary levels at the country level.

SPECIAL THEME: GOVERNANCE, ACCOUNTABILITY AND ANTI-CORRUPTION

3.1 Background

20. Governance, accountability and anti-corruption are important themes in the international agendas of DAC members. All OECD members signed the *Convention on Combating Bribery of Foreign Public Official in International Business Transactions*. Both the *Paris Declaration on Aid Effectiveness* and the Accra Agenda for Action (AAA) emphasize the importance of these issues in making aid more effective in reducing poverty. The Paris Declaration states that strengthened governance and country systems and procedures are necessary for achieving ownership and alignment. It also underlines that corruption and lack of transparency erode public support, impede the effective mobilisation and allocation of resources and divert resources away from activities which are vital for poverty reduction and sustainable economic development. The AAA notes that successful development depends to a large extent on a government's capacity to implement its policies and manage public resources through its own institutions and systems. Furthermore, the *DAC Principles for Good International Engagement in Fragile States and Situations* place state legitimacy and accountability at the core of donor state-building efforts and also note that civil society has a key role in ensuring that public institutions are accountable and in demanding better governance.

21. The DAC work in the area of governance, accountability and anti-corruption lies primarily in the domain of the Network on Governance (GOVNET). In 2006, the Committee endorsed the "Principles for Donor Action in Anti-Corruption", to improve collective donor action in the fight against corruption⁷. However, governance and accountability issues traverse the work of many – if not, most - other DAC subsidiary bodies. Their relevance therefore extends well-beyond proximate concerns about malpractices to include the consequences for broader development objectives. Accordingly, the DAC selected "governance, accountability and anti-corruption" as a special theme of DAC peer reviews for the biennium 2007-2008. Five donors elected this special theme in their peer reviews (Annex A). The following section summarizes the major findings and recommendations from these reviews. More detailed information on the status of governance, accountability and anti-corruption themes within the five DAC member systems can be found in Annex C.

3.2 Peer review findings

3.2.1 Policy

22. Governance, accountability and anti-corruption are referenced in the policy documents (e.g. White Papers or Master Plan) of all five countries reviewed during the biennium and progress in these areas are explicitly referred to as objectives for development co-operation by the EC, Ireland, Norway and Spain. However, these issues have political, economic and, in some cases, security dimensions and, not surprisingly, the governance focus differs from donor to donor. The Australian Government White Paper focuses on fostering functioning and effective states and underscores the need to combat corruption in order to promote broad-based economic growth and reduce poverty. Norway also emphasises anti-corruption while the EC focuses on political aspects of governance, i.e. building democratic institutions. Spain emphasises human rights and in Colombia, "*work on governance, accountability and anti-corruption is [also]determined by an overarching focus on conflict prevention and peace building*"(Peer review of

⁷ OECD's "Policy Paper on Anti-Corruption: Setting an Agenda for Collective Action" published in 2007 sets out opportunities for donors to work together in a number of areas.

Spain, 2007). For Ireland, governance is a cross-cutting theme as well as a priority topic thus allowing for a broad range of support across the spectrum of governance issues.

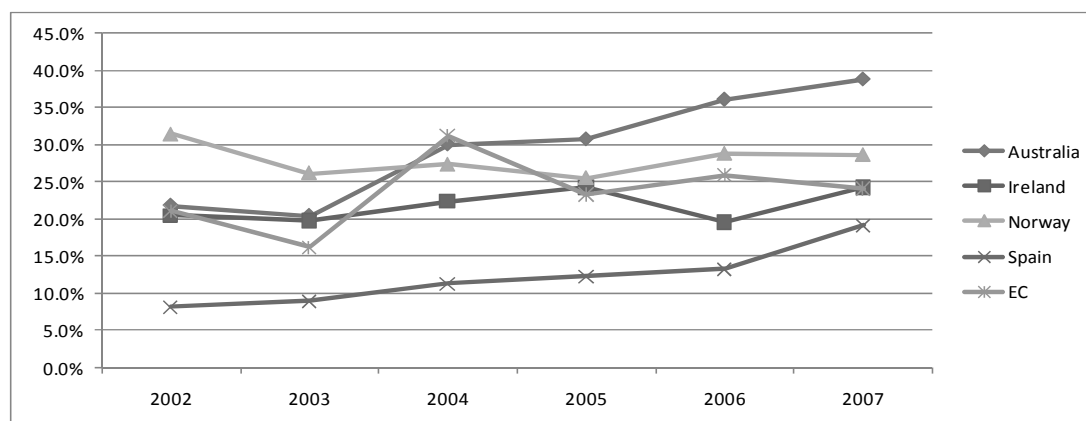
23. Mainstreaming governance and/or anti-corruption is a specific policy objective for some members. The *2006 White Paper on Irish Aid* makes mainstreaming of cross-cutting issues mandatory in the planning, implementation and evaluation of all development assistance and Irish Aid has developed a mainstreaming strategy for all cross-cutting issues as well as related guidance and tools for staff. Australia has produced a managers' guide to mainstream anti-corruption throughout its programmes. Spain is mainstreaming human rights but the review does not specify whether it has developed some guidance on how to do this. The peer reviews recommend documenting and sharing good practice in mainstreaming governance as a means to improve collective performance in these critical areas.

3.2.2 Resource allocations

24. ODA allocated by DAC members to governance, accountability and anti-corruption initiatives appears under the category 'governance and civil society' in the DAC reporting system. Since 2002, the share of bilateral ODA committed to governance and civil society has increased in most reviewed countries (Figure 1) but the peer review reports yield few insights on the reasons for this trend. Three donors invest significantly more resources in one area of governance (Figure 2). Spain, for example, supports women's equality organisations and institutions, Ireland targets strengthening civil society and Australia is heavily committed in legal and judicial development. The EC and Norway's interventions, on the other hand, are more evenly spread across the nine areas captured by the DAC reporting system. The peer review of Ireland suggests identifying priorities and comparative advantage and promoting a coherent overall approach.

3.2.3 Organisation

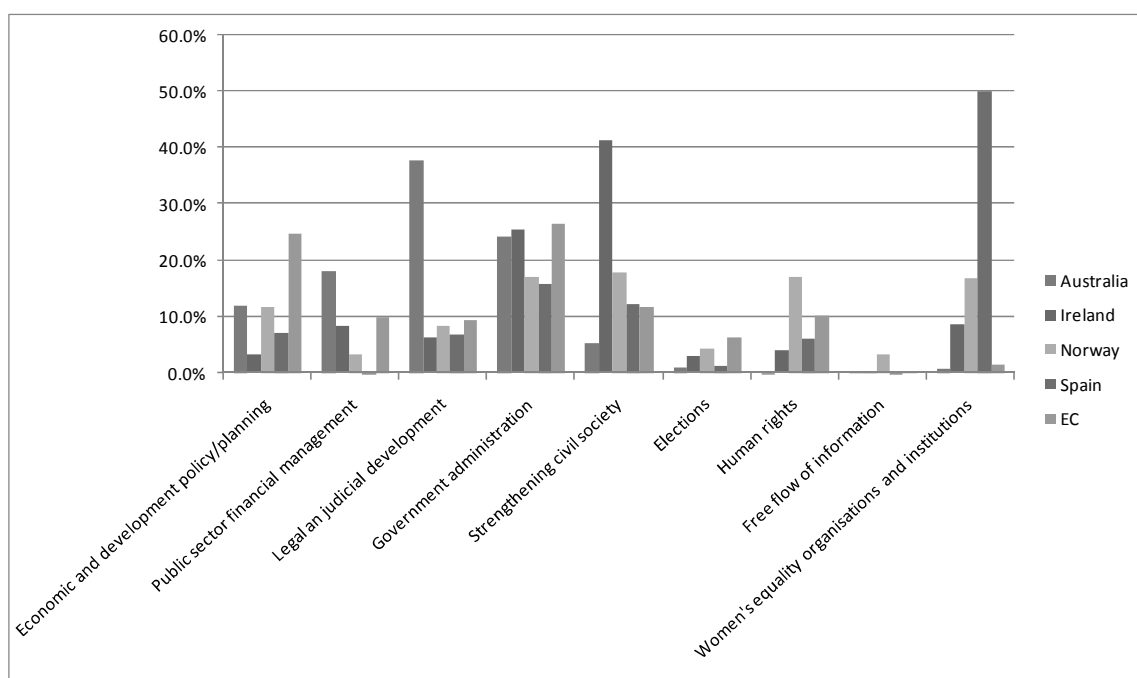
25. The level of staff resources devoted to governance, accountability and anti-corruption has grown to reflect the increasing share of ODA and in some cases, special units or initiatives have emerged. Australia has established a Governance and Capacity Building Branch (which includes an anti-corruption unit) as well as a new Inter-departmental Committee on Corruption. Norad has established an anti-corruption unit as well as a separate unit for the Oil for Development Programme, which aims to assist oil-producing governments in developing countries to establish appropriate regulatory mechanisms that ensure transparency in revenue flows. The peer review of Norway also emphasised the need to ensure that sufficient support is provided to deal with anti-corruption, in particular when key functions are decentralized to the embassies, when the donor provides programme aid and when it is moving from smaller-scale projects to larger programmes. The EC created a Governance Initiative for ACP countries and has built a cadre of staff dedicated to governance at both headquarters and field levels. Irish Aid has a team approach to governance with three development specialists sharing their time between governance and other issues, and locally-recruited professionals work on governance in partner countries.

Figure 1: Share of bilateral allocable ODA committed to the Governance and Civil Society Sector

Source: DAC/OECD

Figure 2: Donors' ODA to governance activities 2007

Breakdown by activity based on DAC statistical reporting codes



Source: DAC/OECD Creditor Reporting System

3.2.4 Implementation

26. **A focus on context.** The peer reviews show that the five donors have a context-specific approach to governance. They align their interventions with the development strategies of partner countries and tailor their support to specific weaknesses in country systems. Part of the process of formulating country strategies therefore inevitably involves analytical work to define the context. In this regard, the peer review of the EC noted that a governance profile is developed with Member States and the host government of ACP countries as the basis for EC interventions. Ireland conducts governance assessments

as part of a suite of analyses (also including political, conflict, poverty and vulnerability assessments) when formulating country strategies. The peer review report, noted that “*at the field level, Spain’s support for governance reforms and accountability is well adapted to country circumstances and demand*” but went on to recommend field-based analytical work to accompany development of the policy framework on governance (Peer review of Spain, 2007). The peer review of Norway also recommended that global governance initiatives be properly linked to, and anchored in, country-specific activities and responses.

27. **Co-ordination and joint donor work.** The DAC has identified two collective donor actions that have undermined initiatives to improve governance, enhance accountability and reduce corruption: (i) proliferation and duplication of governance assessments; and (ii) disjointed and divisive reactions to corruption at the country level. In this regard, peer review reports frequently encourage donors to work collectively to further aspects of governance, accountability and/or anti-corruption and promote more joined-up work in these areas. In particular, the peer review report encouraged Norway to take a leadership role in facilitating joint donor governance responses in-country and the peer review of EC encouraged greater progress on co-ordination and complementarity with Member States. The peer review of Spain recommended systematic use of analyses conducted by other donors to support harmonization and welcomed the leadership role that Spain has played within the donor community in Latin America on themes such as governance and gender including creation of the Spanish-led basket fund for peace and reconciliation in Colombia.

3.2.5 *Role of non-state actors*

28. All reviewed donors channelled funding to or through civil society organisations to implement governance programmes or projects in partner countries. Some donors also mentioned the role of civil society in strengthening the demand for accountability. The peer review of Norway recommended establishing clear guidance for NGOs to engage in anti-corruption work and a framework for identifying their specific capacities and commitment to such work. The peer review of Australia suggested exploring how to build the capacity of NGOs to support local community empowerment, increase accountability and demand for good governance. Spain supports enhanced processes for civil society empowerment. The peer review of Ireland recommended consulting with civil society on the draft strategy on governance.

3.2.6 *Knowledge management*

29. All peer reviews recommend documenting interventions in governance and sharing good practice and lessons with other donors as well as the public. Norway was encouraged to do this on anti-corruption as well as good and accountable governance of natural resources management, Spain on decentralization processes and institutions at local level and Ireland on the mainstreaming of governance throughout its aid programme. In the case of the EC, development of performance indicators or standards was recommended to provide clearer guidance to the field on demonstrating impact. The need to use experience more systematically to develop and improve strategies and policies was encouraged in the case of Spain. For Ireland, better documentation of the range of mutually reinforcing interventions was recommended in order to ensure common understanding amongst Irish Aid staff and to communicate lessons learned and results, including to the Irish public. AusAID’s network on governance and anti-corruption, as well as Irish Aid’s governance team, represent corporate focal points to share knowledge internally and to expose staff to the international debate on these issues.

3.2.7 *What is missing?*

30. As with the previous special theme, compilation of the synthesis findings has revealed some apparent gaps in the analysis of governance, accountability and anti-corruption themes. For example, peer review reports have yielded few, if any, insights into the processes through which governance assessments

influence aid allocation policy and only scant references to donor action on the supply side of governance (anti-money laundering, banking secrecy, anti-bribery, asset tracing etc). The AAA should serve to re-invigorate attention to these areas in the aid effectiveness chapters of future peer reviews.

3.3 Conclusions

31. The recommendations flowing from the five DAC peer reviews are diverse and donor-specific. The scope for comparative analysis is therefore limited. However, some broad lessons can be drawn from the peer reviews that can provide generic guidance to donors seeking to implement commitments to improve governance, enhance accountability and reduce corruption in partner countries through their development co-operation systems. Donors should:

- elaborate an overall policy, strategy or framework for governance, accountability and anti-corruption with adequate tools and staff dedicated to governance both at headquarters and field level in order to ensure a consistent approach across departments and agencies involved.
- link governance and anti-corruption strategies to commitments contained in the Paris Declaration and the Accra Agenda for Action as well as international anti-corruption instruments.
- improve harmonization of donors' interventions at country level, in view of the diversity of governance support being provided to partner countries.
- provide clear guidance and a framework for working with CSOs in order to identify critical capacities and commitments, in particular with respect to anti-corruption, as well as for monitoring performance.
- document lessons and share good practice as important aspects of inter- and intra-donor agency learning in governance.

SPECIAL THEME: CONFLICT, PEACE, SECURITY AND FRAGILE STATES

4.1 Background

32. The phenomenon of “fragile states” has grown in prominence in development co-operation dialogues. These contexts represent a threat to achievement of development goals within and beyond the borders of the affected country and region. At the DAC HLM in April 2007, Ministers and Heads of Agencies endorsed the *Policy Commitment to Improve Development Effectiveness in Fragile States* and the *DAC Principles for Good International Engagement in Fragile States and Situations*⁸. The preamble to the Room Document noted that the pertinent issues for each donor agency were “getting the right staff working in fragile states” and “speeding up the organisational response to opportunities in fragile states”. At the international level, the preamble noted that “collective efforts are required to share experiences on whole-of-government approaches” and there was a requirement “to consider the allocation of aid to fragile states”, which had hitherto been regarded as high risk environments for development co-operation leading to limited aid flows - or even withdrawal of development assistance altogether.

33. Fragile states are also prone to violent conflict and other forms of armed violence since they lack capacity and often political will to regulate violence. Not all states experiencing conflict are fragile and not all fragile states are experiencing conflict, but the correlation between the two groups is strong. In 2001, Ministers and Heads of Agencies had endorsed the *DAC Guidelines on Helping Prevent Violent Conflict* (2001) which provided guidance on mainstreaming conflict prevention during policy formulation, supporting peace-building processes, taking account of the relationship between security and development, and building partnership between state and civil society actors. A key output from this work has been the *DAC Handbook on Security Sector Reform* (2007), which provides detailed guidance to operationalise the *DAC Guidelines on Security Sector Reform and Governance* (2004)

34. These documents provide the backbone to commitments contained in the *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action*, which highlighted the threats to core poverty reduction goals in situations of protracted fragility and violent conflict and highlighted the importance of giving priority to state-building and peace-building objectives in these contexts. They positioned development co-operation as a tool within a multi-dimensional approach to addressing situations of fragility that cut across departmental boundaries. They also re-affirmed earlier commitments to expand the goals of development co-operation to include support for ODA-eligible interventions that are conducive to prevention of state failure and fragmentation as well as assisting recovery from situations of conflict and political instability. Accordingly, the DAC nominated “fragile states” as an elective topic for peer reviews conducted during the biennium 2007-2008, with the view to monitoring progress against these commitments and to identify good practices.

4.2 Peer review findings

35. During the 2007-2008 biennium, just four out of nine reviewed countries (Canada, European Community, Finland and France) elected the special theme of “conflict, peace, security and fragile states” and, of the seven field visits associated with these peer reviews, just three were to countries listed as fragile or conflict-affected in the 2008 INCAF Report, *Resource Flows to Fragile and Conflict-Affected States*⁹,

8 DCD/DAC(2007)29

9 DCD/DAC/INCAF(2009)4

i.e. Pakistan¹⁰ for the EC peer review, Haiti for the peer review of Canada and Central African Republic for the peer review of France¹¹. The sample size for this synthesis report is, therefore, small. It would be incorrect, however, to suggest that this small sample represents the actual level of attention paid by donors to the role of development co-operation in situations of fragility. Indeed, the issue of fragile states was broached, to some extent, in all peer reviews and some limited commentary was integrated into other chapters of the peer review reports irrespective of whether it was a nominated special theme. In the case of the peer review of Spain, for example, the peace and reconciliation fund in Colombia was recalled under the elective theme of governance, accountability and anti-corruption.

36. The following sections present a synthesis of the key findings to emerge from the peer reviews of the “fragile states” approaches of the four donors that nominated this theme. More detailed information on the status of conflict, peace, security and fragile states themes within the four DAC member systems can be found in Annex D. Observations from the other five peer review reports are drawn on selectively.

37. Overall, the peer reviews suggest that there is considerable awareness of the particular challenges of working in fragile contexts among all donors (including those that did not nominate fragile states as the special theme). For some donors, “fragile states” are a discrete cluster of countries for which specific actions are required. For other donors, fragility is a characteristic that must be considered in most, if not all, bilateral partnerships and programming options are adjusted according to the level of fragility/functionality on a sliding scale associated with state capacities, political will, state-society relationship, societal fragmentation and incidence of violent conflict. For one donor (Luxembourg), however, state fragility appears to define the threshold of risk that the development co-operation programme is prepared to absorb, i.e. Luxembourg has not entered into bilateral partnerships with any countries categorised as “fragile states”.

4.2.1 Policy

38. **State-building as the central objective.** Just one of the four donors had published a policy for fragile states at the time of the respective peer reviews. *Fragile States and Situations of Fragility* (2007) represents a position statement for the French development co-operation system that reflects “a reinvigorated commitment to develop more coherent strategies in partner countries confronting political, economic and social disintegration” (Peer review of France, 2008). Significantly, the approach adopts a governance perspective aimed at strengthening degraded state-society relationships and restoring State legitimacy as a pre-requisite for creating a viable enabling environment for poverty reduction and sustainable development. This perspective resembles the approach adopted in the Australia-Vanuatu Joint Development Co-operation Strategy although the latter is not labeled as a “fragile states approach”, thus further emphasising the mutually reinforcing and overlapping characteristics of fragile states and governance agendas.

10 Note that, at the time of the EC Peer Review, Pakistan was not included in the list of countries covered by the annual reports on Monitoring Resource Flows to Fragile States requested by the DAC Senior Level Meeting in December 2005. It “joined” the list in the 2008 report.

11 Peer review teams conducted field visits to two other listed fragile or conflict-affected states, i.e. Nepal (for Peer Review of Denmark) and to Vanuatu (for Peer Review of Australia). However, neither reviewed country nominated “fragile states” as the elective theme for the respective peer review.

39. The other three donors reviewed in this cluster draw on international commitments, including the *DAC Principles for International Engagement in Fragile States and Situations*, to guide aid disbursement in fragile contexts. For Finland and the EU, guidance is also drawn from Commission communications¹².

4.2.2 Approaches

40. **Coherent, integrated policy framework.** All four donors acknowledge the importance of joined-up approaches across government departments – particularly those responsible for security, diplomacy and development co-operation – with a core objective of state-building. To date, however, there has been mixed success in developing these approaches in practice. Through the process of developing the position paper under the auspices of the *Groupe inter-ministériel sur les États fragile*, France established a working basis for improving inter-departmental coherence on approaches to fragile states. Likewise the 2007 peer review of Canada noted that the comprehensive whole-of-government approach based on the three dimensions of foreign policy – diplomacy, defence and development - “*would be more efficient with an overall strategy bringing together the key federal departments involved*”.

41. In Finland, an inter-ministerial security and development network was noted by the peer reviewers to be one of the most active of a series of thematic networks established across government departments to promote policy coherence for development. Nevertheless, the peer review team concluded that Finland was only at the beginning of promoting more comprehensive inter-ministerial approaches to fragile states. The EC, on the other hand, was piloting “double-hatting” of security and development functions within the mission in Macedonia in order to overcome acknowledged obstacles to its policy commitment to joined-up approaches, i.e. the functions of Head of European Security and Defence Policy (ESDP) mission and Head of EuropeAid delegation were vested in the same individual.

4.2.3 Instruments and modalities

42. **Recognizing the links between political, security and development objectives.** The convergence of security, political, development and humanitarian agendas in the context of fragile or conflict-affected countries brings the linkages and complementarity between ODA and non-ODA into the spotlight. In 2007, the DAC approved guidance on the ODA-eligibility of conflict, peace and security-related expenditure¹³. Nevertheless, upholding the distinction between eligible and non-eligible expenditure represents a particular challenge to donor agencies in preserving the integrity of development and humanitarian assistance within the framework of joined-up approaches and integrated missions. For most donors (including the four DAC members referenced here), instruments, modalities and budget appropriations are still evolving.

43. In Canada, split institutional responsibilities (see para 46) result in a complex system for allocating aid to crisis-affected situations. Aside from CIDA’s normal funding windows (i.e. humanitarian and development), it also has co-management responsibility (with DFAIT) for the Crisis Pool, which is an earmarked and short-term facility which can be allocated through any federal department for ODA-eligible activities. The Global Peace and Security Fund (GPSF) managed by START, on the other hand, was created in 2005 to provide “*dedicated resources for activities that are necessary for a timely response with respect to countries at risk of crisis, but are not properly the responsibility of the Department of National Defence and are outside the core purposes of Canada's Official Development Assistance Program. These*

12 For example, EC Communication: Towards an EU response to fragility – engaging in difficult environments for sustainable development, stability and peace (2007); Conclusions of the General Affairs and External Relations Council of 19 November 2007 on EU response to situations of fragility; and European Parliament resolution of 15 November 2007 on the EU response to situations of fragility in developing countries

13 DCD/DAC(2007)23/REV2

activities include supporting peace processes and mediation efforts, addressing small arms and light weapons proliferation, supporting transitional justice and reconciliation, and improving the peace enforcement and peace support capacities of African militaries”¹⁴. The GPSF addresses a perceived gap by supporting non-ODA activities, for example, logistical support to AU peacekeepers in Darfur, demobilization programmes for paramilitaries in Colombia, police advisers to assist with local security during elections in Haiti and a regional peace support operations school in Mali.

44. Aside from the European Development Fund, which is described as a predictable and flexible instrument, the EC has two further instruments – the *Instrument for Stability* and the *Africa Peace Facility* – available to support whole-of-organisation initiatives to stabilize fragile situations. However, the peer review noted that EC had only made limited use of these instruments. Finland does not have any instruments specially adapted to fragile contexts. Rather, participation in international missions to stabilize fragile situations is provided under the framework of “co-operation of limited duration” primarily utilizing multilateral or EU channels, and which may - or may not - be linked to follow-up support in areas of thematic specialization for the Finnish development co-operation system. Likewise, France does not have a specific allocation for fragile and conflict-affected countries but it has demonstrated willingness to channel bilateral funding through multi-donor mechanisms in situations of weak capacity, such as through the Multi-Donor Trust Fund in Afghanistan.

45. **Act fast ... but stay engaged long enough to give success a chance.** Of the four donors, only Canada has funding allocations specifically earmarked for fragile contexts, i.e. two vertical funds (the *Peace and Security Pool* and the *Crisis Pool*) and a horizontal fund (the *Global Peace and Security Fund*). France, however, specifically includes a number of fragile states and conflict-affected states in the Priority Solidarity Zone. For Finland and EC, fragility defines the nature of funding allocations within existing programming partnerships rather than representing a criterion for establishing a new partnership. All four donors draw on additional funding from humanitarian budgets where breakdown in service delivery - through conflict, disaster or straightforward State inertia - has created acute and life-threatening vulnerabilities. These funds are usually allocated on a case-by-case basis and determined by usual humanitarian funding criteria. The particular characteristics of humanitarian action have, however, usually restricted the allocation of humanitarian funds for interventions that might address the sort of systemic issues that create acute vulnerabilities or indeed the chronic vulnerabilities that create conditions conducive to conflict and armed violence.

46. **Security sector reform.** An important element of the fragile states discourse has been the security sector reform (SSR) agenda, which seeks to build an accountable security sector capable of providing a stable foundation for broader development processes. Despite its prominence, however, peer reviews suggest that aid agency engagement in the security sector remains embryonic and limited coverage has been given in peer review reports to this emerging issue. At the time of the peer review visit, France was in the early stages of developing an approach in the Central African Republic that aims to better align development and security sector assistance. DFAIT’s Stabilization and Reconstruction Taskforce (START) represents an instrument for joint civilian and military deployments in fragile contexts and provides the focal point for policy-setting for the Canadian Provincial Reconstruction Team (PRT) in Afghanistan (see below). In Haiti, Canada has not only contributed police officers to MINUSTAH but has also “played a decisive role in reforming Haiti’s national police and a more modest role in reforming the prison system”. Nevertheless, the peer review suggested that “Canada could adopt a more integrated approach in the area of security sector reform” (Peer review of Canada, 2007).

14 http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/dep-min/dfait-maeci/gpsf-fpsm/description_e.asp
Accessed 18 June 2009

47. **Provincial reconstruction teams.** The most controversial manifestation of the convergence between security and development agendas in fragile situations has been the concept of PRTs employed in Afghanistan and Iraq. Of the peer reviewed DAC members, only Canada had deployed a PRT - to Kandahar in southern Afghanistan - within which Canadian Forces, CIDA development officers and DFAIT diplomats were working alongside local authorities “*to advance the central governments presence in that region*” (Peer review of Canada, 2007). The report provides no insights, however, into the impact of the PRT nor the utility of the PRT mechanism as a stabilisation tool in highly contested environments.

4.2.5 Institutional responsibilities

48. **Diverse institutional arrangements.** Institutional responsibilities for policy and programming in fragile and conflict-affected states vary significantly across the four reviewed countries and, to an extent, reflect conventional lines of responsibility (e.g. separation of policy and programming responsibilities; separation of humanitarian and development functions). In the EC, the division of labour is even more dissipated with ECHO responsible for dealing with the humanitarian consequences of fragility and conflict whereas Directorate General for Development Relations with ACP States (DEV) and Directorate General for External Relations(RELEX) have policy responsibilities and EuropeAid has programming responsibilities with respect to addressing the structural causes of conflict and fragility. Despite these dispersed responsibilities, the EC peer review report noted that there is no central repository for “*the vast and growing knowledge, experience and good practice in state fragility and conflict issues within the Community*”.

49. In Canada, DFAIT and CIDA have shared – and sometimes, overlapping - policy and programming responsibilities (see Table 1) that allow for tailored action in which different forms of assistance are delivered in parallel according to the context – rather than sequentially. “*The two agencies have signed a memorandum of understanding to clarify their respective mandates, outline operating principles, encourage co-operation and eliminate overlap*” (Peer Review, 2007). In France, a specialist unit within the Directorate-General for International Co-operation and Development (DGCID), the Bureau for Conflict Prevention and Reconstruction, carried policy and programming responsibility for fragile and conflict-affected states¹⁵ while AFD was responsible for implementing bilateral assistance in situations of conflict and fragility. Finland, on the other hand, did not have a specialist unit within MFA at the time of the peer review. Instead, geographical programme units and embassies hired external consultants as needed.

Table 1. DFAIT and CIDA’s roles and responsibilities in fragile states and countries in crisis

	DFAIT (START/GPSF)	CIDA
Timing/Duration	Immediate crisis response	Longer-term development
Humanitarian Assistance	Humanitarian policy development, crisis coordination	Operational humanitarian assistance in emergencies
Conflict prevention	Conflict mediation and negotiation, policy and diplomatic support	Conflict-sensitive development programming
Stabilisation/reconstruction	Judicial rapid response, police and corrections deployment, border control, co-operation with Department of Defense, CIDA and other government departments and agencies peace operations, peace negotiations	Support to public institutions
Justice and security system reform	Technical assistance, training for military and corrections, justice and police support to court and war crimes tribunals	Longer-term legal and judicial reform
Democratic transition	Peace negotiations, constitutional processes	Electoral institutions, civil society, media

Source: Government of Canada

15 The Bureau for Conflict Prevention and Reconstruction was dissolved in 2009.

4.2.6 *What is missing?*

50. Again, scrutiny of peer review reports has uncovered areas of weakness in analysis of this special theme within the peer review reports. There is little coverage, for example, of the policies and processes through which DAC members determine aid allocations to conflict-affected and fragile states – either individually or collectively. Significantly, given the discussion in the 2009 DAC High-Level Meeting, commentary on the whole-of-government dimensions of engagement in fragile and conflict-affected countries has been largely descriptive and rarely analytical (e.g. limited commentary on the Canadian PRT). Furthermore, little empirical data is presented in peer review reports to substantiate the record in terms of timely conversion of pledges into actual contributions nor the longevity of the commitments.

4.3 **Conclusions**

51. Donor approaches to fragile and conflict-affected situations continue to evolve. However, some broad lessons can be drawn from the four peer reviews.

- There appears to be wide recognition that traditional approaches to development co-operation have to be adapted to these contexts. The *DAC Principles for International Engagement in Fragile States* have generally been adopted as the key reference point for these nuanced approaches.
- No single, preferred model for joined-up whole-of-government approaches has emerged. Forging coherent policies and defining an appropriate division of responsibilities between aid and non-aid actors has resulted in co-ordination structures and processes tailored to the particular administrative system and operational context.
- Limited coverage of fragile states issues in peer reviews has already led to agreement by the Committee to incorporate reporting of DAC member progress against the *Principles for International Engagement in Fragile States* as a cross-cutting theme in future peer reviews.¹⁶ The challenge will be to systematically elicit relevant information and present this in an accessible manner so that future syntheses (if requested by the Committee) will be achievable.

16 DCD/DAC/M(2008)8/FINAL

ANNEX A: PEER REVIEWS INCORPORATING THE 2007-2008 SPECIAL THEMES

	Reviewed Country	Field Visit(s)	Special Issues		
			Capacity Development	Governance, Accountability and Anti-corruption	Conflict, Peace and Security
1	Denmark (2007)	Ghana and Nepal*	X	Alternate topic: Private sector development	
2	EC (2007)	Benin and Pakistan*		X	X
3	Canada (2007)	Mozambique and Haiti*	X		X
4	Spain (2007)	El Salvador and Colombia	X	X	
5	Finland (2007)	Vietnam	X		X
6	France (2008)	Central African Republic* and Mali	X		X
7	Luxembourg (2008)	Burkina Faso	X	Alternate topic: Microfinance	
8	Norway (2008)	Tanzania	X	X	
9	Australia (2008)	Indonesia and Vanuatu*	X	X	
10	Ireland (2009)	Uganda	X	X	

* Listed as a fragile and/or conflict-affected state in *Resource Flows to Fragile and Conflict-Affected States: 2008 Report* Source: [DCD/DAC/INCAF(2009)4] based on a compilation of three lists:

- Bottom two quintiles of the Country Policy and Institutional Assessment (CPIA) 2007;
- Brookings Index of State Weakness in the Developing World 2008, and
- Carleton Indicators for Foreign Policy (CIFP) 2007 Index

ANNEX B: CAPACITY DEVELOPMENT MATRIX

	Policies /Focus Areas	Operational Approaches	Initiatives	Resources
Australia	<ul style="list-style-type: none"> ✓ Does not have yet a formal policy on CD but acknowledges the need to address capacity issues. ✓ Has taken steps to mainstream CD within its aid programme. ✓ CD seen both as an objective and a process to ensure ownership and developing leadership. Defined as “the process of developing competencies and capabilities in individuals, groups, organizations, sectors or countries, which will lead to sustained and self-generating performance improvement”. ✓ Geographic focus: small Islands/fragile states – Papua New Guinea (PNG), Solomon Islands, Vanuatu, East Timor. ✓ Focus on sub-national levels to develop local capacities and support decentralized governance. 	<ul style="list-style-type: none"> ✓ Strong emphasis on the importance of CD analysis to gain full understanding of the local context. ✓ TC remains main modality for CD intervention (50% of Australia's aid programme). Australia is increasingly placing Australian officers in partner country institutions (<i>whole-of-government</i> approach) – mostly in advisory positions, some in line positions. Also uses twinning, training and scholarships. ✓ Recognition that high level of TC can jeopardise ownership. TC currently under review to enhance its effectiveness in supporting country ownership and sustainable capacity development. ✓ Supports -South cooperation mechanisms. 	<ul style="list-style-type: none"> ✓ Lessons learnt. AusAID has conducted, participated in, or co-funded various analytical studies to draw lessons from CD experience – especially on TC. ✓ Country systems: Launched some programmes focused on developing capacities for key country systems (e.g. <i>PFM and procurement capacity in PNG</i>). ✓ Developed a professional training programme – Making a Difference – for counterpart staff and advisers to enhance CD skills. 	<ul style="list-style-type: none"> ✓ Governance and Capacity Development Branch in AusAID; appointed a Senior Capacity Development Advisor. ✓ Created CD Panel with 7 Australian and 7 international experts. ✓ Long term, in-country CD specialist positions. ✓ AusAID developed an Intranet site with CD resources.
Canada	<ul style="list-style-type: none"> ✓ CD outstands as a crucial element of the outcomes in <i>CIDA* 2007-2008 Plans and Priorities</i>. ✓ Canadian agencies (e.g. CIDA, IDRC**) have been actively engaged in strengthening capacities in partner countries. However, CIDA does not have a comprehensive and strategic approach to guide engagement in CD and mainstreaming into its projects and programmes. ✓ CD defined as a “process by which individuals, groups, organisations and societies enhance their abilities to identify and meet development challenges in a sustainable manner”. ✓ Strong focus on enhancing/restoring capacities in fragile states/countries in crisis. <p>* CIDA = Canadian International Development Agency **IDRC = International Development Research Centre</p>	<ul style="list-style-type: none"> ✓ Mainstreaming CD. CD interventions increasingly integrated into CIDA projects and programmes. Still largely focussed on task-specific training and skill-building; however, a growing number of projects include institutional and organisational development. ✓ Because of the lack of comprehensive and strategic approach, CD is often tackled in an ad-hoc fashion, not in a comprehensive and strategic way. CD efforts based upon learning by doing approach. CIDA relies on on-going monitoring a dialogue rather than ex-ante capacity assessment and planning. ✓ Fragmentation of interventions and lack of coordination with other donors constitutes issue – especially in fragile states. 	<ul style="list-style-type: none"> ✓ IDRC has developed a framework to guide CD to build local research capacity. CIDA could take inspiration from the IDRC approach to build a comprehensive policy and strategy. 	<ul style="list-style-type: none"> ✓ Between ⅓ and ¼ of CIDA's disbursements are related to CD. ✓ 2007-2008 Plans and Priorities allocates \$ 826,205,000 for “enhance capacity of countries of concentration”, and \$ 618,242,000 for “restore capacity of public institutions and civil societies”.

DCD/DAC(2009)34/FINAL

Denmark	<ul style="list-style-type: none"> ✓ Longstanding interest in CD – considered as a key element of Danish aid long before Paris Declaration. ✓ CD statement: “Danish guidance Note on CD”. ✓ Moved from project to programmatic approach. Focus of CD support also moved from individuals to organizations to develop institutional/organizational capacity at sector level. Organizations are unit of analysis in Denmark CD approach. ✓ Focus on technical or functional aspects, but also on the external context and political issues. 4 types of CD support foreseen, based upon the combination of political vs. functional aspects and internal vs. external issues. 	<ul style="list-style-type: none"> ✓ Emphasis on the importance of conducting a throughout institutional capacity analysis prior to design CD intervention. ✓ TC: TA, training courses and workshop, provision of transport and office equipment remain the most common inputs to CD. Denmark is currently revising its strategy on TA in order to increase its commitment to CD. ✓ Guidance Tools: DANIDA (Danish International Development Agency) developed several guidance tools to guide CD efforts, including a CD outcome evaluation methodology, and a methodology to conduct an institutional capacity analysis. 	<ul style="list-style-type: none"> ✓ Various case studies conducted to review and assess CD efforts. ✓ Capacity development learning exercise launched in 2002; culminated in 2006 with Danish guidance Note on CD. ✓ DANIDA Fellowship Centre (training provider) has been revising its training approach to make it more demand-driven. 	<ul style="list-style-type: none"> ✓ 208 DANIDA Advisers in 2005. DANIDA does not have a pool of technical advisers by they are recruited or each programme (both short-term for specific tasks and long-term for CD and institution building).
Finland	<ul style="list-style-type: none"> ✓ Recognises that CD is essential for sustainable development; supports the inclusion of CD in national development plans. ✓ Broad understanding of CD in line DAC thinking (individuals, organizations, institutions, and enabling environments). ✓ Does not have overarching policy or guidelines on CD. Little explicit attention to the concept of CD. Some guidance provided in Ministry of Foreign Affairs’ internal guidelines. ✓ Moving from stand-alone project support to more programmatic assistance (sector wide approaches). 	<ul style="list-style-type: none"> ✓ Capacity assessment carried out during project identification and formulation. Criteria/methods for assessment vary depending on the context. ✓ TC constitutes an important instrument for CD –mostly in the forms of training, on-the-job training, provision of TA. Some TA pooling (pooled funding, pooled TA). ✓ In some countries, Finland is also engaged in budget support and on CD for country systems –procurement, PMF. ✓ At the country level CD is supported by the Fund for Local Cooperation – used for providing small-scale funding for CSOs. 	<ul style="list-style-type: none"> ✓ North-South-South Higher Education Institution Network Programme (students and teachers exchange programme) – students must return home. 	
France	<ul style="list-style-type: none"> ✓ France aims at contributing to CD through all of its actions. CD is seen as a cross-cutting concern. ✓ Does not have comprehensive CD strategy yet; CD promoted through its official strategies on Governance and Aid Effectiveness. 	<ul style="list-style-type: none"> ✓ TC: school fees, training, provision of TA, education grants, support to local education sector (“<i>40 years experience in training the elite</i>”). Very significant presence of French experts and advisers providing TA in the field. ✓ Currently moving from massive French “substitution” TA to short term, focused international technical expertise. ✓ Acknowledges that TC should be part of a more coherent national ort sector approach. Increasingly making use of local capacities. ✓ Institutional support: France has been supporting partner countries to formulate national strategies and supporting strengthening of public finance and national statistics systems. 	<ul style="list-style-type: none"> ✓ AFRISTAT initiative to support statistical institutions in Africa and systems of national statistics. ✓ France has contributed to regional centres of expertise in public finance, statistics and monetary policy set up by the IMF (International Monetary Fund) in West and Central Africa. 	<ul style="list-style-type: none"> ✓ 2006: TC amounted to EUR 2,726 million- 22% of total aid. ✓ TA: 23,000 staff in the field in 1980 vs. 1,200 in 2008. ✓ Coordination issues: AFD (Agence Française de Développement) favours supply of short-term TA, while SCAC (Service de Coopération et d’Action Culturelle) tends more towards long-term institutional support.

Ireland	<ul style="list-style-type: none"> ✓ Sees CD is essential in aid programmes. Demonstrated strong commitment to implement the Paris Declaration in terms of ownership, alignment with partner countries' national, sector, and thematic development strategies and plans, use of country systems, and harmonization. ✓ Ireland has mainstreamed CD throughout its programmes, but does not currently have an overarching policy statement or vision to guide its efforts in this area. ✓ Sector Focus: Irish's Aid focuses on enhancing capacities in the sectors of health, education, water, and sanitation. Concentration on few sectors has allowed building strong partnerships with line ministries. ✓ CD and Governance. Strong focus on enhancing the capacities of institutions and civil society to promote good governance and work effectively on accountability, transparency, and corruption prevention. 	<ul style="list-style-type: none"> ✓ Highly flexible, case-by-case, learning by doing approach at the country level. ✓ Irish aid focuses on developing the capacities for and using country systems (public financial management, procurement). Does not use parallel PIUs. ✓ Country-managed TA. TA embedded in the context of local structure and management systems. Irish Aid supports demanded TA interventions; it promotes the use of local knowledge and experience and to the maximum extent possible. ✓ Civil Society: Aims at strengthening the CD skills and support organizational development of CSOs and NGOs – important partners to deliver CD interventions in supported countries. Started to extend support to local NGOs in programme countries such as Uganda. ✓ Coordination and joint-funding with other partners through sector-wide approaches and pooled funding. Irish Aid is a member of the <i>EU Technical Group on CD</i> and supports <i>Capacity Collective</i>. 	<ul style="list-style-type: none"> ✓ Training and education CD Programmes: 1) Fellowship Training Programme (FTP) supports 1,000 postgraduate students each year, targeting key individuals in the public services or non-governmental sectors, in line with priorities of Irish Aid in these countries. 2) Irish Aid's Programme for Strategic Co-operation between Irish Aid and Higher Education and Research Institutions, aims at building capacity of higher education on developmental research in Ireland and developing countries (focus on Africa). 	<ul style="list-style-type: none"> ✓ CD Advisor recruited in October 2008 within the Policy Planning and Effectiveness Unit. He will also be working on division of labour and accountability. ✓ In 2007, Irish Aid disbursed 20 million for TC - 100% of which was disbursed in a coordinated manner, respecting the principle of ownership, alignment, and harmonization (2008 Monitoring Survey of Paris Declaration).
Luxembourg	<ul style="list-style-type: none"> ✓ Acknowledges that CD is essential for partner country leadership and ownership. ✓ Does not have a formal policy or general strategy on CD. Current directives remain largely implicit; CD is perceived as a cross-cutting issue; it is rarely the explicit aim of a project. ✓ Acknowledges the need to provide CD support at all levels: the public sector, civil society, local communities, decentralized administrations and the private sector. ✓ Focus on integrating CD interventions within country plans in line with partner country policies/strategies. 	<ul style="list-style-type: none"> ✓ CD divided into three operational phases: 1) initial and vocational training; 2) strengthening of existing capacities (adaptation of knowledge, capitalisation of experience, reorientation, and in-career training); 3) institution strengthening Staff encouraged to include CD considerations from the initial stages of design, assessing economic, human, political and socio-cultural aspects that might influence CD. ✓ CD approach aims at transferring responsibilities to partner countries. Projects systematically include a component for training local managers. 		<ul style="list-style-type: none"> ✓ Lux-Development TA includes: JPOs; EU volunteers, trainees and scholarships. Total costs amounted to some USD 6 million in 2006, or little more than 2% of Luxembourg's total ODA.
Norway	<ul style="list-style-type: none"> ✓ CD seen as a key pillar in Norway development policy (<i>2005 Development Cooperation Manual</i>). ✓ Norway does not have an official policy statement to guide the design and implementation of CD interventions and integration in development programmes. Very little guidance provided in 2005 Development Cooperation Manual. ✓ Norwegian approach focussed on implicitly mainstreaming CD into sector and thematic development policies and programmes; CD receives little explicit attention in strategic and policy documents and guidance notes. ✓ Alignment. Strong emphasis on establishing local capacities to perform key government functions (e.g. financial management). Emphasis on using national systems and priorities as a delivery basis for development assistance. 	<ul style="list-style-type: none"> ✓ Coordination with other donors. Norway strongly supports the use of the multilateral system to strengthen capacity development in partner countries. It participates actively in international networks and organisations, including OECD/DAC and UNDP. ✓ TC/TA. Technical cooperation remains main aspect of Norwegian aid. Norway uses experts to fill TA needs. Focus on areas of Norwegian comparative advantages – such as natural resource management). ✓ Embassies with a development co-operation budget have a local consultancy fund for hiring local expertise and building capacity among local trained professionals, rather than bringing in consultants from Norway. ✓ Uses NGOs to provide capacity development. It is unclear how NGOs are contributing to developing local capacity. 	<ul style="list-style-type: none"> ✓ Support to the development of local research capacity through exchange programmes for master students and researchers and the provision of funding to partner countries' universities. 	<ul style="list-style-type: none"> ✓ 2006: 450 million USD technical cooperation (16% ODA)

DCD/DAC(2009)34/FINAL

Spain	<ul style="list-style-type: none"> ✓ Spain does not have an overall strategy or policy statement for CD. Sporadic references in <i>2005-2008 Master Plan</i>. ✓ Spain CD support is well linked to partner country priorities and plans; gives tangible form to the principle of national ownership. ✓ Spain's strategic approach includes a strong focus on decentralisation, support to municipalities and regions, and empowerment of citizens and civil society at the local level. 	<ul style="list-style-type: none"> ✓ Strong understanding of local context. Close political relations with Latin America constitute a powerful capacity development asset. Spain has deep understanding of local context and of key development concerns. This complements the use of capacity development instruments available at the project level. ✓ TA. Spain TA remains in great demand as it fits into local processes and priorities. Main TA providers are Spanish universities, NGOs and twinning arrangements with Spain's autonomous communities and local administrations. ✓ South-South cooperation. Spain increasingly seeks to provide technical assistance using locally or regionally available expertise, thereby strengthening South-South co-operation. TA also used for political aspects (e.g. TA for peace and justice in Colombia). 		<ul style="list-style-type: none"> ✓ Permanent in-country presence of Spanish experts (some of them in the technical co-operation offices, others representing NGOs or Spanish decentralised co-operation).
-------	--	--	--	--

ANNEX C: GOVERNANCE, ACCOUNTABILITY AND ANTI-CORRUPTION MATRIX

	Policy/Focus areas	Approach, modalities and instruments	Initiatives	Resources
Australia	<ul style="list-style-type: none"> ✓ Does not have an overall document on governance. The 2006 White Paper lists among the four pillars of the aid programme “fostering functioning and effective states”. ✓ Other Specific Policy are Building demand for better governance (AusAID 2007) and Tackling corruption for growth and development (AusAID 2007). ✓ In its intervention in the governance sector, has changed focus from security to poverty reduction. Other focuses are building civil society organizations capacity to reinforce accountability (gender focus) and fragile states. ✓ Sees anti corruption as explicitly linked with support to governance. Objectives listed in the strategy: Increase awareness about corruption, changing incentives for corrupt behaviours, increasing transparency and accountability. 	<ul style="list-style-type: none"> ✓ Is working through a whole of government approach. ✓ Has introduced a new “Building demand for better governance approach” for citizens’ empowerment. ✓ Supports national anti-corruption plans and help the host government to develop them when absent. <p>Instruments and modalities</p> <ul style="list-style-type: none"> ✓ Has created the ODE that is conducting an important evaluation work on several thematic issues including governance and anti-corruption. The results are fed back into the programme. ✓ Has a Thematic Network on governance and anti-corruption for sharing knowledge among staff. ✓ Has an interdepartmental Committee on Corruption for improving policy coherence. ✓ Has produced a Managers’ guide to mainstream anti-corruption into activities (AusAID). 	<ul style="list-style-type: none"> ✓ Capacity Development of national government institutions (ex. public financial management, support to public sector reforms, GFG and GPF). ✓ Capacity Development support to local public institutions to improve their capacity to deliver public basic services. ✓ Capacity Development support to local traditional institutions for increasing demand for governance (ex. Council of Chiefs, Council of Churches). ✓ Enhances NGOs and CSOs skills to support local community empowerment (ex. Access). ✓ Strengthens the capacity of institutions and CSOs to promote legal reform and protect human rights (Australian Legal Development Facility). ✓ At international level has ratified the UN Convention against Corruption and the OECD convention on Combating Bribery and supports other international and regional emerging initiative. 	<ul style="list-style-type: none"> ✓ Has a dedicated Governance and Capacity Building Branch with three units: governance and anti-corruption, demand for better governance and fragile states. ✓ Share of bilateral allocable ODA committed to the Governance and Civil Society sector: from 21.8% in 2002 to 38.9% in 2007 (OECD/DCD statistics).

DCD/DAC(2009)34/FINAL

EC	<ul style="list-style-type: none"> ✓ The two main policy documents are Governance and Development (2003) Governance in the European Consensus on Development (2006). ✓ The European Parliament has passed a resolution on anti-corruption (2005). ✓ Central to the EU's foreign policy objectives is the aim to help states become stable and secure. ✓ Democratic Governance definition includes respect for human rights and fundamental freedoms, support for democratic process, rule of law, independent justice system, access to information, transparent accountable government, human security, management of migration, access to basic social services, promotion of sustainable economic growth and social cohesion. ✓ Sees corruption as a symptom of ineffective governance. 	<ul style="list-style-type: none"> ✓ Supports host governments' own governance efforts and focuses on national development strategies. ✓ Targets governance and anti-corruption in CSPs. ✓ Uses an incentive based approach in ACP consisting in giving incentive tranche to top up individual country allocations for democratic governance. <p>Instruments and modalities:</p> <ul style="list-style-type: none"> ✓ Develops Governance Profile with member states and the host government (in particular in ACP countries) used as basis for the Community intervention. ✓ Has prepared an anti-corruption fiche to guide staff producing CSP. ✓ Has introduced the European Instrument for Democracy and Human Rights EIDHR to assist CSO to support democratisation and Human Rights. 	<ul style="list-style-type: none"> ✓ African, Caribbean and Pacific: Supports to the Africa peer review Mechanism. ✓ European Neighbourhood Policy: jointly adopted action plans in which Governance is central. ✓ Mediterranean Partnership: pilot democracy facility to support partners in the Mediterranean area that had made the greatest progress towards democracy and human rights. ✓ Non-ACP countries: Asia and Latin America: less focus on governance, context approach. ✓ At international level supports the UN Convention against Corruption and the OECD convention on Combating Bribery of Foreign Public Officials in International Business Transactions and other international emerging initiative. 	<ul style="list-style-type: none"> ✓ Has a cadre of staff dedicated to governance at both the HQ and field level ✓ Share of bilateral allocable ODA committed to the Governance and Civil Society sector: from 21.1% in 2002 to 24.1% in 2007 (OECD/DCD statistics).
Ireland	<ul style="list-style-type: none"> ✓ Considers governance a priority topic as well as one of the four cross-cutting issues (White Paper 2006). ✓ Is developing a strategy "Building Good Governance" (draft) identifies eight main areas: i) fighting corruption, ii) building democratic systems of government, iii) building effective institutions for service delivery, iv) promoting and protecting human rights, v) strengthening rule of law, vi) building strong civil society, vii) strengthening media and access to information, viii) strengthening global and regional governance. 	<ul style="list-style-type: none"> ✓ Has a context specific approach. Targets governance in CSP and aligns to national development strategies and other donors' activities. ✓ Works in partnership with the partner government, donors and Irish and local NGOs. ✓ Provides support through sector-wide approaches, basket and pooled funds and government or donor-led programmes. ✓ Mainstreams governance. 	<ul style="list-style-type: none"> ✓ Strengthens partner country's capacity for financial accountability and transparency ✓ Many Irish-funded CSOs are engaged in governance-related activities. ✓ At international level has signed the UN Convention against Corruption (and will ratify in 2009) and has ratified the OECD convention on Combating Bribery of Foreign Public Officials in International Business Transactions and supports other international emerging initiative. 	<ul style="list-style-type: none"> ✓ Has a senior development specialist within the Thematic Sectors and Specialist Programme Section and a development specialist within the Policy and Planning Section work on governance. Governance Unit foreseen. ✓ Share of bilateral allocable ODA committed to the Governance and Civil Society sector: from 20.6% in 2002 to 24.3% in 2007 (OECD/DCD statistics).

Norway	<ul style="list-style-type: none"> ✓ Governance is one of the five priority areas for the current government. ✓ The 2008 Budget point out that Norway should be at the forefront in the international fight against corruption. ✓ Strategic foundation for the Norwegian governance approach is outlined in Fighting Poverty Together 2004. ✓ Has a special focus on good and accountable governance of natural resources. ✓ Sees Anti-corruption as part of a broader context of governance reforms. 	<ul style="list-style-type: none"> ✓ Operates through a whole of governance approach. ✓ Links in-country development co-operation with continued policy dialogue and diplomatic efforts. ✓ Its approach to anti-corruption has a strong focus on behavioural change. ✓ Strong supporter of global approaches to good governance for anti-corruption. ✓ Has a zero tolerance of corruption among its staff. ✓ Works with and improves national systems. 	<ul style="list-style-type: none"> ✓ Exports expertise on managing petroleum resources for poverty reduction. ✓ Promotes transparency in national budgets and decision-making processes (public financial management and capacity development, support to statistical offices and anti-corruption bureaux, establishment of anti-corruption commissions). ✓ Supports Norwegian NGOs working on citizen's empowerment. ✓ <u>Supply Side</u>: actively engaged in international forums and bodies. Supports Norwegian businesses operating internationally to ensure they adhere to international regulations governing anti-corruption. ✓ <u>Demand Side</u>: supports global initiatives to make government officials accountable for corrupt behaviour (ex. the stolen asset recovery initiative, the Corruption Hunter Network). 	<ul style="list-style-type: none"> ✓ Has an anti-corruption unit and a separate unit for the Oil for Development programme. ✓ Share of bilateral allocable ODA committed to the Governance and Civil Society sector: from 31.5% in 2002 to 28.7% in 2007 (OECD/DCD statistics).
Spain	<ul style="list-style-type: none"> ✓ "Democratic governance, public participation and institutional development" is a priority strategic sector "Human rights" is one of the five horizontal priorities (Master Plan 2005-2008). ✓ At the time of the Peer Review was discussing a draft of a strategy on governance. ✓ Focuses on participative democracy and political pluralism, citizens' equal access to public administration services, strengthening of local institutions and processes (decentralization), Human Rights. ✓ Sees Corruption as a symptom of ineffective governance. 	<ul style="list-style-type: none"> ✓ Has a citizen-centric approach to governance. ✓ Mainstreams human rights. ✓ Works through decentralized cooperation. Strong role of Spanish NGOs, Spanish local administrations and autonomous communities in local development. ✓ Has a context specific approach. ✓ Has a strong focus on the local level. ✓ Has created a balance between working with government agencies and helping to enlarge the democratic space for citizens and civil society organizations. 	<ul style="list-style-type: none"> ✓ Strengthens political parties and trade unions, parliaments and legislative processes as well as electoral processes and bodies. ✓ Supports civil society organizations. ✓ Supports Institutions in the justice and legal sector (ex. strengths capacity of the General Attorney's Office and the National Electoral Court). ✓ Supports decentralization processes. ✓ Supports local institution for improving their capacity to deliver public services. ✓ Strengthens citizens' demand for accountability and their participation to decision making processes. 	<ul style="list-style-type: none"> ✓ Share of bilateral allocable ODA committed to the Governance and Civil Society sector: from 8.2% in 2001 to 19.2% in 2007 (OECD/DCD statistics).

ANNEX D: CONFLICT, PEACE, SECURITY AND FRAGILE STATES MATRIX

	Policy/Focus Areas	Approaches	Instruments and modalities	Resources
Canada (2007)	<ul style="list-style-type: none"> ✓ CIDA's mandate includes specific references to the linkages between poverty reduction, achievement of MDGs, on one hand, and security in both partner countries and in Canada. ✓ No specific policy on programming in conflict-affected and fragile states although a policy reported to be under preparation at time of PR, based on the <i>DAC Principles for International Engagement in Fragile States and Situations</i>. 	<ul style="list-style-type: none"> ✓ Comprehensive whole-of-government approach based on three dimensions of foreign policy – diplomacy, defence and development – and broadly owned across government departments and agencies. Putting this approach into practice, however, requires further elaboration – notably in the areas of incentives, development of WofG frameworks and joined-up planning. ✓ Three major programming entry points: (i) good governance (i.e. democratisation support, accountable public institutions, legal and judicial reform, human rights protection, gender participation in decision-making); (ii) security and stability (mediation, SSR, humanitarian assistance and the reduction of violence) and (c) livelihoods (micro-enterprise development, enabling business environment, agricultural extension services, property rights and protection of natural resources). 	<p>Instruments</p> <ul style="list-style-type: none"> ✓ <i>Provincial Reconstruction Team (PRT)</i> in Kandahar, Afghanistan (comprising Canadian Forces, CIDA development officers and DFAIT diplomats). ✓ <i>DFAIT Stabilisation and Reconstruction Taskforce (START)</i> – a rapid reaction instrument that manages the Global Peace and security Fund and the Glyn Berry Programme which promotes democracy overseas. <p>Modalities</p>	<p>Institutional</p> <ul style="list-style-type: none"> ✓ DFAIT and CIDA share responsibility for policy and programming under MoU that defines mandates and operating principles. ✓ <i>DFAIT Stabilization & Reconstruction Taskforce (START)</i> guided by Advisory Board that includes representatives of all other government departments. ✓ <i>CIDA Peace & Security Group</i> supports conflict prevention, peace-building and protection by multilaterals and INGOs. ✓ Department of National Defence, International Police Peacekeeping Program of RCMP and Elections Canada. <p>Funding</p> <ul style="list-style-type: none"> ✓ <u>Vertical funds</u> <ul style="list-style-type: none"> <i>Peace & Security Pool</i> managed by DFAIT (CAD383 million in 2007/2008, of which CAD19 million to CIDA and CAD 39 million to others). <i>Crisis Pool</i> co-managed by DFAIT and CIDA (CAD 333 million in 2007/2008) for earmarked, short-term activities. <i>Development Pool</i> managed by CIDA (CAD 2.90 billion in 2007/2008, of which CAD158 million to DFAIT; and CAD12 million to others) for longer-term development activities. <i>Research and Development Pool</i> managed by IDRC (CAD141 million in 2007-2008) for, <i>inter alia</i>, research on specific peace-building processes and key peace-building challenges. ✓ <u>Horizontal fund</u> – <i>GPSF</i> (CAD 500 million over five years drawn from the Peace & Security Pool) to support crisis response, stabilization and reconstruction: to continue to address Canada's G8 commitments to build capacity of global and regional peace operations capacity; and to shape the international policies, laws and institutions to prevent and resolve crises.

EC (2007)	<ul style="list-style-type: none"> ✓ No specific policy on programming in conflict-affected and fragile states although a Communication reported to be under preparation at time of PR. ✓ References in <i>European Consensus on Development</i> (2005) and <i>Africa Strategy</i> (2005). ✓ Commission Communications to the Council on <i>Conflict Prevention</i> (2001), <i>Coherence for Development</i> (2002), <i>Governance in the European Consensus on Development</i> (2006), <i>Aid Effectiveness</i> (2006) and <i>Security Sector Reform</i> (2006). 	<ul style="list-style-type: none"> ✓ System-wide acknowledgement of the importance of joined-up approaches but, in practice, there is requirement to improve coherence and integration between European Security and Defence Policy (ESDP) and EC missions. ✓ Piloting “double-hatting” in Macedonia, i.e. same person as head of ESDP mission and head of delegation. 	<p>Instruments</p> <ul style="list-style-type: none"> ✓ The <i>Instrument for Stability</i> and the <i>Africa Peace Facility</i> are available to promote whole-of-government/organisation support to conflict-affected and fragile states but, at time of PR, the Commission had made only limited use of these facilities. <p>Modalities</p> <ul style="list-style-type: none"> ✓ High usage of “quick delivery implementing partners” resulting in parallel PIUs and low aid flows through national procurement and PFM systems. Commitment to absorb greater fiduciary risks in the future in order to increase investments in developing national capacities and to use national processes and mechanisms. 	<p>Institutional</p> <ul style="list-style-type: none"> ✓ Horizontal units dealing with conflict prevention and fragile states in RELEX), DEV and EuropeAid. ECHO provides humanitarian assistance in these situations. ✓ No central repository for “<i>the vast and growing knowledge, experience and good practice in state fragility and conflict issues within the Community</i>”. ✓ but limited in-house capacity and skills on security sector reform. <p>Funding</p> <ul style="list-style-type: none"> ✓ No specific allocation for conflict-affected or fragile states. However, some of the top recipients of EC aid include fragile states and the EC is among the largest donors to several fragile states. ✓ European Development Fund includes an “A-envelope” for programmable assistance and the “B-envelope” for unforeseen needs. This enables a pragmatic mix of predictable and flexible support.
Finland	<ul style="list-style-type: none"> ✓ No specific policy for fragile states but Finland aims to align with policies and guidelines of others including DAC fragile states principles, EU etc. ✓ References in the 2004 Government resolution and the Development Policy Paper (2007). ✓ Finland’s overarching position that “<i>all development policy and aid contribute to conflict prevention</i>” was challenged by the Peer Review, which observed that it “<i>may be wishful thinking in the absence of a more systematic approach to conflict sensitivity</i>”. ✓ MFA commissioned discussion paper, <i>Development in an insecure world - new threats to human development and their implications for development policy</i> (2005), to explore policy options to address new threats to human security that transcend national boundaries and give rise to major development challenges in the contemporary world. 	<ul style="list-style-type: none"> ✓ Beginning to promote a more comprehensive inter-ministerial approach at headquarters and in the field, e.g. the inter-ministerial Security and Development network, which was established in 2007, is beginning to deliver policy coherence. 	<p>Instruments</p> <ul style="list-style-type: none"> ✓ “Absence of systematic integration of conflict sensitive approaches, e.g. no in-house instruments for analysis or systematic use of particular analytical frameworks -rather Finland draws from UN, World Bank, EU and other analyses. ✓ “Absence of systematic integration of conflict sensitive approaches, e.g. no in-house instruments for analysis or systematic use of particular analytical frameworks -rather Finland draws from UN, World Bank, EU and other analyses. <p>Modalities</p> <ul style="list-style-type: none"> ✓ Support channeled through multi-donor trust funds or EU and multilateral channels. ✓ Secondment of staff to EU missions (e.g. Aceh), IFIs and UN (e.g. election observers). ✓ Little use of joint assessment missions and joint donor offices. 	<p>Institutional</p> <ul style="list-style-type: none"> ✓ No specialized unit within MFA with overall responsibility for fragile states policy and approaches. Embassies and MFA hire external consultants as required. <p>Funding</p> <ul style="list-style-type: none"> ✓ No specific allocation for fragile states. ✓ Two of Finland’s eight long-term partner countries are considered fragile (Nepal and Ethiopia). ✓ Elsewhere support is determined on a case-by-case basis e.g. <i>Fund for Local Co-operation</i> for local CSOs at embassy and humanitarian budget for activities contained within UN Consolidated Appeals. Where Finland participates in broader international coalitions (e.g. Afghanistan, East Timor and the Western Balkans), “co-operation of limited duration” is allocated.

France	<ul style="list-style-type: none"> ✓ Position paper, <i>Fragile States and Situations of Fragility</i> (2007). ✓ Fragility approached from a governance perspective, i.e. restoration of State legitimacy and strengthening of degraded state-society relationships as a pre-requisite for creating a viable enabling environment for poverty reduction and sustainable development. ✓ Peacebuilding, humanitarian aid and development assistance are considered to be different parts of an integrated reconstruction process in post-crisis situations. 	<ul style="list-style-type: none"> ✓ Position paper was developed through inter-departmental consultations within CICID and the <i>Groupe de travail interministériel sur les États fragile</i> but no formalised structures exist in Paris for inter-departmental co-operation in fragile contexts on an ongoing basis with exception of Steering Committee on SSR launched in 2nd half of 2007. ✓ At field level, the SCAC provides forum for inter-departmental collaboration and coherence. ✓ France opted not to nominate list of so-called “fragile states”. To assist in locating the particular context on fragility-functionality continuum, a pilot diagnostic tool, the Fragilities Grid (<i>Grille de lecture des fragilités</i>), has been developed. 	<p>Instruments and modalities</p> <ul style="list-style-type: none"> ✓ Position paper commits to application of the full range of instruments – adapted where necessary – in an appropriate blend of quick disbursing assistance and sustained support. ✓ In practice, heavy emphasis on in-line technical assistance was observed in CAR. 	<p>Institutional</p> <ul style="list-style-type: none"> ✓ Conflict Prevention and Reconstruction Bureau within <i>Direction générale de la coopération et du développement</i> (DGCID) of MFA. <p>Funding</p> <ul style="list-style-type: none"> ✓ No specific allocation for conflict-affected or fragile states. However, France specifically includes a number of fragile states and conflict-affected states amongst the 55 countries in the Priority Solidarity Zone (ZSP).
--------	--	--	---	--