Plenary session 3

Progress in Delivering the Busan Partnership for Effective Development Co-operation in States of Fragility

This paper is in three parts:

Part A: Provides a synopsis of the key lessons drawn from country case studies on progress made in implementing the Busan Partnership for Effective Development Co-operation. The executive summary provides a consolidated summary of Part A.

Part B: Provides in-depth case study analysis of the progress made in implementing the Busan Partnership for Effective Development Co-operation.

Part C: Annexes

Contacts

Daniel Coppard, Director of Research, Analysis and Evidence, Development Initiatives

T: +44 (0)1179 272505 E: Daniel.Coppard@devinit.org

Sarah Dalrymple, Senior Engagement and Advocacy Adviser, Development Initiatives

T: +44 (0)1179 272505 E: Sarah.Dalrymple@devinit.org

*Developed by **Development Initiatives** in consultation with the **Ministry of Foreign Affairs of the Republic of Korea***

Contents

Progress in delivering the Busan Partnership for
Effective Development Co-operation in states of fragility

Acknowledgements

This report is based on analysis of a number of individual case studies regarding the delivery of the Busan Partnership agreement in fragile states, drawing upon published reports and other written material related to these and interviews with key stakeholders as relevant. Constraints to time meant that it was not possible to verify every case study directly with the relevant institutions involved. Hence, please note that the findings and conclusions reached are thus the responsibility of the authors and do not reflect the views of actual stakeholders in those partnerships.

Acronyms and abbreviations

3RP   Regional Refugee and Resilience Plan (Syria)
ACODE   Advocates Coalition for Development and Environment (Uganda)
AIMS   Aid Information Management Systems
ARTF   Afghanistan Reconstruction Trust Fund
BCC   behaviour change communications
CABRI   Collaborative Africa Budget Reform Initiative
CDC   Center for Disease Control and Prevention (US)
CERF   Central Emergency Response Fund (UN)
CPIA   Country Policy and Institutional Assessment (World Bank)
CRS   Creditor Reporting System
CSBAG   Civil Society Budget Advocacy Group (Uganda)
CSO   civil society organisation
CSPPS   Civil Society Platform for Peacebuilding and Statebuilding
DAC   Development Assistance Committee (OECD)
DFID   Department for International Development (UK)
DRT   disaster response team
EU   European Union
FSPs   Fragile States Principles
FSS   Forward Spending Survey
GIFT   Global Initiative for Fiscal Transparency
GPEDC   Global Partnership for Effective Development Co-operation
IATI   International Aid Transparency Initiative
IBP   International Budget Partnership
ICT   information and communications technology
IDPS   International Dialogue on Peacebuilding and Statebuilding
IECCD   International Economic Cooperation Coordination Division (Nepal)
IMF   International Monetary Fund
INCAF   International Network on Conflict and Fragility
KODI   Kenya Open Data Initiative
KOICA   Korea International Cooperation Agency
KPI   key performance indicator
LCRP   Lebanon Crisis Response Plan
LSCTF   Lebanon Syrian Crisis Trust Fund
MDGs   Millennium Development Goals
MDTF   Multi-Donor Trust Fund
MoFED   Ministry of Finance and Economic Development (Ethiopia)
MRR   municipal risk and resources
NERC   National Ebola Response Centre
NGO   non-government organisation
OCHA   Office for the Coordination of Humanitarian Affairs (UN)
ODA   Official Development Assistance
OECD   Organisation for Economic Co-operation and Development
OGP   Open Government Partnership
PEAP   Poverty Eradication Action Plan (Uganda)

5

PFM	Public Financial Management
PPP	Purchasing power parity
PSGs	Peacebuilding and Statebuilding Goals
PSNP	Productive Safety Net Programme (Ethiopia)
PUNSAA	Puntland Non-State Actors' Association (Somalia)
SBCs	State Building Contracts (EU)
SDGs	Sustainable Development Goals
SDRF	Somalia Development and Reconstruction Facility
SFF	Special Financing Facility
SGBV	sexual and gender-based violence
SLANGO	Sierra Leone Association of Non-Governmental Organizations
SWAp	Sector-Wide Approach
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
US	United States
USAID	United States Agency for International Development
WASH-Net	Water, Sanitation and Hygiene Network
WFP	World Food Programme
WHO	World Health Organization

Index of case studies

Case study 1: Government leadership in response to the Ebola crisis in Sierra Leone

Case study 2: Development partner alignment to the priorities of the Government of Lebanon on education

Case study 3: Support to PFM in Timor-Leste through the framework of the New Deal

Case study 4: Overcoming risks and promoting country ownership through pooled funding mechanisms in Afghanistan and Somalia

Case study 5: EU State Building Contract in Mali – new form of rapid budget support

Case study 6: Saferworld's community security programme in South Sudan

Case study 7: The leadership of municipalities in delivering "social stability" programming in Lebanon through the UN-led 3RP

Case study 8: Inclusion of civil society and communities in the Ebola response in Sierra Leone and DRC

Case study 9: Inclusion of civil society and communities in the implementation of the New Deal in Somalia

Case study 10: Role of the Deutsche Post DHL Group in the Nepal earthquake response

Case study 11: Timor-Leste's support to voter registration in Guinea-Bissau

Case study 12: USAID support to health service provision in Somalia

Case study 13: Uganda's new budget website

Case study 14: Nepal's public aid information management system

Case study 15: Supporting use of open data applications in Kenya

Case study 16: Open data on relief funding for the Nepal earthquake response

Case study 17: Myanmar's 'IATI native' aid management system

Executive summary

This paper synthesises country-level evidence on the delivery of development cooperation and implementation of the Busan Partnership for Effective Development Co-operation in fragile states (referred to as the Busan Partnership Agreement), highlighting broader lessons for success, methods for overcoming challenges and implications for future delivery. It is structured around the four overarching principles set out in the Busan Partnership Agreement: (1) country and democratic ownership; (2) inclusive partnership; (3) results; and (4) transparency and shared responsibility.

There has been notable progress in governments taking ownership of national development frameworks and development partners aligning to the priorities of partner countries. However, the case study evidence shows that expectations must be realistic: inclusive political change in fragile contexts is a long and complex process requiring appropriate delivery plans, timeframes, funding and results frameworks. Fostering cross-government buy-in and driving inclusive political dialogue is also critical. Civil society, often constrained by budgetary, logistical and physical access barriers, needs to be included in national development frameworks to maximise such inclusivity.

Whilst the use of country systems in fragile states has increased in aggregate, limited progress has been made in strengthening the quality of public finance management (PFM) systems. As donors avert risks associated with using weak or non-existent systems, parallel systems are often created. Greater focus on strengthening the capacity and quality of PFM systems is necessary for risk management, and case study evidence demonstrates a range of actions that can be taken by both donors and partner countries to this end. Furthermore, support should not be limited to states that already have government institutions and accountability systems in place: establishing financing mechanisms to reimburse government salary payments is critical to the very formation of government institutions.

The alignment of development partner results frameworks to those of partner countries is a central theme for development effectiveness in fragile states. However, evidence suggests that this can only be achieved through investment in measuring results and building the necessary capacity. A blueprint should be developed on how partner countries should monitor Busan Partnership Agreement principles, as well as a global results framework, and monitoring of transparency in the Global Partnership for Effective Development Cooperation (GPEDC) should go beyond a focus on the supply of information to include the routine use of data at country level.

The key findings and lessons learnt are outlined below. It is important to note that the lessons captured in this section are based on a limited number of case studies.

Country and democratic ownership

National leadership

Key findings
- There has been notable progress in terms of governments taking leadership and ownership over national development frameworks.

Lessons learnt
- A differentiated approach should be taken in fragile states, tailored to the context and type of fragility experienced.
- Government-led national development frameworks should be based on an inclusive fragility assessment in order to move beyond technocratic exercises and to shape political dialogue.

- Delivery plans, timeframes, budgets and results frameworks should accommodate the reality that inclusive political change in complex contexts takes time, possibly even generations, to achieve.
- Cross-government buy-in and leadership is critical to the effective delivery of government-led national development frameworks and priorities on peacebuilding and statebuilding.

Alignment of priorities

Key findings
- Development partners have made progress in aligning their priorities to those of partner governments.

Lessons learnt
- Development partners are more likely to support and align to government-led decisions if they are present in the meetings when these decisions are made.
- Donors need to weigh up funding international private contractors as opposed to channelling funds through country systems in terms of costs, value for money, and the potential implementation of disjointed small-scale projects through private implementers which are not able to work at scale, or be sustainable in supporting country ownership.
- There should be a greater focus on strengthening the capacity and quality of government PFM systems in order to strengthen use of country systems and minimise risks.
- To strengthen alignment, donors should fund in line with government planning cycles.

Use of country systems

Key findings
- Use of country systems continues to be a challenge in fragile states, largely as a result of donors averting risks associated with government systems that are potentially weak, slow or non-existent. This has, in some cases, resulted in the creation of parallel systems at the country level that can shift accountability for service delivery away from the state.
  - However, whilst experiences have been mixed, as an overall trend, there has been an increase in the use of country and PFM systems in fragile states. Examples of use of country systems presented in this report are predominantly drawn from pooled funding mechanisms and innovative approaches to budget support, with some coverage of Sector-Wide Approaches (SWAps), while recognising that other mechanisms exist.

Lessons learnt
- It is important that partner country governments are involved in the governance of pooled funding mechanisms from the outset to foster greater and more sustainable country ownership.
- European Union (EU) State Building Contracts (SBCs) are useful mechanisms for budget support in contexts with high fiduciary risk.
- The provision of budget support is critical in enabling state institutions to be formed – particularly in contexts where government regulation is absent – and as such should not be limited to states that already have government institutions and accountability systems in place.
- The establishment of on-budget financing mechanisms to reimburse government salary payments is particularly important with regards to the formation of government institutions.
- Partner countries with weak PFM systems in place can attract on-budget support from donors by establishing financial controls and a fiduciary framework for recurrent costs, as well as strengthened transparency and accountability of revenues and expenditures.

- The Fixed Amount Reimbursement Agreement championed by the United States Agency for International Development (USAID) – an effective process for reimbursing expenditure in a government's budget once it has been audited – could be rolled out in other countries/by other donors.

Predictable aid

Key findings
- There has been slow progress on improving the predictability of development cooperation in fragile states.
- There has been greater progress by a few donors on establishing rapid response mechanisms.

Lessons learnt
- Development partners should develop accurate systems for providing partner countries with spending estimates 3–5 years in advance to enable more effective planning in the medium and long term.
- Multi-year programming and funding is a reliable and efficient mechanism for providing rapid and predictable response.
- EU SBCs are useful mechanisms for rapid response where there is political backing from the international community and where priorities are aligned to those of the government.

Assistance in conflict contexts

Key findings
- Supporting country ownership in situations of violent conflict is a challenge, particularly where it is difficult to work with and through the government.

Lessons learnt
- Donors should take a more nuanced approach in countries where cyclical conflict is likely, by planning around a likely return to conflict, undertaking risk management and recognising that periods of calm are not always opportunities for long-term development.
- Tackling marginalisation and fostering a legitimate and inclusive political settlement in post-conflict contexts is central to minimising the risk of renewed conflict.

Support to non-state initiatives

Key findings
- Evidence shows that support to non-state initiatives can drive long-term social and political change and address underlying causes of conflict and fragility.

Lessons learnt
- Linking non-state initiatives with the government and securing its buy-in is key to sustainability, but where this is not possible, strengthening the capacity and leadership of civil society can build the foundations for longer-term peace and national buy-in.

Inclusive partnerships

Inclusion of civil society and communities

Key findings
- Significant progress has been made regarding the inclusion of civil society and communities in national development processes.

Lessons learnt
- Involving civil society at the outset of national responses is critical to achieving inclusive results and meeting the needs and interests of all segments of society.
- Having pre-established mechanisms in place for community leadership prior to the outbreak of a crisis can lead to greater community ownership and more inclusive results in the response.
- Regional representation of communities and civil society in assessments and in national development consultations is critical; the logistical and financial barriers to achieving this should be addressed through realistic timeframes and budgets.

Inclusion of the private sector

Key findings
- There are encouraging signs that the private sector is starting to play a greater role in responding to disasters. While disaster response is not an explicit component of the Busan Partnership Agreement, this report pays some attention to it given the role that disasters play in exacerbating political fragility and the importance of coordinating all actors engaging in fragile contexts.
- Public–private partnerships can create stable environments for businesses in post-conflict contexts.

Lessons learnt
- Domestic investments in infrastructure and human resources alongside stronger investment incentives can make the domestic market more profitable and attract private investment in fragile states.
- Corporate partnerships between aid agencies and the private sector can provide reliable and efficient mechanisms for rapid and predictable responses to natural disasters.
- Government-led prevention and response strategies must be developed in collaboration with the private sector to maximise the response to disasters in fragile states.

Fragile-to-fragile cooperation

Key findings
- There has been notable progress in South–South cooperation, particularly through the implementation of the New Deal and priorities around 'Fragile-to-Fragile' cooperation.

Lessons learnt
- Fragile-to-Fragile cooperation should be rolled out more widely given its value in terms of capacity building and sharing lessons between fragile states.

Results

Alignment of results frameworks and mutual accountability

Key findings
- There has been slow progress in aligning development partners' results frameworks to those of partner countries. Measuring results in fragile states is particularly difficult given the contextual (capacity, access, communications and risk of insecurity) challenges experienced. Greater progress has been made in developing mutual accountability frameworks, and the New Deal has provided an importance framework for this.
- Significant progress has been made in developing joint (development partner and partner country) targets for effective development cooperation. Less progress has been made in

11

undertaking joint and inclusive assessments of progress, and in making the results of these assessments publicly available.

Lessons learnt
- Measuring results in fragile states is a long-term process and is likely to face greater challenges than in non-fragile contexts. It is important that results frameworks accommodate this reality.
- There is a pressing need for development partners to invest in capacity building for partner countries on measuring results and collecting data to track progress against indicators.

A blueprint should be developed on how partner countries should monitor commitments set out in the Busan Partnership Agreement, as well as a global results framework.

Achieving impact by meeting the needs of vulnerable people

Lessons learnt
- To achieve impact, and given that peacebuilding and statebuilding are long-term processes, it is important that the needs of vulnerable people continue to be met while support at the state level takes place through the simultaneous provision of basic services.
- Given that most humanitarian assistance goes to long-term recipients in response to protracted and reoccurring crises, and often finances provision of basic services, it is worth exploring whether (and under what circumstances) there may be a role for other actors in ensuring such provision, particularly through social protection programmes.

Transparency and shared responsibility

Key findings
- In a few fragile states there has been remarkable progress in establishing transparent PFM systems, but many states still do not provide sufficient information.
- Although Aid Information Management Systems (AIMS) have been established in many fragile states, they continue to face a number of constraints, which limit their operational value.
- Progress on implementing a common, open standard has been varied. Progress in publishing timely and comprehensive data has been greater than the production of forward-looking data.

Lessons learnt
- The capacity of governments to manage AIMS should be strengthened and donors should provide data in a format compatible with that of the government's budget.
- Establishing a national budget website and accompanying this with outreach activities and the establishment of a civil society monitoring mechanism can strengthen government transparency.
- Building the capacity of intermediaries to use data is essential if open data is to benefit citizens.
- Disaggregated data made accessible on an open platform can help the public to understand the raw data behind media headlines and to verify claims. It can also help donors to identify funding gaps.
- For real transparency gains to be realised, monitoring of transparency in the GPEDC should go beyond a focus on the supply of information to include the routine use of data at country level.
- It is important that all providers of development cooperation publish high-quality data to the International Aid Transparency Initiative (IATI) Standard in order to facilitate automated data exchange with country-based systems.

PART A: INTRODUCTION AND KEY FINDINGS

1. Introduction

This report synthesises country-level evidence on the delivery of development cooperation and implementation of the Busan Partnership for Effective Development Co-operation in fragile states (Busan Partnership Agreement). Fragile states are diverse in terms of their contexts, processes and the challenges they face, and the lessons emerging from implementation of the agreement at country level are largely context-specific. But this report seeks to highlight broader lessons for success and overcoming challenges that may be relevant beyond the individual countries themselves and have implications for future delivery.

This report is structured around the four overarching principles set out in the Busan Partnership Agreement:[1]

1. Country and democratic ownership
2. Inclusive partnerships
3. Results
4. Transparency and shared responsibility

The report draws on broad global surveys and the experience of the g7+ group of 20 fragile states where aid often constitutes above average proportions of government revenues and hence where development effectiveness issues are most critical. The report also draws on case studies and research in fragile states which, although outside the g7+ group, offer particularly important recent lessons. These include Lebanon, Malawi, Mali, Myanmar, Nepal and Uganda.

The report highlights the relevance of a broad spectrum of actors engaging in development cooperation in fragile states. These include humanitarian, development, and peace and security actors, public and private sector actors, civil society, and national and international actors. It also highlights the need to build coherence between these actors by connecting the Global Partnership for Effective Development Co-operation (GPEDC) to other relevant global development and humanitarian processes – particularly the World Humanitarian Summit in May 2016, and the 2030 Agenda for Sustainable Development (2030 Agenda).

1.1 Definitions and the shift towards states of fragility

While there is no internationally agreed definition of the term 'fragile states', for the purpose of this research and drawing on the definition given by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), the term will be used to refer to states that have state structures which lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations.[2]

In line with the new understanding of fragility adopted by the OECD DAC and set out in the report *States of Fragility 2015: Meeting Post-2015 Ambitions*, this paper recognises that fragility is universal in nature and extends beyond fragile and conflict-affected countries. Looking forward towards the implementation of the 2030 Agenda, this OECD report tests a new framework for categorising fragility and identifying vulnerable countries. Taking this new understanding of fragility forward, in addition to looking beyond national to sub-national manifestations of both fragility and progress, is an important consideration for the GPEDC and for others concerned with making development cooperation more effective.

The traditional list of 50 fragile states and economies used in the OECD DAC *States of Fragility 2015* report is used in this paper. This list is based on the 2014 World Bank/Asian and African Development Bank Harmonised List, and the 2014 Fragile States Index by the Fund for Peace. See Annex 3 for a breakdown of fragile states appearing on the different lists, including the list used by the OECD DAC and in this paper.

1.2 Selection of case studies

Case studies have been selected to cover a mix of states experiencing different types and stages of fragility. These include deteriorating governance environments, violent conflict, post-conflict contexts, prolonged crises, and countries experiencing political fragility exacerbated by natural disasters.

Case studies have also been selected to include a wide range of programmatic and thematic responses in fragile states. These include implementation of the New Deal for Engagement in Fragile States (see below), the response to the Ebola crisis in West Africa (as an example of a sudden-onset health disaster), and efforts to build resilience and respond to the protracted refugee crisis in Syria and the wider region, with a focus on Lebanon.

Case studies also include 14 least developed fragile states that have been so severely affected by conflict as to require UN peacekeeping/building support. This group includes all eight pilot New Deal countries.

1.3 A different approach to development cooperation in fragile states

There is broad recognition that vulnerability, fragility and crisis are interconnected in ways that can undermine development. Conflict and ongoing insecurity can set back development progress by decades, undermining previous investments and achievements. For example, progress in South Sudan following the 2005 Comprehensive Peace Agreement – including the building of new state institutions and economic and social development – has been undermined following the return to conflict in late 2013. As a result, fragile states have made less progress than other developing countries in reducing poverty and meeting the Millennium Development Goals (MDGs) overall. Depth of poverty (how far people are below the poverty line) is greatest in fragile states compared with non-fragile states and extreme poverty rates (based on the number of people living on less than $1.25 a day) have risen faster (Figure 1). Of the 21 countries experiencing greatest depth of poverty (greater than 10%) and with the largest increase in the number of poor people between 2002 and 2011, 15 are fragile states.

Figure 1: Countries with the greatest depth of poverty and fastest rising numbers living in poverty are mostly fragile states

Depth of poverty, 2011   ○ Not fragile   ● Fragile

Change in the number of people living below PPP $1.25 per day, 2002–2011
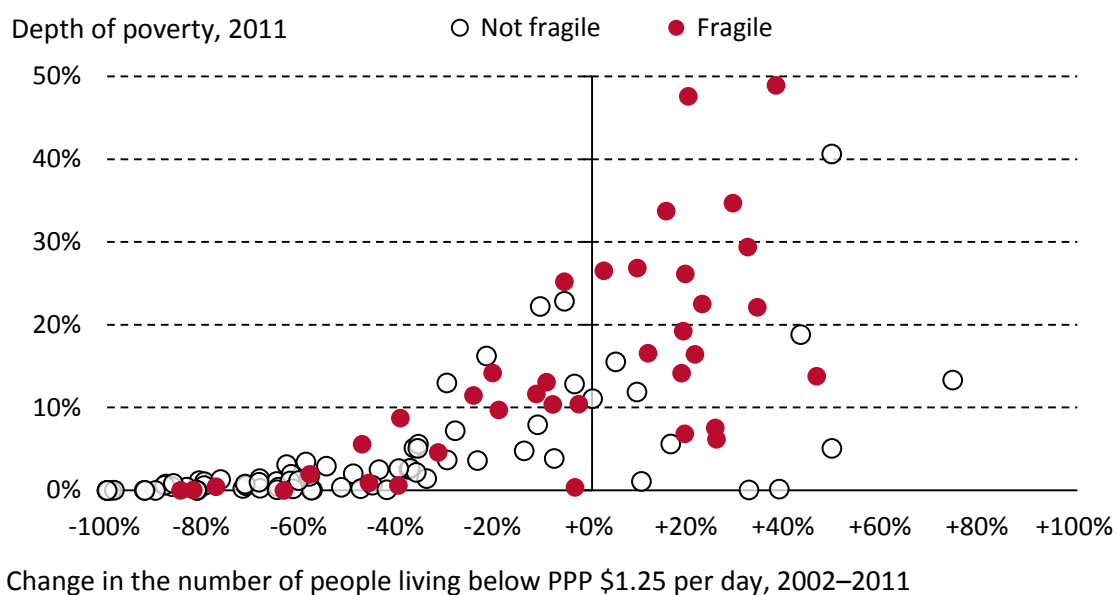
Source: Development Initiatives based on World Bank, PovcalNet and list of fragile states used in OECD DAC *States of Fragility 2015* report.[3]

At the global level, therefore, poverty, fragility and crisis often converge in the same places. Poverty makes people more vulnerable to conflict and disasters, while these shocks deepen their poverty, making them more vulnerable to risk. Four out of ten (41%) of people living in extreme poverty live in countries that are politically fragile, and 76% live in countries that are environmentally vulnerable (Figure 2).

Figure 2: The vast majority of people living in extreme poverty in countries that are environmentally vulnerable, politically fragile, or both (2013)

Other countries

4% of global people in extreme poverty

34 countries

Depth of poverty 7%

Politically fragile

16% of global people in extreme poverty

25 countries

Depth of poverty 20%

Politically fragile and environmentally vulnerable

25% of global people in extreme poverty

24 countries

Depth of poverty 11%

Environmentally vulnerable

51% of global people in extreme poverty

56 countries

Depth of poverty 3%

Source: Development Initiatives based on World Bank World Development Indicators, World Bank PovcalNet, INFORM, and list of fragile states used in OECD DAC States of Fragility 2015 report.[4]

The experiences of **Central African Republic** and **Mali**, among others, illustrate the uncertainty and persistent challenges associated with delivering development cooperation in fragile states, for governments and development partners alike, as a result of the ongoing risks of insecurity, political instability and violent conflict. As such, it has been increasingly recognised by the international community that the delivery of development cooperation in fragile states requires a fundamentally different approach to that taken in more stable developing countries.

This recognition culminated in the endorsement of a New Deal for Engagement in Fragile States at the Fourth High-Level Forum on Aid Effectiveness in Busan in 2011.[5] The New Deal has since been endorsed by 43 countries and organisations, including the g7+ group of 20 fragile and conflict-affected countries. To date, it has been implemented in seven g7+ pilot countries – Afghanistan, Central African Republic, Democratic Republic of the Congo (DRC), Liberia, Timor-Leste, Sierra Leone and South Sudan, with an additional pilot in Somalia.[6]

The New Deal is underpinned by the logic that addressing the root causes of fragility through a focus on peace and security is a prerequisite for achieving sustainable and effective development in the longer term, placing country ownership and inclusive political dialogue at the centre. It sets out five Peacebuilding and Statebuilding Goals (PSGs) – legitimate and inclusive politics, justice, security, economic foundations, and revenues and services – as the foundation for building resilience and addressing the underlying causes of fragility. Annex 1 provides an overview of the New Deal principles and Annex 2 sets out the overlap between the Busan principles and the New Deal principles.

The New Deal builds on the earlier Principles for Good International Engagement in Fragile States and Situations (Fragile States Principles, or FSPs) that were developed and endorsed in 2007 by OECD

ministers as guidelines for actors involved in development cooperation in fragile and conflict-affected states.[7]

The inclusion of Sustainable Development Goal (SDG) 16 in the 2030 Agenda, on promoting peaceful and inclusive societies and reducing violence, marks the continued focus on peace and security as a central aspect of, and precondition for, effective development cooperation.

1.4 Significance of humanitarian assistance and actors in fragile states

Fragile states receive a much higher proportion of Official Development Assistance (ODA) as humanitarian assistance (14%) than non-fragile states (4%).[8] Reliance on international humanitarian assistance is thus greater in fragile countries, where capacities for domestic spending are lowest. In addition, more than two-thirds (72%) of humanitarian assistance from OECD DAC donors went to long-term fragile state recipient countries[9] in 2013 as a result of protracted and reoccurring crises. This highlights the overlap in the caseload between humanitarian response and development cooperation to fragile states, as humanitarian assistance often continues to provide basic services where other international and national investments are absent.

Figure 3: Most official humanitarian assistance from DAC donors is allocated to long-term fragile states (1990–2013)

■ Long-term (8 years or more)　■ Medium-term (3-7 years inclusive)　■ Short-term (under three years)
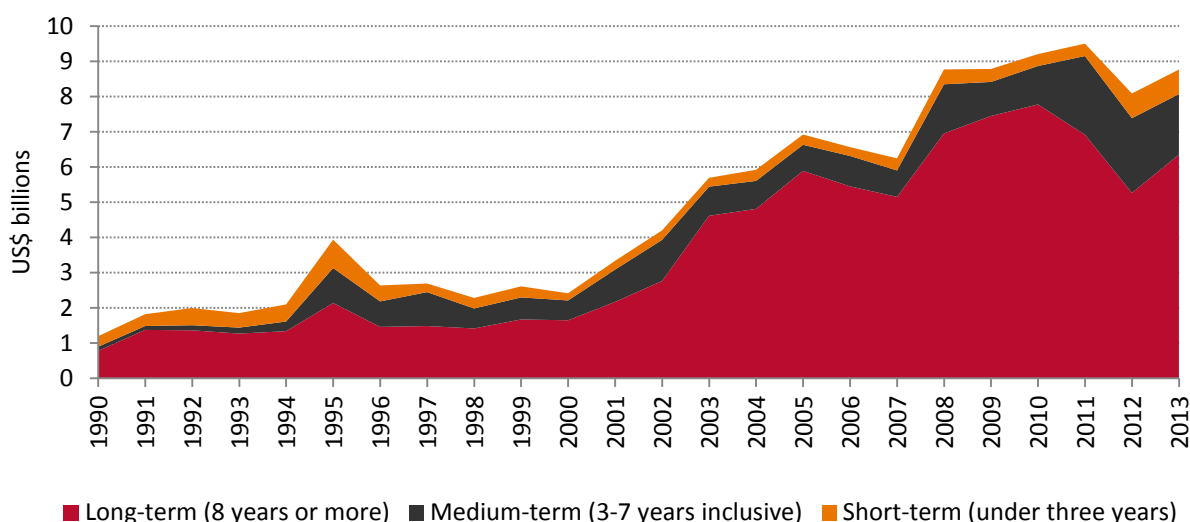
Source: Development Initiatives based on OECD DAC and United Nations (UN) Central Emergency Response Fund (CERF) data and the list of fragile states used in the *States of Fragility 2015* report.[10]

Given the important role that humanitarian assistance continues to play in fragile and conflict-affected states, analysis of country experiences in this paper includes an assessment of humanitarian assistance, particularly where there is an overlap with longer-term development cooperation. One important example of this is the support given to Syrian refugees through the Regional Refugee and Resilience Plan (3RP) launched by the United Nations (UN) and partners in 2014, which builds on the capacities of humanitarian and development actors to address the underlying causes of fragility and build resilience.

1.5 Methodology for the research

The information presented in this report is based on a synthesis of evidence collected through a review of existing documentation on progress, at global and country level, in implementing the Busan Partnership Agreement in fragile states. It includes reviews/evaluations, policy briefings, research reports, and project implementation and monitoring reports and plans. This information has been drawn from a range of sources, including multilateral agencies, donors, partner country governments, the GPEDC, civil society and the private sector.

The review of available documentation has been corroborated with key informant interviews undertaken with representatives from partner country governments, donors, multilateral agencies (including OECD DAC), the International Dialogue on Peacebuilding and Statebuilding Secretariat, civil society, and the private sector.

The desk review and key informant interviews were undertaken during August and September 2015. Annexes 4 and 5 provide an overview of people interviewed as part of the research, and of the documents reviewed.

2. Synopsis of key lessons drawn from case studies

Fragile states are diverse in terms of their contexts, processes, and the challenges they face. Thus, lessons emerging from the implementation of the Busan Partnership Agreement in various fragile states as documented in this paper are often context-specific. However, the key lessons for success and for overcoming challenges and the implications for future delivery that are highlighted in this report may be relevant to other contexts. It is important to note that the lessons captured in this section are based on a limited number of case studies.

An overarching lesson emerging from the research, which is relevant across all Busan principles, is the importance of building coherence between the different actors engaging in fragile contexts – including those with humanitarian, development, and peace and security remits – in order to meet the needs of vulnerable people. Another related lesson is the need to link the GPEDC to other relevant global processes, including the World Humanitarian Summit in May 2016, and the 2030 Agenda for Sustainable Development.

Analysis of key lessons in this section is structured around the four overarching principles set out in the Busan Partnership Agreement: (1) country and democratic ownership; (2) inclusive partnership; (3) results; and (4) transparency and shared responsibility. A number of measures have been identified to assess progress against each principle. These measures have been drawn from the Busan Partnership Agreement but also include additional issues identified as critical (referred to as 'critical issues').

2.1 Country and democratic ownership

First measure of progress: government leadership in the development of, and ownership over, national development frameworks

There has been notable progress in terms of governments taking leadership and ownership over national development frameworks in fragile states, as illustrated in the delivery of the New Deal and the response to the Ebola crisis (Section 3.3). Key lessons emerging from country experiences include the following.

- Greater effectiveness is illustrated when international partners support the government's leadership, strategies and plans, rather than pushing their own, as illustrated in the response to the Ebola crisis (case study 1).
- Government leadership at national and sub-national levels is critical for to ensuring adequate coverage in reaching affected/vulnerable communities and ensuring government legitimacy, as illustrated in the Ebola response (case study 1).
- For government-led national development frameworks to move beyond a technocratic exercise and begin to shape political dialogue and priorities in line with the New Deal Peacebuilding and Statebuilding Goals (PSGs), it is critical that these frameworks are based on a thorough and inclusive assessment of the drivers of fragility (Section 3.3).
- Inclusive political change in complex contexts takes time, possibly even generations, to achieve. It is therefore important that within fragile states, delivery plans, timeframes, budgets and results frameworks accommodate this reality (Section 3.3).
- As illustrated through the delivery of the New Deal, cross-government buy-in and leadership is critical to the effective delivery of government-led national development frameworks and priorities on peacebuilding and statebuilding (Section 3.3).

Second measure of progress: building alignment with national priorities

Development partners have made progress in aligning their priorities to those of partner country governments, as illustrated by the experience of Myanmar, the implementation of New Deal pilots, and support to education for Syrian refugees in Lebanon (Section 3.4). Reporting to the Global Partnership monitoring mechanism in 2014 shows that the proportion of aid provided on budget to fragile states has improved between 2010 and 2013, although at a slower rate than for non-fragile states.

The cases of Afghanistan and Lebanon demonstrate that some progress has been made at the country level regarding the alignment of priorities (Section 3.4). Key lessons emerging from country experiences include the following.

- Aligning development partner policy priorities to those set out in national development frameworks is key. This includes the development of mutual accountability frameworks such as the 'Compacts' established and delivered in a number of countries through the New Deal (Section 3.4).
- As illustrated through implementation of the New Deal, joint working groups that involve representatives from all relevant stakeholder groups (including governments, development partners and civil society) can be important mechanisms for coordinating the implementation of joint goals and policy priorities set out in national development and mutual accountability frameworks (Section 3.4).
- Lessons emerging from the Ebola response highlight that international partners are more likely to support government-led decisions and to work collaboratively and in line with national priorities if they are present at the meetings when these decisions are made (case study 1).
- It is critical that the government (as opposed to the UN) leads the first forum for development cooperation in a country. As the case of Myanmar shows, this sets a precedent for government leadership over development cooperation in the future (Section 3.4).
- As the case of support to Syrian refugees in Lebanon shows, to strengthen alignment, it is important that donors fund in line with government planning cycles; partner country governments can request that donors commit to this (case study 2).
- The experience of Afghanistan has highlighted that donors need to weigh up funding international private contractors as opposed to channelling funds through country systems in terms of costs, value for money, and the potential implementation of disjointed small-scale

19

projects through private implementers which are not able to work at scale, or be sustainable in supporting country ownership (Section 3.4).

Third measure of progress: building alignment through use of country systems

However, use of country systems continues to be a challenge in fragile states, largely as a result of donors averting risks associated with government systems that are potentially weak, slow or non-existent, which could potentially heighten vulnerabilities to corruption and undermine development effectiveness. This has, in some cases, resulted in the creation of parallel systems that can shift accountability for service delivery away from the state, undermining the potential to strengthen government institutional capacity (Section 3.5).

Whilst experiences have been mixed, as an overall trend, there has been an increase in the use of country and public financial management (PFM) systems in fragile states. Despite this, reporting to the Global Partnership monitoring mechanism in 2014 found that this is not correlated with an improvement in the quality of PFM (Section 3.5).

Examples of use of country systems presented in this report are predominantly drawn from pooled funding mechanisms and innovative approaches to budget support, with some coverage of Sector-Wide Approaches (SWAps), while recognising that other mechanisms exist (Section 3.5).

General lessons on the use of country systems include the following.

- In order to reduce risks for donors and improve the use of country systems in fragile states, more focus should be placed on strengthening the quality of government PFM systems as an overarching objective of development cooperation (Section 3.5).
- The experience of Timor-Leste highlights that the New Deal can be an effective framework for strengthening the use and quality of PFM in fragile states (case study 3).
- The provision of budget support to the Ministry of Finance (or a similar institution) in a particular country is an effective mechanism for supporting country-led PFM reform and, in turn, greater use of country systems by donors (case study 3).
- While there have been mixed experiences with SWAps, factors underpinning their success include: the existence of sector-wide and sub-sector-wide strategies supported by development partners; improved government leadership/ownership of policy formulation; the existence of basic sector coordination and information sharing processes; and basic budgeting processes and procedures at national levels (Section 3.5).

Lessons on pooled funds mechanisms

- The experience of supporting Syrian refugees in Lebanon has highlighted that partner countries can encourage donors to channel funds through Multi-Donor Trust Funds (MDTFs) by streamlining the process (case study 2).
- Fragmentation may result from the creation of more than one MDTF in a particular country, and as Lebanon's experience shows, it is important that partner country governments encourage donors to collaborate through a coherent approach to pooled funding (case study 2).
- The experience of the Somalia Development and Reconstruction Facility (SDRF) has identified that donors can take action to garner support from others by the being first donor to channel funding to a particular pooled funding mechanism (case study 3).
- The experiences of Afghanistan and Somalia have emphasised the importance of including partner country governments in the governance of pooled funding mechanisms from the outset in order to foster greater and more sustainable country ownership (case study 4).

- The experience of Nepal shows that despite the risks for donors, counter-funding by partner country governments to pooled funding mechanisms can be effective when the government takes a leadership role in national development, humanitarian, peacebuilding and/or statebuilding processes from the outset, and when technical and capacity building support is provided by development partners (Section 3.5).

Lessons on innovative approaches to budget support

- European Union (EU) State Building Contracts (SBCs) are useful mechanisms for budget support in contexts with high fiduciary risk. The SBC mechanism can be used to build government financial capacity and transparency while supporting a government to carry out its basic functions such as service delivery and economic recovery. Given the high risk of corruption in fragile contexts, the case of Mali highlights the importance of providing budget support accompanied by audits involving the Auditor General's Office (or similar institution), and linking these with a risk management framework (case study 5).
- The provision of budget support is critical in enabling state institutions to be formed – particularly in contexts where government regulation is absent – and as such should not be limited to states that already have government institutions and accountability systems in place (Section 3.5).
- As illustrated in the support provided by Norway in Somalia, the establishment of an on-budget financing mechanism to reimburse government salary payments is particularly important in facilitating the formation of government institutions, mobilising support from other donors, and building government capacities which enable them to lead national development processes (Section 3.5).
- The Fixed Amount Reimbursement Agreement championed by the United States Agency for International Development (USAID) – a process for reimbursing specific expenditure line items in a government's budget but only after the expenditure has been audited – is an important mechanism for ex-post budget support that has been used to great effect and could be rolled out in other countries/by other donors to promote greater use of country systems (Section 3.5).
- Following incidences of corruption partner countries can restore the trust of development partners and take steps to minimise future risks by formulating an immediate action plan for improvement, commissioning a forensic audit, strengthening internal controls, as illustrated by the Government of Malawi. They could also consult development partners in the formulation of a new or revised national development framework (Section 3.5).

Fourth measure of progress: provision of predictable development cooperation

In general, there has been slow progress in improving the predictability of development cooperation (Section 3.6). As illustrated in reporting to the Global Partnership monitoring mechanism in 2014, medium-term predictability is significantly better in non-fragile than fragile states. Key lessons emerging from country experiences include the following.

- Development partners need to develop accurate systems for providing partner countries with estimates 3–5 years in advance (rather than a year in advance, as now) in line with the Busan indicator on aid predictability. This is critical to enable partner countries to plan more effectively in the medium to long term (Section 3.6).
- Multi-year programming and funding is a reliable and efficient mechanism for providing rapid and predictable response (Section 3.6).

There has been greater progress regarding the establishment of rapid response mechanisms by development partners (Section 3.6). The EU SBCs – established as mechanisms for flexible and rapid budget support in fragile states – are one example of this, from which lessons can be drawn:

- SBCs can act as effective rapid response mechanisms as long as there is political backing from the international community, and priorities are aligned to those of the government from the outset (case study 5).
- It is critical that a risk management framework is in place and external risks are monitored regularly and proactively in consultation with donor headquarters, including the monitoring of political risks (case study 5).

First critical issue: challenges in conflict contexts

Supporting country ownership can be a challenge in situations of conflict where it is difficult to continue to work with government and in alignment with government priorities, particularly where the government is a party to the conflict (Section 3.7). Lessons regarding country ownership in complex contexts include the following.

- Donors need to focus on tackling marginalisation and supporting partner country governments to foster a legitimate and inclusive political settlement in immediate post-conflict contexts. Without an inclusive political settlement, there is a high risk of a return to conflict, which undermines any progress made on country ownership (Section 3.7).
- It is important that donors take a more nuanced approach in countries where cyclical conflict is likely by recognising that periods of calm offer limited options for longer-term development schemes. As such, donors should take steps to manage risks and make plans for responding in the context of a return to violent conflict (Section 3.7).
- A differentiated approach should be taken in fragile states, depending on, and responding to, the specific context and type of fragility experienced. This is in line with the new approach to fragility taken by the OECD DAC in its *States of Fragility 2015* report, which views fragile states as a heterogeneous group and moves beyond national classifications to include progress at sub-national levels (Section 3.7).

Second critical issue: role of non-state actors

Country ownership extends beyond government ownership to include the ownership of non-state actors. Support to non-state initiatives can drive long-term social and political change and help to address the underlying causes of conflict and fragility, including in complex contexts where it is difficult to work directly with the government (Section 3.8).

Some key lessons emerging from the experiences of supporting civil society and community-led initiatives in fragile states include the following.

- Given that community-based non-state initiatives do not usually work at scale and can be undone by wider forces, linking these initiatives with and generating the buy-in of the government at national/district levels is critical to long-term sustainability. As highlighted through the experiences of delivering non-state initiatives in South Sudan, where this is not possible in contexts of violent conflict, building the capacity of civil society, their networks and leadership can build the foundations for influence at the national level when the time is right (case study 6).
- In situations of violent conflict, it is important that regular local and national risk assessments are undertaken and responded to as a central aspect of non-state initiatives. Where possible, and as highlighted through the experience of South Sudan, it is important that these

assessments are undertaken and responded to jointly with local authorities and security providers (case study 6).

Third critical issue: role of local governments

Some key lessons emerging from the experiences of supporting initiatives led by local government in fragile states include the following.

- Supporting leadership by local government in the delivery of national development frameworks is critical to building trust with, and generating the buy-in of, communities (Section 3.9).
- As illustrated through the case of support to Syrian refugees in Lebanon, this in turn helps to strengthen legitimacy, country ownership and inclusion – by ensuring that all communities and regions are reached (case study 7).

2.2 Inclusive partnerships

First measure of progress: inclusion of communities and civil society in national development processes

Significant progress has been made in this area, as illustrated by the response to the Ebola crisis (case study 8) and implementation of the New Deal (Section 4.3). The focus is on moving beyond targeted interventions to achieve inclusive results. Key lessons include the following.

- Lessons emerging from the Ebola response highlight that involving civil society at the outset of responses to national emergencies and processes for establishing national development frameworks is critical to achieve inclusive results and to meet the needs and interests of all segments of society. Underpinning this is the need to create a space for civil society to operate (case study 8).
- Civil society can play a crucial role in reaching and raising the awareness of communities in a culturally sensitive manner and in collecting data at scale on community perceptions to inform the response and maximise impact (case study 8).
- Having pre-established mechanisms for community leadership and consultations in place prior to the outbreak of a crisis, such as the community relay system in DRC, is critical to achieving community ownership and inclusive results (case study 8).
- To move beyond a technocratic exercise and achieve meaningful political dialogue and lasting change, the experience of implementing the New Deal in g7+ countries has highlighted the importance of ensuring regional representation from communities and civil society when undertaking assessments and delivering national development frameworks. The case of Somalia highlights how representation from certain regions only can perpetuate marginalisation and the underlying causes of tension (case study 9). To achieve this, there is a need to address the logistical, access and financial barriers to consulting civil society from across different regions in contexts of violent conflict and extreme insecurity, through more realistic timeframes, results frameworks and budgets (Section 4.3).

Second measure of progress: inclusion of women and girls

To strengthen the inclusion of women and girls and achieve better results on gender equality, gender responsive budgeting is critical. The experiences of Ethiopia and Uganda highlight the importance of producing guidelines on how to mainstream gender into the budget process in order to strengthen uptake, as well as making this a mandatory task within governments (Section 4.4).

Third measure of progress: inclusion of the private sector in national development processes

The role of the private sector in disaster response is not an explicit component of the Busan Partnership Agreement. But it has been included in this report because of the importance of coordinating all actors engaging in fragile contexts and because disasters can play a role in exacerbating political fragility. Despite the higher risks often associated with private investment in fragile contexts, there are encouraging signs that the private sector is starting to play a greater role in building public–private dialogue in post-conflict contexts (Section 4.5). Key lessons emerging from country experiences include the following.

- The experience of the private sector in responding to the Nepal earthquake highlights the critical role it can play in disaster response, particularly its ability to respond flexibly, reliably, speedily and efficiently, utilising access to modern and innovative technologies and equipment (case study 10). As such, it plays an important role in providing predictable aid, which is a central component of the Busan Partnership Agreement.
- The Nepal case also highlights that in disaster response, it is important that partner countries lead in the planning of prevention and response strategies, and consult with private sector companies to develop joint response plans prior to a disaster to ensure speed of response in the event that one does occur (case study 10).
- Corporate partnerships between aid agencies and the private sector, often in the form of multi-year funding agreements, can provide reliable and efficient mechanisms for rapid and predictable responses to natural disasters (case study 10).
- Evidence from Nepal also highlights that public–private partnerships can create stable operating environments for businesses in post-conflict environments, and strengthen private sector development, public–private dialogue and trust, leading to peacebuilding outcomes (Section 4.5).
- The experience of Ethiopia highlights how domestic investments in infrastructure and human resources, and stronger incentives for investment in priority sectors, can make the domestic market more profitable and attract private investment in fragile states (Section 4.5).

Fourth measure of progress: South–South partnerships for development cooperation between fragile states

There has been notable progress in South–South cooperation, particularly within the framework of the New Deal and priorities on Fragile-to-Fragile cooperation, which focus on building resilience through natural resource management, PFM, and electoral processes (Section 4.6). Evidence to date, drawing on the case of support provided by Timor-Leste to voter registration in Guinea-Bissau, suggests that Fragile-to-Fragile cooperation is particularly valuable in terms of capacity building and sharing relevant and applicable lessons learnt between countries experiencing conflict and fragility (case study 11).

2.3 Results

First measure of progress: mutual accountability and alignment

Progress in aligning development partners' results frameworks to those of partner countries has reportedly been slow in fragile states (Busan Partnership Indicator 1). Measuring results in fragile states is particularly difficult given the contextual challenges experienced, including capacity constraints, weak access, poor communications and risks of insecurity and instability. A number of pilots are currently underway, which include a number of fragile states. Greater progress has been

made on the development of mutual accountability frameworks (Busan Partnership Indicator 7), as illustrated by the experiences of Myanmar and Burundi, and the implementation of the New Deal in Afghanistan, Sierra Leone and Somalia (Section 5.3).

Significant progress has been made in developing joint (development partner and partner country) targets for effective development cooperation. Less progress has been made in undertaking joint and inclusive assessments of progress, and in making the results of these assessments publicly available (Section 5.3). Key lessons emerging from fragile states' experiences on mutual accountability include the following.

- Measuring results in fragile states is a long-term process and is likely to face greater challenges than in non-fragile contexts. It is important that results frameworks accommodate this reality and that targets and indicators are set appropriately to respond realistically to the context (Section 3.3).
- Alignment and mutual accountability is most easily demonstrated when aid is brought on budget, as in the case of Afghanistan (Section 5.3).
- The experience of Haiti emphasises that political leadership is central to driving progress on mutual accountability and the development and delivery of results frameworks (Section 5.3).
- In Burundi, the establishment of a Monitoring and Evaluation Group – involving key representatives from development partners and government departments – was a useful mechanism for conducting joint reviews and assessments of progress against targets set out in mutual accountability frameworks (Section 5.3).
- Weak government capacity, as illustrated in Somalia, has undermined the ability of partner countries to develop indicators and country results frameworks. To strengthen delivery against the Busan principle on results within fragile states, there is a pressing need for development partners to invest in capacity building for partner countries on measuring results and collecting data to track progress against indicators (Section 5.3).
- To strengthen the quality of data for monitoring and evaluation purposes, and to improve the consistency and comparability of monitoring efforts across countries and donors, there is an overarching need for a blueprint to be developed on how partner countries should monitor commitments set out in the Busan Partnership Agreement, as well as a global results framework (Section 5.3).
- There have been few inclusive joint assessments in fragile states, and those that have been undertaken have tended to focus on the performance of the partner country (such as in Uganda). It is important that these joint assessments also reflect on the performance of development partners in meeting joint targets (Section 5.3).

Critical issue: meeting the needs of vulnerable people

Looking beyond results frameworks, and in line with Agenda 2030 which aims to "leave no one behind", the extent to which the needs of vulnerable and poor people have been met through development cooperation in fragile states is also an important measure of impact and 'results' (Section 5.4). Key lessons emerging from experiences at country level include the following.

- Given that most humanitarian assistance goes to long-term recipients in response to protracted and reoccurring crises – often financing provision of basic services – it is worth exploring whether and under what circumstances there may also be a role for other actors in ensuring such provision, particularly through social protection programmes, as witnessed in Ethiopia. Forms of social protection programming include employment guarantees and cash vouchers (Section 5.4).
- It is important that the needs of vulnerable people continue to be met while long-term support on statebuilding, peacebuilding and security continues to be provided, in particular through

the simultaneous provision of basic services (Section 5.4), as USAID has done in Somalia, for example (case study 12).

- The experience in Somalia has highlighted that support to basic services can strengthen trust between the government and its citizens, which underpins state legitimacy and is the very essence of statebuilding and peacebuilding efforts. As such, the provision of basic services and statebuilding are mutually reinforcing (case study 12).

2.4 Transparency and accountability

First measure of progress: establish transparent PFM and aid information management systems (AIMS), and strengthen capacity to use this information

In a few fragile countries, there has been remarkable progress in establishing transparent PFM systems, but many fragile states still do not provide sufficient information. The Open Budget Survey 2015 found that many fragile states do not provide the public with sufficient information to monitor the budget. However, there has been some improvement in this area in certain fragile states, as illustrated by the experiences of Uganda and Malawi (Section 6.3).

Although AIMS have been established in many fragile states, they continue to face a number of constraints, which limit their ability to provide timely and appropriate aid information to government budget planning processes. Capacity constraints are a particular challenge – both for government departments and citizens – in using the AIMS data (Section 6.3). Key lessons regarding budget transparency and the establishment of AIMS include the following.

- To strengthen the use of AIMS, there is a need: to improve the capacity of governments to manage the system; for donors to provide data in a format that is compatible with that of the government's budget; for government institutions to avoid generating parallel data requests directly to donors; and for donors to strengthen the timeliness of submissions to the system (Section 6.3).
- Drawing on the experience of Uganda, creating a national budget website and accompanying this with outreach activities and the establishment of a civil society monitoring mechanism can strengthen government transparency (case study 13).
- For data to be useful it needs to be standardised and stored in a format that can be joined up with data from other sources. Experience of implementing a public AIMS in Nepal highlights that the data also needs to be complete, accurate, and disaggregated to a detailed level. When publicly sharing financial resource flow data, the needs of the data user must be identified, understood and designed for, and they should be supported to analyse and interpret the data (case study 14).
- Experiences in Nepal of creating open data on relief funding in response to the recent earthquake found that disaggregated data made accessible on an open platform can help the public to understand raw data behind the media headlines, dig deeper for analyses, and independently verify claims. It can also help donors identify gaps in what others are funding (case study 16).
- Supporting the use of open data in Kenya has highlighted that building the capacity of intermediaries to use data is essential for open data to benefit citizens. Strengthening capacity to use open data can require cultural change, which is a long process requiring sustained efforts. It is important to ensure that the data provided is driven by demand by regularly collecting and interpreting feedback (case study 15).

Second measure of progress: implementation of a common, open standard

Progress under this measure has been varied. Progress in publishing timely and comprehensive data has been greater than progress in producing forward-looking data, for example (Section 6.4). Key lessons emerging from country experiences include the following.

- For real transparency gains to be realised, monitoring of transparency in the GPEDC should go beyond a focus on the supply of information by providers of development cooperation to include the routine use of data at country level, through (for example) importing this data into AIMS and national budget systems (Section 6.4).
- The experience of implementing Myanmar's open source AIMS has highlighted how important it is for all providers of development cooperation to publish high-quality data to the IATI Standard, in order to facilitate automated data exchange with country-based systems. In turn, this would improve the quality of data available to partner country governments while offering significant efficiency gains to donors (case study 17).

PART B: DETAILED CASE STUDY ANALYSIS BY BUSAN PRINCIPLE

Analysis in this section is structured around the four overarching principles set out in the Busan Partnership Agreement: (1) country and democratic ownership; (2) inclusive partnership; (3) results; and (4) transparency and shared responsibility. Analysis under each principle is consistency structured to provide:

- a summary of how the particular principle is relevant to the fragile state context;
- an overview of the methodology and criteria used to assess progress against the particular principle, identifying a number of measures as relevant. These measures have been drawn from the Busan Partnership Agreement and also include additional issues identified as critical (referred to as 'critical issues');
- analysis of progress against each measure of the principle, illustrating key findings through a mixture of (i) detailed country case studies, and (ii) sub-sections focussing on particular programming and funding modalities as relevant, together with (iii) peppered with examples of progress at the country-level throughout.

3. Progress in delivering on Busan Partnership Agreement in fragile states – country and democratic ownership

3.1 Importance of principle in fragile states

Supporting country ownership is at the heart of effective development cooperation and the transition from fragility to resilience. Effective development cannot be imposed by external actors; for sustainable and longer-term change, governments must lead and direct the implementation of national development policy.[11]

The outcome of the 2011 Fourth High Level Forum on Aid Effectiveness held in Busan, Korea, builds on previous development effectiveness agreements[12] and identifies country ownership as a shared common principle among Busan partners:

> "*Ownership of development priorities by developing countries. Partnerships for development can only succeed if they are led by developing countries, implementing approaches that are tailored to country-specific situations and needs.*"[13]

Country ownership is also a central aspect of the OECD Principles for Good International Engagement in Fragile States and Situations[14] and in the OECD DAC *States of Fragility 2015* report. It is also a key component of the FOCUS New Deal principles – specifically with regards to the priority to create one government-led vision and plan, a joint compact with development partners, and support to political dialogue and leadership (Annex 1).

3.2 Methodology for assessing progress

This chapter will look at evidence of progress by Busan partners on 'country and democratic ownership' at the country level. The first part of the chapter reviews progress against four measures drawn from the Busan Partnership Agreement for Effective Development Cooperation criteria.

1. **Government ownership over national development frameworks:** One key element of this assessment is the extent to which the government has included a wide range of stakeholders

in national policy processes, such as civil society, local governments, private sector, parliament, and others. This was covered in <u>Section 2.2</u> on 'inclusive partnerships'.

2. **Building alignment with national priorities:** This includes alignment at the policy level and in the delivery of assistance through the use of country systems and budgets, which relates to Busan Partnership Indicator 6 ('on-budget aid').

3. **Building alignment through use of country systems:** This includes the use and quality of PFM systems as relevant to Busan Indicator 10. This paper focuses on assessing progress of pooled funding mechanisms and innovative approaches to budget support, while recognising that other mechanisms exist. A key aspect of strengthening country ownership is capacity building of state institutions. This report touches lightly on the issue of capacity building, but does not seek to provide a detailed analysis of progress at the country level in this area given the limitations in the scope of the report.

4. **Provision of predictable development cooperation:** This relates to Busan Indicator 5 on 'predictable development cooperation'.

The second part of the chapter looks at three additional critical issues around country ownership:

1. Specific challenges associated with supporting government ownership in countries experiencing violent conflict.
2. Moving beyond government ownership to achieve country ownership (the role of non-state actors).
3. The role of local government.

3.3 First measure of progress: government leadership in developing national development frameworks and taking ownership of those frameworks

Partner countries continue to demonstrate leadership in establishing national development strategies and frameworks, exemplified by government leadership in the creation of a New Deal in some fragile states.[15] For example, in line with the ambition to create "One Vision One Plan" under the New Deal FOCUS principles (Annex 1), the **Sierra Leonean** government reportedly led an inclusive process to undertake and incorporate findings emerging from a fragility assessment, and to integrate Peacebuilding and Statebuilding Goals (PSGs) into its national development framework, Agenda for Prosperity, which was developed prior to the New Deal.[16] In addition, it is currently leading a transformative process to integrate priorities for effective recovery from the Ebola crisis into the framework for implementing the New Deal.[17]

Another example (taken from the New Deal Monitoring Report 2014 [18]) is the Federal Government of **Somalia,** which led a process to develop a Mutual Accountability Framework ('Compact') as part of the New Deal implementation process. This established PSGs and acts as a framework for aligning the delivery of donor assistance with national priorities.

However, there is concern that the delivery of the New Deal in some countries has been "rushed and often driven by technical considerations"[19] and that it has become a technical solution to a political problem.[20] For example, some members of the International Network on Conflict and Fragility (INCAF) have raised concern that the **Somali** Compact development process was rushed and donor-driven, and regarded by government counterparts as a 'tick-box' exercise for receiving international support.[21] It is also reported that decisions regarding the allocation of funding in Somalia continue to be largely donor-led despite the establishment of formal structures for government leadership and

joint working with development partners (such as the Somalia Development and Reconstruction Trust Facility and PSG working groups, see below).[22]

There has also been feedback from civil society leaders in Somalia that the development of the Compact was not based on an in-depth and representative assessment of fragility. A 'light' fragility assessment was undertaken which reportedly involved some grassroots consultations but, according to representatives of non-government organisations (NGOs), it did not adequately consult with civil society across all regions, or adequately capture the drivers of conflict. For the process of developing government-led national development frameworks to move beyond a technocratic exercise and really begin to shape political dialogue and priorities and address the root causes of fragility, evidence from Somalia highlights the importance of basing these frameworks on a thorough understanding of the drivers of fragility derived through a fully consultative and regionally representative assessment process.

There has also been concern regarding the absence of a whole-government approach in the implementation of the New Deal in some countries. The Ministries of Finance in g7+ countries have tended to take the lead, yet to ensure success and sustainability, it is crucial to secure the buy-in and involvement of a range of government ministries.[23] The Somalia case has highlighted the importance of willingness on the part of politicians to address sensitive political issues and drive change in line with the first PSG on 'legitimate and inclusive politics'. Overall, however, the New Deal has reportedly overestimated the willingness of politicians, and length of time required, to make progress in this area.[24]

However, it is important to recognise the landmark progress that has been made by the New Deal, particularly given the highly challenging contexts in which it is being delivered. Taking the case of Somalia, donors reportedly coordinated around the development of the Compact and worked in partnership with the government in a way that has not been witnessed in over 20 years. While the development of the Somali Compact may lack legitimacy on some other levels given the limited progress made with regards to political dialogue, the inclusion of civil society in its development, and in capturing and responding to the drivers of conflict through the 'light' fragility assessment, it should be recognised as a solid first step towards a longer-term goal of country ownership, statebuilding and peacebuilding.

Moving beyond the New Deal, there are examples of government leadership in the response to the Ebola crisis from which key lessons can be drawn (case study 1). It is worth noting that the three countries most affected by Ebola are all members of the g7+ and two of the three are pilot countries for the New Deal.

Outside of New Deal implementation and the response to the Ebola crisis, fragile state governments have illustrated leadership in the development of national development frameworks more broadly over the previous decade. Some examples (among many) include the Government of **Malawi,** which produced its new Development Cooperation Strategy (2014–2018) through an inclusive process (Section 4.3),[25] and the Government of **Uganda,** which developed the Poverty Eradication Action Plan (PEAP) in 1997 and has been delivering it ever since. The Plan includes setting out its priorities for partnerships with donors and for donor alignment.[26]

Case study 1: Government leadership in response to the Ebola crisis in Sierra Leone

Despite the slow start – demonstrated by weaknesses in the capacity of the national health system to lead the response and the lack of a coordinated response in the early days of the crisis with and by the international community – by September 2014, the Government of Sierra Leone was showing clear signs of leading the response, with support from development partners.

Recognising the capacity constraints facing the Ministry of Health, the decision made by the President, Ernest Bai Koroma, in September 2014 for the military to take the lead in the Ebola response was a clear example of strengthened government leadership.[27] Two months earlier, in July 2014, the government developed and launched the Sierra Leone Accelerated Ebola Virus Disease Outbreak Response Plan. It established three key structures to foster ownership over the response:[28]

- The Presidential Task Force, which coordinates the Ministerial (Ebola) Task Force, and liaises with the international agencies that provide support.
- The Ebola Task Force, which is part of the Ministry of Health and Sanitation. This task force works directly with the district medical teams, burial teams, and NGOs dealing with health-related issues in the epicentres. It reports directly to the Presidential Task Force at State House.
- The National Ebola Response Centre (NERC) replaced the National Emergency Operations Centre in October 2014, which was initially set up by the United States (US) Center for Disease Control and Prevention (CDC) and the World Health Organization (WHO). NERC is headed by the Minister of Defence. NERC has now been decentralised and has district Ebola response centres in all of Sierra Leone's 14 districts.

NERC promotes a public health approach to Ebola and has pillars for delivery, including case management, safe burials, surveillance, social mobilisation and child protection. This body is a clear example of where the government has led the response and worked effectively together with development partners on logistics, surveillance, staffing treatment centres and community engagement.[29] Daily briefings have been organised to update its chief executive on trends and issues, including an update from development partners. This information is used by the chief executive to delegate tasks to various actors, including development partners.

Key lessons from case study
- Responses to rapid-onset emergencies are most effective when development partners support the government's leadership, strategies and plans, rather than pushing their own.
- Ensuring that development partners are present when government-led decisions are made has meant that they are more likely to work collaboratively and in line with national priorities.
- Leadership by ministerial and district-level coordinating bodies has been key to ensuring government legitimacy and adequate coverage in reaching communities.

3.4 Second measure of progress: building alignment with national priorities

To reduce fragmentation and prevent the creation of parallel systems by development partners that can potentially undermine the development of government institutions and capacities, the Global Partnership for Effective Development Co-operation (GPEDC) explicitly recognises the importance of developing common goals and aligning priorities to those of partner countries.[30]

Less aid is on budget in fragile states compared to other developing countries and progress has been slower. The extent to which aid appears on a government's budget – and hence is subject to legislative scrutiny – is one of the GPEDC's indicators on alignment. The 2015 target is to have 85% on budget. The proportion of aid recorded on budget in the 23 fragile states that reported to the Global Partnership monitoring in 2014 increased marginally from 52% in 2010 to 58% in 2013, compared to an increase from 58% to 68% over the period across non-fragile states.[31]

Figure 4: The proportion of aid on budget improved faster in non-fragile states during 2010–13[32]
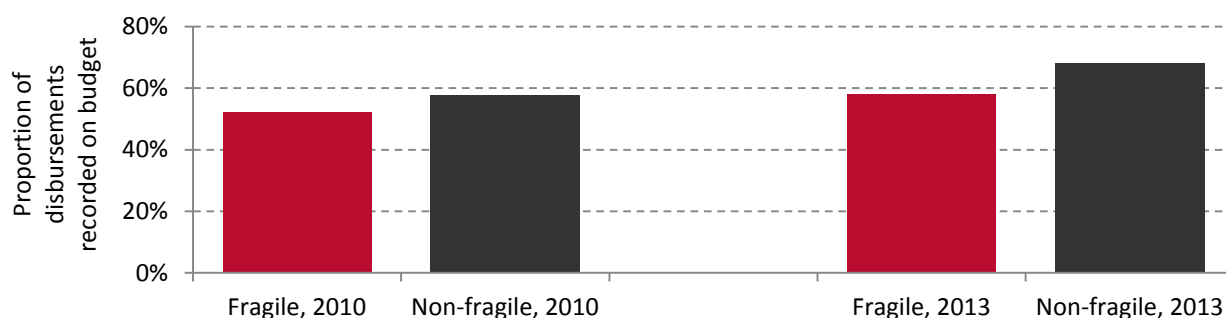
Source: Development Initiatives based on the OECD/UNDP report, *Making Development Co‑operation More Effective: 2014 Progress Report*.[33]

The 2014 GPEDC Progress Report noted that only seven countries had reached that target in 2013 of which three are fragile states: **Bangladesh, Kenya and Nepal.** And while some fragile states have seen a sharp increase in coverage in the past three years (e.g**. Burundi, Ethiopia, Cameroon and Madagascar)** others have experienced a marked deterioration (e.g. **DRC**, **Malawi** and **Togo)**.

With regard to implementation of the New Deal, there has been progress in alignment of development partner country priorities to those of recipient governments, as set out in Mutual Accountability Frameworks ('Compacts'). For example, the United Kingdom's Department for International Development (DFID) provided support to develop **Sierra Leone's** Compact and has integrated New Deal principles into its country programmes in Sierra Leone and **Afghanistan**.[34] More widely, PSG working groups have been formed in some New Deal pilot countries (e.g. Sierra Leone and Somalia) to coordinate donor, partner country government and civil society efforts to deliver against the government-led PSGs.[35]

Outside of the New Deal, **Myanmar** offers a particularly interesting example of rapid progress on alignment. The government took the unusual step of leading the First Myanmar Development Cooperation Forum – the first such meeting for many decades – rather than allowing the UN or World Bank to host this critical first forum.[36] And while the full National Comprehensive Development Plan has yet to published, analysis by the government this year showed that donors have aligned much of their aid to the seven strategic thrusts of the government's plan. In line with the Plan's overall phased approach, there has also been a clear, gradual shift in the focus of donors' projects from an initial, almost exclusive, focus on poverty reduction to broader economic growth objectives in line with the proposed phases of the Plan.[37]

This alignment represents a real step forward compared to some donors' initial engagements in the country. Research in 2012 noted clear differences where "donors' plans are not aligned with ours…", with reports that some of the biggest donors just want to "do it their way".[38] One bilateral donor, for example, committed 85% of its aid to Myanmar over a five year period to one agricultural sub-sector (upgrading dairy farming) yet was a low priority for Myanmar. Another issue flagged in the research was the apparent difference in approaches to alignment taken by Asian and Western donors. It is striking that for the first time, a non-traditional donor – the Republic of Korea – has just become part of the core government-donor dialogue group, the Development Partners Working Committee.[39]

The very recent alignment of development partners to the vision set out by the Government of **Lebanon** for the education of Syrian refugees through the UN Regional Refugee and Resilience Plan (3RP) and the joint government and UN Lebanon Crisis Response Plan (LCRP) offer important lessons (case study 2).

Despite the challenges faced in terms of the use of country systems, the Lebanon case illustrates progress in alignment at the policy level. However, given the risks involved for donors where country

systems are weak, slow, absent or potentially corrupt, there are various country examples of where such alignment has worked less well.

One clear case of this is international support to **Afghanistan** over the past decade, which highlights the need for donors to weigh up the costs, value for money and potential impact between funding international private contractors or channelling funds through country systems.

Apart from support provided through the Afghanistan Reconstruction Trust Fund (ARTF), which was channelled through government systems, international support to Afghanistan has largely bypassed government institutions and has been delivered outside of the national budget.[40] For example, foreign military commands, in line with donor national security priorities, did not largely focus on building the capacity of state security institutions or the provision of security for Afghans. In addition, as a result of risk and fiduciary aversion, development partners have preferred to fund international private contractors to deliver assistance as opposed to channelling funding through the government, which – given the higher costs involved with funding private firms – has heightened costs and undermined value for money. It has also led to the implementation of disjointed small-scale projects that are neither workable at scale nor sustainable.[41]

Overall, this lack of alignment has shifted the accountability for service delivery from the state to foreign actors, undermining the leadership of the state and opportunities for capacity building, which are necessary to make the transition from fragility to resilience. More encouragingly, there have been some recent improvements, with nearly half of all ODA now channelled through on-budget systems, just below the 50% target agreed at the Tokyo donor conference in 2012 and significantly higher than the 22% achieved in 2002. Of this, 30% is given directly to the budget; the other 70% is through pooled funds.[42]

Case study 2: Development partner alignment to the priorities of the Government of Lebanon on education

Lebanon is currently hosting the highest proportion of Syrian refugees in the region (1.1 million) in a country of 4 million people.[43] It is estimated that fewer than 25% of Syrian children are enrolled in public education in Lebanon.[44]

The 3RP is an international appeal for Syria that aims to address refugee protection needs, the humanitarian needs of the most vulnerable, and the longer-term impacts of the crisis on neighbouring countries (Turkey, Lebanon, Jordan, Iraq and Egypt). It was developed in 2014 as an approach for harnessing the capacities of humanitarian and development partners to create a sustainable and multi-faceted resilience-based response to the Syria crisis.

Priorities for the delivery of the 3RP in Lebanon are set out in the 3RP Country Plan for Lebanon,[45] which is structured across nine sector responses: protection, food security, education, public health, livelihoods, basic assistance, shelter, social cohesion and WASH.

The LCRP[46] was developed in December 2014 as a joint Government of Lebanon–UN plan to ensure that the humanitarian response to the Syria crisis promotes stability in Lebanon, and country ownership.

The priorities on education set out under both the LCRP and 3RP Country Plan during 2014–15 are an example of where development partners have attempted to align their support to the ambitions of the government in order to strengthen country ownership.[47] The education priorities and aspirations outlined in the LCRP (specifically through strategic priority two on basic public services)[48] and the 3RP Country Plan are broadly aligned with the vision set out in the Ministry of Education and Higher Education's strategy, Reaching All Children with Education (RACE). This commits to ensuring, with the assistance of development partners, that vulnerable school-aged children from poor Lebanese

families and Syrian refugees can access learning either through formal or non-formal systems. It aims to enrol 470,000 children displaced from Syria in learning by 2016.

Focusing on the joint delivery of the LCRP, partners have reportedly been funding jointly alongside, and working with direction from, the Government of Lebanon to deliver on all pillars of the LCRP. Pillars include school rehabilitation; enrolment in first and second tranches; enrolment support to non-formal education; teacher training; and provision of learning and teaching supplies for children and teachers. For example, the Office of the United Nations High Commissioner for Refugees (UNHCR) provides support through staff secondments to government offices, information management and monitoring, and equipment and material support to schools and offices.[49]

As of June 2015, the Government of Lebanon, with support from UN partners through the 3RP, has supported 107,000 children in formal schools (target 228,000).[50] Through the LCRP, the government and partners have reached 141,000 children.[51]

However, despite these successes in terms of alignment at the policy level, in practice, fragmentation does reportedly exist, resulting in the creation of parallel systems that undermine the Ministry's ability to oversee and take a holistic approach to the delivery of education to Syrian refugees. There has reportedly been limited use of country systems by development partners and funding is not provided on budget. However, this is largely a result of risk aversion and constraints regarding the government's PFM capacity.[52]

Through the formation of the World Bank-administered Lebanon Syrian Crisis Trust Fund (LSCTF) at the request of the Government of Lebanon, some donors have begun using multi-donor funding channels to minimise the risk in using and channelling funds through country systems.[53] Continued use of this trust fund by a greater number of donors could help to reduce fragmentation between donor responses. The funding base for the education sector in Lebanon continues to be small – the UK, France, Finland, Sweden and Norway are the main contributors to the LSCTF.[54] The EU has recently set up its own regional trust fund to finance education in Lebanon via multi-channels. There is a risk that the use of various trust funds by donors could increase fragmentation and pose new challenges for coordinated funding.[55]

Underfunding continues to hamper the ability to meet targets. The education appeal in RACE was estimated to be US$177.2 million for 2014 targets and US$191.3 million for 2015 targets. Donors have only met 57% of the appeal for the 2014/15 school year.[56] Increased and multi-year funding from donors would help to address this. In addition, coordination between the Government of Lebanon and development partners is undermined by the lack of predictable funding. As funding from development partners is rarely aligned with the school year, the Ministry has not had a clear picture of how much funding will be available for a given school year, which is critical for planning purposes.[57]

Key lessons from case study
- Government leadership in developing and delivering on sector strategies with support from development partners is critical to country ownership, effectiveness and sustainability.
- Funding through a multi-donor trust fund can improve coordination and reduce risk for donors but fragmentation may result from the creation of more than one trust fund.
- Governments can encourage donors to channel funds through multi-donor trust funds by streamlining the process; partner countries should request that donors fund in line with government planning cycles (i.e. the school year cycle in Lebanon).

3.5 Third measure of progress: building alignment with national priorities by using country systems

The poor use of country systems, which served to undermine country ownership, was a clear challenge emerging from both the Afghanistan and Lebanon cases. The use of country systems is a priority of the development effectiveness agenda, and explicitly referenced in the Busan Partnership Agreement:

> "*We will build on our respective commitments .... to use country systems as the default approach for development co-operation in support of activities managed by the public sector, working with and respecting the governance structures of both the provider of development co-operation and the developing country.*"[58]

Country ownership is also a key component of the TRUST New Deal principles (under 'use of country systems', Annex 1). However, despite the rhetoric around this and the commitment set out in the Busan Partnership Agreement to develop joint risk management frameworks,[59] development partners have generally struggled to make progress in this area, with fragile states in particular, largely as a result of avoiding the perceived fiduciary risks associated with using country systems in these contexts. There is a pressing need for greater dialogue and mutual commitments between governments and development partners on risk management.

The recent GPEDC Progress Report (2014) notes an increase in the use of country PFM systems in the 23 fragile states that reported to the Global Partnership monitoring in 2014 – from 37% in 2010 to 50% in 2013. This rate of improvement exceeds that in non-fragile states, where the use of such systems increased only marginally from 39% in 2010 to 42% in 2013 in the countries that reported.[60]

Figure 5: Use of country PFM systems has improved faster in fragile states than non-fragile states between 2010 and 2013[61]
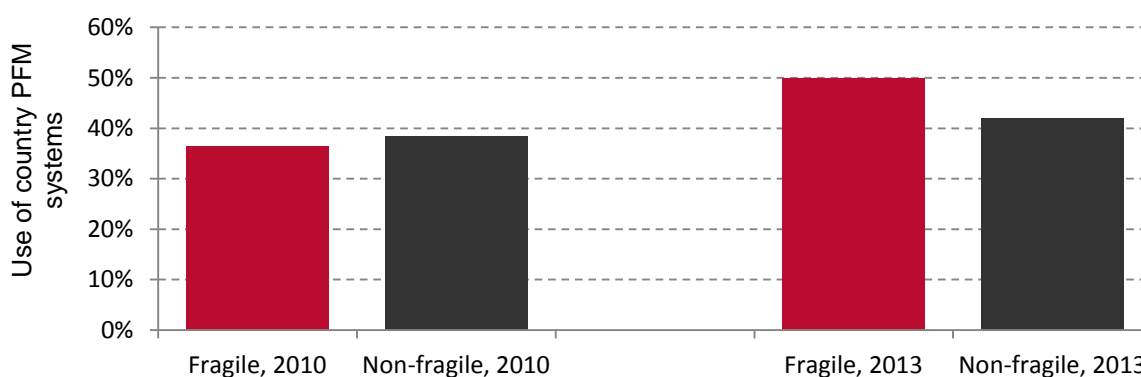
Source: Development Initiatives based on OECD/UNDP report, *Making Development Co-operation More Effective: 2014 Progress Report.*[62]

However, this trend varies by fragile state. Some countries have seen a sharp increase over recent years (**Bangladesh, Niger**, **West Bank and Gaza Strip**), while others have seen a dramatic decline (**Egypt**, **Ethiopia**, **Mali** and **Malawi**), and **DRC** has witnessed a total collapse, down to 0% in 2013.

While there has been a marked increase in the use of country PFM systems in fragile states, analysis of the data in the GPEDC Progress Report (2014) reveals that this has happened without any clear improvement in the quality of PFM (at least according to the World Bank measure). The GPEDC report notes that in general there is a lack of correlation between improvements in the quality of the PFM system and donor use of country systems. There does seem to be a threshold level – a score of

35

3 in the World Bank Country Policy and Institutional Assessment (CPIA) indicator. Below this there is only 10% use of country systems. Usage then jumps to 50% once the threshold has been reached and then surprisingly declines as PFM systems get even better. Of the fragile states covered in the GPEDC report, only DRC and Nepal had scores below this threshold. Afghanistan (which is not covered) is an example where donor use of country systems has not been correlated with substantial improvements in PFM.[63]

A study by the Collaborative Africa Budget Reform Initiative (CABRI) on the use of country systems in 2014 noted that while some fragile states (Rwanda, Ethiopia and Burundi) had seen an increase in their use between 2005 and 2010, just as many had seen a decline (Uganda, Mali and DRC). The study also noted that while improvements in PFM systems were important, these were not sufficient on their own to result in increased use of country systems.

Broader concerns over corruption and the operation of the courts, coupled with relatively weak government-donor structured dialogues, were also important in influencing donor decisions in **Burundi**. In **Uganda,** the introduction of a virtual poverty fund that transparently earmarked government funding to poverty programmes was seen as an important mechanism for building donor confidence. Overall, the study also notes that donors have become more risk averse over time.[64]

There has, however, been some recent progress in strengthening the quality of PFM through the framework of the New Deal in Timor-Leste with support from the Government of Australia and the EU (case study 3).

There has also been some progress on the use of country systems. This report focuses on examining the use of pooled funds and innovative approaches to budget support in detail while recognising that other mechanisms exist – for example, SWAps.

SWAps were introduced in response to donor fragmentation and parallel programming, and aim to contribute directly to the delivery of a defined sector policy under government authority. Drawing on lessons emerging from the delivery of health SWAps in **Timor-Leste**, **Sierra Leone** and **DRC**, research has found that SWAps do strengthen coherent sector-wide engagement. Yet they are challenged by the existence of diverse aid modalities, weak government leadership and capacity, and unpredictable donor policy and behaviour in fragile contexts.[65]

Research suggests that factors leading to success through SWAps include the existence of sector and subsector-wide strategies supported by donors and implementing agencies; improved leadership/ownership of policy formulation; the existence of basic sector coordination and information sharing processes; and the existence of basic budgeting processes and procedures at national levels. Threats which undermine progress include inconsistencies between national and sub-sector policy priorities; harmful donor practices (off-budget, unpredictable, fragmented aid); limited use of country PFM systems; lack of capacity in budgeting and financial processes; political instability; and limited use of government and development partner data through individually driven monitoring and evaluation (M&E) and basic accountability/transparency processes.[66]

Pooled funding mechanisms

While experiences with using pooled funding mechanisms are mixed, such mechanisms can potentially improve donor coordination, lower transactions costs, and enable development agencies to share and address common risks in fragile states that are more prominent in bilateral funding.[67] Pooled funding also enables greater flexibility, timeliness of response, alignment with national priorities, and the consolidation of small projects into national programmes working at scale. However, as a review of 16 such funds in fragile states notes, performance can fall short of expectations.[68] Some pooled funding has been problematic – such as the Multi-Donor Trust Fund in

South Sudan, which was eventually closed. In other countries such as **Myanmar, Liberia** and **Yemen,** there have been examples of very effective funds. The pooled funding mechanisms used in **Afghanistan** and **Somalia** illustrate important lessons (case study 4).

Conversely, the risk of channelling support through pooled funding mechanisms can increase when the governments are expected to provide counter-funding. This is due to the financial management capacity constraints facing many developing country governments. However, the management of the **Nepal** Peace Trust Fund – established in January 2007 by the Government of Nepal to implement the Comprehensive Peace Agreement – is regarded as a success case. The government provides two-thirds of the funding and leads on the management and implementation of projects. In this case, success has resulted from the Government of Nepal taking the lead throughout the peace process, and the facilitative role taken by development partners in providing technical and financial support, enhancing the government's financial capacities to manage the trust fund over time.[69]

Innovative approaches to budget support

Budget support is a key example of development partners using country systems to strengthen country ownership.

Donors have, in many cases, avoided providing budget support to fragile states as a result of the perceived risks of channelling unallocated funding directly through governments in these contexts. However, the provision of budget support is critical to enable state institutions to be formed in the first place – particularly in contexts where government regulation has been absent. As such, this type of support should not be limited to states that already have government institutions and accountability systems in place.

There are a number of examples of success from which key lessons can be drawn. Large-scale budget support was provided in **Rwanda** and **Sierra Leone** within two years of the end of the conflict. In addition, and as outlined in case study 3, the Government of Australia is currently providing budget support to **Timor-Leste**'s Ministry of Finance to support PFM capacity and reform.

More recently, in **Somalia**, the on-budget financing mechanism established by the Government of Norway to support the payment of government salaries through a Special Financing Facility (SFF) was critical to the formation of state institutions and functions. It has reportedly kick-started the government's leadership in developing a New Deal Compact and enabled the formation of wider partnerships between donors and the government,[70] including ongoing and expanded support to pay recurrent government salaries through the SDRF.[71] At the request of the Government of Norway as a precondition for on-budget support, the SFF established financial controls and a fiduciary framework for recurrent costs, as well as strengthened transparency and accountability of revenues and expenditures. On-budget support to salary payments is particularly important in fragile states, where state capacity is weak. The lack of available finance to pay government staff salaries in **Afghanistan** was identified as a key obstacle to capacity building of state institutions.

In recent years there have been two other innovative approaches on budget support. The EU has introduced a new instrument, the SBC, which it is using in more than ten fragile states. One of the most successful examples is **Mali,** which is covered in more detail in the next section.

The other new approach is USAID's Fixed Amount Reimbursement Agreement. This builds on experience with the ARTF. It provides a process for reimbursing specific expenditure line items in the government's budget but only after the expenditure has been audited. Any audit discrepancy results in an immediate one-for-one reduction in the size of the next disbursement. This has been regarded as an example of ex-post budget support and has been used to great effect to support the health sector in **Liberia,** both before and during the Ebola crisis.

Progress in delivering the Busan Partnership for
Effective Development Co-operation in states of fragility

The experience of **Malawi** highlights the risks associated with direct budget support and use of country systems, but also ways in which governments can restore development partners' trust following incidences of corruption and take steps to minimise future risks. Revelations regarding the misappropriation of funds in Malawi in September 2013, commonly referred to as the 'Cashgate' scandal, led to mistrust in the government's PFM systems and the immediate suspension of direct budget support. Aid on budget in Malawi reduced from 62% to 49% during 2013 alone (falling from US$178.8 million to US$71.6 million).[72] The Government of Malawi took immediate steps to restore donor confidence in its PFM systems by formulating an action plan for improvement, commissioning a forensic audit, and strengthening internal controls in the Accountant General's Department. An independent evaluation of the action plan found that significant progress had been made. The government also formulated a new Development Cooperation Strategy (2014–18), which seeks to improve the quality and effectiveness of development cooperation in the country and strengthen coordination between, and dialogue with, development partners. The process of developing this new national strategy was inclusive and consultative (Section 4.3), opening up channels for dialogue and building trust with citizens and development partners following 'Cashgate'.[73]

Case study 3: Support to PFM in Timor-Leste through the framework of the New Deal

The Government of Australia and the EU have been working in partnership since 2014 to improve the performance and PFM systems of the Ministry of Finance in accordance with New Deal principles through both 'in-kind' and financial assistance.

The programme is underpinned by the Ministry's Five-Year Plan, which is aligned to Timor-Leste's overarching Strategic Development Plan (2011–30). Australia and the EU are helping the Ministry to implement this plan, identify key performance indicators (KPIs) for measuring progress, develop methodologies for evaluating PFM reform, and develop a database for capturing information on planning performance and evaluation. Key successes emerging from this programme to date include the adoption of a performance-based approach by the Ministry. The outcomes and lessons from this programme are yet to be fully realised. A joint mid-term evaluation will be conducted in May 2016 to assess effectiveness.

In addition, an agreement to provide direct budget support programme was formalised between the Government of Australia and the Ministry of Finance in 2014 in order to strengthen the quality of PFM. Funding is provided through this agreement on the basis of the Ministry delivering on its output targets. Successes emerging from this programme to date include: the drafting of a single procurement law and financial instructions; the establishment of a policy-oriented economic analysis unit that advocates effectively on fiscal sustainability; improvements in the process for payment to limit corruption; and the establishment of a PFM training centre for improved budget execution across government.

Key lessons from case study
- The New Deal is an effective framework for strengthening the use and quality of PFM in fragile states
- The provision of direct budget support to ministries of finance (or a similar institution) in a particular country is an effective funding mechanism for supporting country-led PFM reform and, in turn, greater use of country systems by donors.

Case study 4: Overcoming risks and promoting country ownership through pooled funding mechanisms in Afghanistan and Somalia

The Afghanistan Reconstruction Trust Fund

The Afghanistan Reconstruction Trust Fund (ARTF) was established in May 2002 to provide a coordinated financing mechanism for the Government of Afghanistan's ongoing budget and reconstruction needs. As of 2014, 33 donors have used the ARTF. Development agencies have committed to align with national priorities and increase the proportion of aid spent in Afghanistan through the ARTF to 10% by 2014 and 20% by 2024.[74] More than US$1 billion a year is channelled through this one fund.[75]

Use of country systems is visible as funding to the trust fund is accounted for in the Government of Afghanistan's budget and managed by the Ministry of Finance. The World Bank applies additional financial controls relating to receipts, cash management, disbursement and procurement, and the verification of transactions.[76]

The role of the Afghan government in the governance of the ARTF has increased over time in line with its capacity. Initially, ARTF management was entirely donor driven, but the Ministry of Finance was admitted as an observer to the management committee in 2005. Since 2012, the Ministry of Finance has been a full member (and co-chair) of the steering committee.

Somalia Development and Reconstruction Facility

The SDRF was established within the framework of the Somali New Deal Compact and launched in October 2013. It is co-chaired by the Somali Prime Minister and the EU. The donor co-chair role rotates between the US, the EU and DFID.[77]

A steering committee acts as the board of two multi-partner trust funds that have been established under the SDRF and are administered by the UN and the World Bank. In March 2015, the steering committee reviewed and endorsed initial programmes for the funding windows – representing a key step towards the delivery of tangible results through the Compact. The committee endorsed six UN joint programmes submitted to the UN Multi-Partner Trust Fund and five programmes submitted to the World Bank Multi-Partner Trust Fund. The programmes have been developed through the SDRF structures, and are reportedly indicative of extensive consultations between the government, UN and donor partners over the past 18 months. In line with New Deal PSG 1 (legitimate and inclusive politics), three programmes were presented to provide support to the implementation of the Government of Somalia's Vision 2016 (a strategy document outlining political priorities including a pledge to hold democratic elections in 2016) within the agreed timeframes – which focus specifically on the state formation process, the constitutional review and the electoral process.[78] The EU, UK, Sweden, Norway, Denmark and Italy have pledged contributions over three years to these programmes.

The SDRF is an example of where development partners have aligned their support to the priorities of the partner country in order to minimise risk, reduce fragmentation and strengthen government ownership.[79] The UK was reportedly the first donor to channel funding to the World Bank Multi-Partner Fund for Somalia, which kick-started support from other donors.[80] Feedback from donors highlights the difficulties in using country systems in Somalia given the absence of a central bank and mechanisms for tracking expenditure. As such, channelling funding through pooled mechanisms is regarded as the best option available for donor alignment to national priorities and building state capacity in the current context.

However, in contrast to this, some feedback suggests that decisions on funding allocation within the SDRF continue to be donor driven. It is argued that development partners could do more to strengthen government ownership, including increased use of country systems and bilateral on-budget support, given the improvements made in financial controls over recent years, and following in the footsteps of Norway's on-budget support to civil servant salary payments.[81]

Key lessons from case study

- The SDRF differs from the ARTF in that the Government of Somalia has been included as a core member of the governance and management structure for the SDRF, whereas the Government of Afghanistan's involvement in the governance structures for the ARTF increased over time.82
- While it is still early days for the SDRF, initial lessons emerging from its implementation highlight the importance of including the partner country government in the governance of pooled funding mechanisms from the outset in order to foster greater and more sustainable country ownership.
- Both cases illustrate the role that pooled funding can play in promoting greater use of country systems while at the same time minimising the risk faced by donors in channelling funding through the government. In addition, being the first donor to channel funding to a particular pooled funding mechanism can kick-start support from other donors. Support to pooled funding mechanisms is also an important way of strengthening the effectiveness of state institutions.

3.6 Fourth measure of progress: predictability of aid

Predictability of aid is a clear priority of the development effectiveness agenda, and explicitly referenced under Busan Partnership Indicator 5b, and in the Busan Partnership Agreement document:

"Those of us who committed, through the Accra Agenda for Action, to improve medium-term predictability will implement fully our commitments in this area, introducing reforms where needed. By 2013, they will provide available, regular, timely rolling three- to five-year indicative forward expenditure and/or implementation plans as agreed in Accra to all developing countries with which they co-operate."[83]

It is also a key component of the 'TRUST' New Deal principles (under 'timely and predictable aid', Annex 1).

As illustrated in Figure 6, median medium-term predictability is significantly better in the 23 non-fragile states reporting to the Global Partnership monitoring in 2014 (81%) than the 23 fragile states (64%).[84]

Figure 6: Medium-term predictability is better in non-fragile states[85]
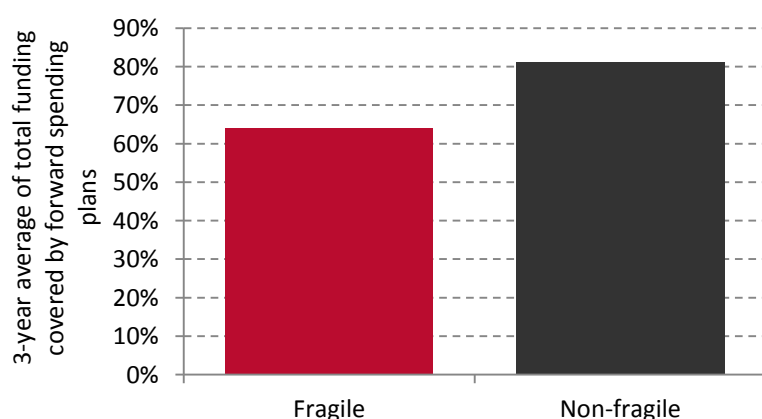
Source: Development Initiatives based on OECD/UNDP report, *Making Development Co-operation More Effective: 2014 Progress Report.*[86]

While progress in this area in fragile states has been slow overall, there has been some progress on multi-year programming and rapid response mechanisms.

Multi-year programming

There has been some progress by development partners in making longer-term commitments, as illustrated in the shift towards multi-year programming in development over recent years. For example, the European Commission (EC) programme cycle is seven years, Finland's is five, and Sweden's is three-five years.[87] Similarly, there has been a growth in multi-year UN appeals for humanitarian response – from the launch of the first three-year appeal in 2013 (Somalia) to 13 multi-year appeals in 2015.[88]

However, multi-year development programmes have not largely solved the problem of sharing forward spending plans with partner country governments in a timely manner. Most development partners provide estimates only a year in advance, undermining the capacity of partner countries to effectively plan in the medium to long term. For example, in Timor-Leste in 2014, 10 out of 12 donors provided spending estimates for 2014 and only eight for 2015 and 2016.[89] As another example, DFID made only one-year commitments regarding assistance to Sierra Leone in order to minimise the risk associated with providing budget support, despite the 10-year overarching aid commitment agreed between the two governments.[90]

Rapid response mechanisms

There has also been progress in developing rapid and timely responses, with a number of donors developing mechanisms for responding rapidly to acute crises. At the global level, the UN Central Emergency Response Fund (CERF) includes a rapid response window that can allocate funding of up to US$30 million to an emergency.[91] This enables an immediate response to sudden-onset emergencies. For example, in 2015, US$30 million has been provided to the Syria crisis and US$18 million in response to the Nepal earthquake.[92]

Many governments have also established their own rapid response mechanisms, which include fast-tracking through pre-positioned funding with the Red Cross and Red Cross Societies or NGOs, and pre-negotiation draw-down agreements with accredited partners, which can be activated quickly. For example, in response to Typhoon Haiyan, DFID disbursed £5 million to pre-selected NGOs in the Philippines through its Rapid Response Facility. [93]

The experience of the EU's SBCs offers important lessons regarding mechanisms for rapid development aid response in fragile and conflict-affected states. SBCs were established in January 2013 as a flexible instrument to enable the EU to develop rapid budget support mechanisms for engagement in fragile contexts (case study 5).

Case study 5: EU State Building Contract in Mali – new form of rapid budget support[94]

The SBC in Mali is thought to be a good example of the speed, agility and political responsiveness of this newly created instrument. The justification for its use in Mali was to support the government in transitioning to democracy and in maintaining its basic functions following the emergence of a high-profile political crisis that resulted in French military intervention in January 2013. Approximately €225 million was disbursed during 2013–14. Funding was predominately channelled as budget support through the Treasury.

The SBC stands out in comparison to support from other donors in Mali in the same period as a result of its ability to operate despite high fiduciary risks, its rapidity, its flexibility in terms of conditions, and its size. In contrast, disbursement of funds from the National Stabilisation Fund – a pooled funding mechanism managed by the United Nations Development Programme (UNDP) – was reportedly delayed.

The key objectives of the SBC in Mali were: to increase the financial capacities of the government to act in favour of development; to improve governance and public financial management, including budgetary transparency; and to support the government in carrying out its basic functions such as service delivery and economic recovery through job creation.

The SBC was identified, designed, adopted and disbursed in just five months (first disbursement made by June 2013). The factors underpinning the rapidity of the response include: strong political backing from the international community to ease the country's transition back to democracy; the speed of preparations and undertaking of risk assessments (see below); the alignment of SBC indicators to government priorities, which meant there was general consensus that the indicators chosen were relevant and negotiations with Mali's Ministry of Economics and Finance happened quickly.

To manage risks associated with budget support through the SBC, the EU Delegation compiled a 'risk assessment framework' matrix, and updated it for each disbursement. All relevant sections of the Delegation – including the political section – are involved in completing the matrix, which is then reviewed by thematic and geographical units in Brussels, and submitted for approval and disbursement by the Budget Support Steering Committee. This risk assessment framework is therefore updated in response to internal programming needs, rather than external risks. In contrast, other donors (such as France) undertook quarterly risk reviews, which resulted in detailed discussions with headquarters, and action if the risk levels changed.

A high risk of corruption was identified and did, in fact, materialise in the second year of the programme. The EU responded in a relevant and timely manner and coordinated the response together with the International Monetary Fund (IMF) and other budget support donors. One of the mitigating factors decided at the beginning of the programme was to fund five audits with the Auditor General's Office. However, there was limited connection between this mitigation measure and the risk management framework.

Key lessons from case study
- SBCs can act as a mechanism for rapid and flexible response to high-profile crises in fragile and conflict-affected countries where there is high fiduciary risk so long as there is political backing from the international community and the priorities are aligned to those of the partner country from the outset
- SBC risk management framework and processes should ensure that external risks (including political risks) are monitored more regularly and proactively, and acted on in consultation with donor headquarters.

3.7 First critical issue: challenge in conflict contexts

During periods of violent conflict and political crisis, continuing to work with and through partner country governments in line with the principles of government ownership can become a challenge for development partners, and is often impossible, particularly when the government is a party to the conflict. **Syria** is one of the clearest examples of this challenge. In general, the New Deal has made greater progress in post-conflict contexts as opposed to conflict contexts.

South Sudan provides a stark example of how the context can change over time. In July 2011, in the immediate aftermath of independence and elections, much progress was made on the implementation of the New Deal. A Compact had begun to be developed, built around the implementation of the New Deal Peacebuilding and Statebuilding Goals (PSGs) and principles. Within the framework of the Compact, donors developed various aid modalities in line with delivery of the New Deal principles, such as an EU SBC and a multi-donor pooled South Sudan Partnership Fund.

42

However, the launch of the Compact was completely overtaken by the violence that broke out in December 2013 and by the subsequent extended period of trying to secure a peace agreement founded on a new inclusive political settlement.[95] In response to the recent crisis, donors increasingly took a "no more business as usual" approach and rapidly re-focused their assistance. Channelling funds through government systems or efforts to strengthen the security sector were mostly scaled down or put on hold, and spending on humanitarian relief increased significantly in order to address urgent needs and to build resilience.[96]

The renewed conflict is a sharp reminder of the importance of donors focusing on the first PSG – the need for a legitimate and inclusive political settlement. In 2010, a joint government-donor evaluation highlighted the chronic failure of donors to tackle marginalisation.[97] By 2015, it was striking how little progress had been made with building even the basic national road network needed to connect the state capitals, which in itself would have been a very visible demonstration of the government's efforts to join up the country and reduce the sense of marginalisation that people in many areas felt.[98]

Another lesson emerging from the case of South Sudan is the need for donors to take a more nuanced approach in countries where cyclical conflict is likely. Since the signing of the 2005 Comprehensive Peace Agreement, donors reportedly approached South Sudan as a post-conflict country that has moved beyond the crisis stage, and into an era of rebuilding and reform. In contrast, the return to conflict in 2013 has emphasised the need for donors to prepare and plan for working in a context where violent conflict is cyclical and where periods of calm offer limited options for longer-term development schemes and pose significant risks.[99]

This emphasises the need to take a **differentiated approach in fragile states**, depending on, and responding to, the specific context and type of fragility experienced at national and sub-national levels. This is in line with the new approach to fragility taken by the OECD DAC in its *States of Fragility 2015* report, which regards fragile states as a heterogeneous group and steps outside of national categorisations of fragility to include progress at the sub-national level.

3.8 Second critical issue: the role of non-state initiatives

Country ownership goes beyond government ownership to include ownership by non-state actors (such as civil society and community groups, the private sector and local government) over the national development process. There is evidence that non-state initiatives can drive long-term social and political change and help to address the underlying causes of conflict in fragile states.

Given that non-state initiatives do not usually work at scale and can be undone by wider forces, to ensure that they achieve long-term sustainability, it is important that they are connected to, and have buy-in from, government structures. However, as noted above, during periods of violent conflict, it can be difficult to work with and through the government. In such contexts, development partners' continued support to progressive non-state initiatives can provide the foundations for development and peace, and pave the way to sustainable partnerships with the government in the longer term when the time is right.

Saferworld's community security project in South Sudan is an important example of a non-state initiative, from which some key lessons can be drawn (case study 6).

Case study 6: Saferworld's community security programme in South Sudan

Saferworld, an international NGO, has been working on community security in South Sudan since 2012. With funding from the Government of Netherlands, Saferworld established the programme with local partner organisations in three locations of Warrap and Western Bahr el Ghazal states.

43

Given early success, the programme was rolled out to five locations in five other states (Northern Bahr el Ghazal, Lakes, and Central, Eastern and Western Equatoria) in partnership with local organisations, with plans to expand to Jonglei state in the near future.

The programme seeks to support community members to work collectively with local authorities to address the security challenges they face. Community security assessments have been undertaken by Saferworld and its local partners in each location to identify the security and safety challenges, such as cattle raiding, lack of opportunities for youth, and the prevalence of gender-based violence. This then leads to a process of developing community-led solutions to these challenges in collaboration with the local police and authorities, building on any existing security mechanisms that have proven effective. Four community security working groups have been formed in each location to coordinate the delivery of action plans for responding to the challenges identified in the community security assessments. In addition, police-community relations committees have been established to facilitate a coordinated response to local security concerns (either created as new institutions or building on UNDP committees where they are present).

An external review of the programme undertaken in 2014 found that in areas where the programme was being implemented, most community members felt safer at the local level despite the ongoing conflict at the national level (while recognising that South Sudan as a whole was not regarded as a 'safe place' by community members); in addition, trust between communities and the local police has reportedly improved, leading to greater community demand for security provision. For example, in Kuajok, Warrap state, as an outcome of the community security assessment, the local community security working group developed a system for documenting incidences of crime and insecurity and sharing this information with the local police on a weekly basis. The police then work with the community to address these problems. This has helped to strengthen the accountability of local security providers and to build trust between the community and the police.

Since violent conflict reoccurred in late 2013, Saferworld has begun undertaking and updating regular risk assessments and identifying actions to respond to these risks in collaboration with its local partners. One risk identified across the programme is that of sexual and gender-based violence (SGBV) in the context of violent conflict. Saferworld, its partner organisations and the community security working groups are now developing action plans to prevent and respond to high levels of SGBV in collaboration with security providers and development actors – recognising the relevance of development work on livelihoods to the underlying causes of SGBV.

At the national level, Saferworld has taken steps to link the community security programme with wider national security processes and secure government buy-in to strengthen the sustainability of the initiatives and opportunities to scale up the approach at national level. Saferworld received funding from the Government of Sweden until 2014 to support linkages with policy processes at national and international levels.

Prior to the recent conflict, Saferworld worked closely with the police, the UK Department for International Development's Safety and Access to Justice programme, and other key partners to build constructive relationships between the police and local citizens, building on the community security programme to help overcome mistrust. These processes have strengthened formal and informal accountability and civilian oversight mechanisms. The community security programme, apart from in one of the two locations in Warrap state, was located within the state capital in order to facilitate joined-up working with these partners and the buy-in of national structures.

However, in late 2013, DFID suspended its Safety and Access to Justice programme, and Saferworld and its partners have faced notable challenges in continuing to work with government institutions at the national level. Saferworld has adapted to this challenge by focusing on strengthening the capacity of civil society actors through training, and facilitating their participation in national

processes where possible. This has been critical to providing ongoing support to country ownership, defending the space for civil society to operate, maintaining influence over national processes where possible, and building foundations for more meaningful engagement at the national level when appropriate.

Key lessons from case study

- Support to community-led non-state initiatives can lead to positive social and political changes and address the underlying causes of fragility and insecurity.
- Linking community-level non-state initiatives with government structures (at national and district levels) and securing their buy-in is critical to long-term sustainability and success. Yet where this is not possible in contexts of violent conflict, building the capacity of civil society groups and networks, and leadership of local community security initiatives has been key to building the foundations for influence at the national level when the time is right.
- In addition, undertaking risk assessments and responding to the outcomes, in coordination with partners, is critical in contexts of violent conflict.

3.9 Third critical issue: role of the local government

Initiatives led by local government also offer important examples. The experience of municipalities in delivering the 'social cohesion' aspect of the UN-led 3RP in Lebanon offers some key lessons (case study 7).

Case study 7: The leadership of municipalities in delivering 'social stability' programming in Lebanon through the UN-led 3RP

Municipalities are at the forefront of delivery of the 'social stability' inter-sector priority of the UN 3RP, which supports refugees and resilience in the Syria region. The 'social stability' sector focuses on building social cohesion and addressing sources of tension between Syrian refugees and/or refugee-hosting communities. The 3RP has focused on building the capacity of municipalities to take leadership over local delivery. An assessment of the capacity needs of municipalities was undertaken in Lebanon. Plans for capacity building focus on strategic planning, mobilisation of funding, project management, and linkages with national-level structures and initiatives.[100] As of June 2015, 49 municipalities had received support with participatory planning processes.

Municipalities have also led a process to undertake a municipal risk and resources (MRR) mapping exercise in Lebanon, through a local consultative process involving multiple actors to identify and prioritise risks and problems in each municipality. This process has reportedly been highly participatory and involved direct engagement with communities.

As of June 2015, 96 participatory planning processes engaged 1,573 host community members, bringing them closer to their local institutions and enhancing the ability of municipalities to identify and respond to their needs. This process has already resulted in the completion of 99 community and municipal support projects. A recent assessment of municipal support in Lebanon shows that these that projects have made citizens feel more positive about the availability of services, reduced competition, increased cooperation, and strengthened perceptions of the capability of municipalities in North and South Lebanon and the Bekaa valley.

Key lessons from case study

- Local government can play an important role in building trust with, and generating buy-in from, local communities, which in turn helps to strengthen legitimacy and country ownership
- It is important that where possible, development partners work with and through local government to avoid creating parallel systems.

4. Progress in delivering on the Busan Partnership Agreement in fragile states – inclusive partnerships

4.1 Importance of principle in fragile states

Inclusive partnerships are a central aspect of effective development. The inclusion of civil society, communities, parliaments and the private sector in national development processes is fundamental to ensuring that these processes are legitimate and democratic, and that the benefits of development are shared equally. Given the shift in the provision of development cooperation from the traditional relationship between aid providers and recipients towards an increased role for developing nations and emerging economies, South–South development cooperation is also recognised as an important aspect of inclusive development partnerships.

The outcome of the 2011 Fourth High Level Forum on Aid Effectiveness held in Busan, Korea, identifies 'inclusive partnerships' as a shared common principle among Busan partners:

> "Openness, trust, and mutual respect and learning lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors."

References to inclusive partnerships are made throughout the Busan Partnership Agreement document – notably in relation to democratic ownership (paragraph 12), inclusive development partnerships (paragraph 11), the distinct role of development stakeholders (paragraph 7), the role of parliaments and local government (paragraph 21), the role of civil society (paragraph 22, also explicitly monitored under Busan Partnership Indicator 2), providers of South–South cooperation (paragraph 31), and the private sector (paragraph 32, also explicitly monitored under Busan Partnership Indicator 3).[101]

Inclusive partnerships are also a core component of the New Deal. They are specifically referenced under the first PSG on 'legitimate and inclusive politics' and the fourth goal, on 'economic foundations' through livelihoods and employment – particularly regarding the involvement of the private sector. The promotion of Fragile-to-Fragile (or South–South) cooperation is also a central component of the New Deal.[102]

4.2 Methodology for measuring progress

This chapter will use evidence to assess progress made by development partners on inclusive partnerships at the country level. On the basis of references made to this principle in the Busan Partnership Agreement, it will be structured around the following measures of progress:

1. Inclusion of communities and civil society in national development processes
2. Inclusion of women and girls
3. Inclusion of the private sector in national development processes
4. South–south partnerships for development cooperation between fragile states.

For inclusive partnerships to be sustainable in the long term and lead to meaningful change, it is important that inclusion is not only achieved through targeted interventions and activities but leads more strategically to inclusive results, such as the sharing of development gains across all segments of society and the development and delivery of inclusive policies. As such, where evidence exists, this section will also assess where development cooperation in fragile states has gone beyond targeted interventions to achieve inclusive results.[103]

4.3 First measure of progress: inclusion of communities and civil society in national development processes

Progress regarding the inclusion of civil society in national development processes is largely context-specific. It depends on the existence and capacity of civil society organisations (CSOs), the space for CSOs to engage, the operating environment, and logistical constraints associated with the process of consulting civil society.

Significant progress has been made in this area overall, yet a number of challenges continue to be experienced in certain contexts.[104] While there have been varied experiences in West Africa regarding the inclusion of local government, communities and civil society in the Ebola response, the experiences of **Sierra Leone** and **DRC** offer some important lessons and provide evidence of how this can be done well (case study 8).

The response to Ebola in DRC and Sierra Leone offer clear examples of inclusive partnerships that go beyond targeted interventions to achieve inclusive results – particularly regarding the key role played by civil society and community actors in influencing the outcome (i.e. the containment of the virus), and the people-centred approach taken by national responses.

In terms of implementation of the New Deal, there have been mixed experiences at country level. There is evidence of an inclusive approach in the undertaking of fragility assessments and developing national development frameworks and Compacts as part of New Deal implementation in certain countries. For example, participatory consultations were held on each PSG as part of the fragility assessment conducted in **Sierra Leone** in 2012, which included representatives from local government, civil society and parliament. In **Timor-Leste**, a fragility assessment was undertaken in 2012 through a one-month participatory process that included district-level consultations with civil society, local government, parliamentarians, academia and development partners.[105] **Afghanistan** is also in the process of completing a fragility assessment, which has involved in-depth consultations with civil society.[106] In **Somalia**, despite challenges faced in the initial stages and in undertaking a light fragility assessment, there has been recent progress with including civil society (case study 8).

Given that peacebuilding and statebuilding are long-term endeavours, inclusion of civil society in the implementation of the New Deal to date (as illustrated in the case of Somalia) has largely taken shape as targeted interventions as opposed to inclusive outcomes.

Recognising the need to work more broadly towards inclusive results through the New Deal, the UNDP, the Ministry of Foreign Affairs Finland, the Civil Society Platform for Peacebuilding and Statebuilding (CSPPS) and Finn Church Aid ACT Alliance hosted a conference in June 2015 on the role of civil society and local communities in the New Deal. It resulted in an agreement to establish national dialogue processes that bring together various constituencies in national development processes.[107]

There has also been some progress towards inclusive outcomes regarding the implementation of the New Deal in **DRC**, although this is at a nascent stage. The DRC civil society focal point (Pregesco) and country team conducted a study to assess whether the DRC budget was aligned with the New Deal PSGs and identify ways in which alignment could be strengthened. The study found that actions, measures and programmes implemented at several levels of the state have not been led systematically or deliberately with reference to the PSGs, and that related budget projections remain unrealistic in the current state of public finance. As an outcome of this study, civil society has made recommendations to the government to integrate the New Deal and PSGs in the country's development programme. These recommendations are currently being followed up in-country in close consultation with civil society.

Outside of the New Deal and Ebola response, there is wider evidence of progress regarding the inclusiveness of national development policy processes. For example, in **Malawi**, key stakeholder groups (including civil society, academics, traditional authorities and parliamentarians at district and national levels) were consulted in the formation of the new Development Cooperation Strategy (2014–18), which seeks to revitalise the development cooperation partnership framework. As a result, the strategy reflected the development needs and interests of most segments of society, and was endorsed with overwhelming support by all stakeholders in a validation meeting in August 2014.[108]

Drawing on the experience of the Korea International Cooperation Agency (KOICA) in implementing a health and sanitation project to combat Schistosomiasis (bilharzia) in **Sudan** jointly with the government, community leaders can play a key role in influencing the outcomes and direction of development cooperation. Following a decision by the Government of Sudan to downsize the project as a result of the economic crisis and tighter fiscal controls in 2012, affected communities challenged this decision within local government. This led to a decision to allocate increased local government resources to the project instead.[109]

Case study 8: Inclusion of civil society and communities in the Ebola response in Sierra Leone and DRC[110]

The engagement of CSOs in Sierra Leone and DRC has been critical to fostering national ownership of the Ebola response. Despite there being a strained relationship between CSOs and the Government of Sierra Leone at the outset of the crisis, the government's decision to encourage the registration of CSOs in July 2014 to strengthen their role in the response shifted the tension. A 'core group' of CSOs was formed to coordinate the civil society response at the national and district levels. Its members included the Sierra Leone Association of Non-Governmental Organizations (SLANGO) (which served as the focal point for the Civil Society Platform on Peacebuilding and Statebuilding), the Community Agricultural Development Association, Sky Women's World Network, and the Water, Sanitation and Hygiene Network (WASH-Net) Sierra Leone.

Within the framework of an overall national strategy (case study 1), the core group designed and implemented a consultation process to collect the views of communities and CSOs to inform and strengthen intervention strategies. This process enabled dialogue to take place at the local level on the challenges being faced, particularly in the epicentres. SLANGO used its database to identify and reach a broad spectrum of community groups providing services at chiefdom, district and regional levels. As an outcome of this consultation process, the National Ebola Response Centre has put in place a number of strategies to ensure that the Ebola response is people-centred.

Prior to June 2014, the Ministry of Health and Sanitation handled all communication with communities via radio programming. However, in line with the decision to strengthen the role of civil society in the delivery of services at community level, and as an outcome of the consultation process noted above, CSOs and community groups were encouraged to play a direct role in social mobilisation and communication activities. In particular, they were encouraged to deliver awareness-raising activities about good hygiene and preventive measures as part of the behaviour change communications (BCC) programme (an initiative of the Ministry of Health) and to adapt communications tools provided through the BCC programme to the local context. For example, by January 2015, community partners of WASH-Net had gone door-to-door to nearly 9,000 homes in Western Sierra Leone and held street theatre performances and radio broadcasts in the districts with the highest number of Ebola cases.

As a result of stronger community and civil society leadership in the response, hygienic practices reportedly improved, which was critical to containing the spread of the virus. The important role of

youth groups and religious leaders in social mobilisation was particularly apparent. House-to-house visits conducted by these community leaders were particularly successful.

In DRC, civil society and communities were also at the heart of the Ebola response. The 'community relay' system established before the crisis was an influential part of this. These are voluntary contact people chosen by communities and trained by CSOs who act as the interface between communities and crisis management staff. They provide a door-to-door service in awareness raising and educating communities on preventive methods and how to recognise signs of infection. They assist crisis response staff by conducting surveys on community perceptions and behaviours, and delivering medicines.

Key lessons from case study
- Civil society groups can play a critical role in national emergency responses given their ability to reach and influence communities in a culturally sensitive manner, and to collect data at scale on community perceptions.
- Including civil society in decision-making on the national response, from the outset, is valuable, as is creating a space for CSOs to operate where that space does not already exist
- Civil society groups should be able to adapt communications tools developed at the national level to the local context.
- Existing mechanisms for community leadership and consultations can be used as part of the response to a crisis. In DRC, the community relay system that had been established by community members themselves in 2003 as the interface between CSOs and local/national government played an important role in involving civil society and communities in the Ebola response. The absence of a similar mechanism in Sierra Leone perhaps explains the slower start there in terms of involving communities and CSO leadership in the Ebola response.

Case study 9: Inclusion of civil society and communities in the implementation of the New Deal in Somalia

There have been a number of successes with implementation of the New Deal in Somalia, particularly regarding the leadership shown by the Federal Government in developing a Compact and the alignment of donor priorities to those of the government (Section 2.1).

However, as noted in Section 2.1, CSOs in Somalia and INCAF expressed concerns that the development of the Compact was not an inclusive process. In 2014, the national focal point for the Civil Society Platform for Peacebuilding and Statebuilding (CSPPS) from the Puntland Non-State Actors' Association (PUNSAA) stated that the process of developing a Compact and undertaking a 'light' fragility assessment to inform this was led by government-appointed experts, and did not consult adequately with CSOs, communities, and stakeholders across the different regions, particularly in South Central Somalia and Puntland.[111]

The New Deal Monitoring Report (2014) also stated that attempts for political dialogue between the state and citizens had failed as a result of mistrust. CSOs in Puntland have called for numerous changes: the inclusion of civil society in the SDRF; the rotation of SDRF meetings in different regions to promote regional inclusion; and the revival of New Deal implementation to enable full regional representation in all existing structures.

There has been progress in strengthening the inclusion of civil society in New Deal implementation since 2014. For example, civil society now participates in the PSG working groups in Somalia to influence decision-making on the allocation of donor funding as set out in the Somali Compact. But there remain a number of challenges relevant to the Somali context, including the logistical challenges in bringing civil society representatives from various regions to consultations in

Mogadishu, and limitations in the ability of Somali civil society to organise itself within and across regions given access constraints and weak capacity.[112]

Key lessons from case study
- It is important to include civil society from the outset when developing national development strategies and ensuring the participation and buy-in of actors across different regions.
- Without this buy-in, the development of national policy frameworks is likely to be a technocratic exercise that does not result in political dialogue and meaningful change.
- This case study has also highlighted the need to assess and develop responses to the logistical barriers and costs associated with consulting civil society in contexts of violent conflict, extreme insecurity and federalism.

4.4 Second measure of progress: inclusion of women and girls

The Busan Partnership Agreement recognises that gender equality and the empowerment of women are critical for development,[113] and also fundamental to achieving inclusive results. Busan Partnership Indicator 8 assesses the "Proportion of developing countries with systems to track and make public allocations for gender equality and women's empowerment". This includes the number of countries with a system in place both for tracking allocations for gender equality and women's empowerment, and for making such allocations public.[114]

There has been progress in this area. Of the 35 countries reporting on this indicator to the Global Partnership monitoring mechanism in 2014, six fragile states have a system in place to track and make public allocations on gender equality: Ethiopia, Kosovo, Mali, Nepal, Rwanda, and Sudan. Côte d'Ivoire, Niger and Togo report having systems for tracking allocations on gender equality, but these allocations are not made public.[115]

Ethiopia has shown leadership in this area. The Ministry of Finance and Economic Development (MoFED) has developed gender-responsive budgeting guidelines for mainstreaming gender into the programme budget process.[116] The guidelines were developed with support from international partners, drawing on approaches used in countries such as Australia and South Africa. They present an example of a 'gender aware budget statement', followed by guidance on how to develop indicators for gender-sensitive budgets and a checklist tool for a quick gender analysis of budgets.[117] **Uganda** has similarly mainstreamed gender budgeting.[118] With support from UN Women, the Ministry of Gender in **South Sudan** has developed a mandatory National Gender Tracking Matrix to track public spending and resources on gender equality.[119]

4.5 Third measure of progress: inclusion of the private sector

As explicitly referenced in the Busan Outcome document, the private sector can play a key role in "advancing innovation, creating wealth, income and jobs, mobilising domestic resources and in turn contributing to poverty reduction" (paragraph 32).[120] In fragile states, there are sometimes higher risks associated with private investment, particularly in conflict-affected contexts. However, the private sector can play a critical role in addressing the underlying causes of fragility by creating employment and livelihood opportunities, and building peace between communities through trade.

While not an explicit component of the Busan principles, the role of the private sector in disaster response has been included in this report in recognition of the fact that disasters can exacerbate existing political fragility, and the importance of working more closely with humanitarian actors in fragile contexts. A number of lessons have emerged from the response to the 2015 Nepal earthquake (case study 9).

Outside of disaster response, the private sector can also play an important role in addressing the underlying causes of fragility by building trust between public and private stakeholders in fragile contexts, and creating livelihoods through employment opportunities. Also in **Nepal**, the Nepal Business Forum – a public–private partnership formed in the early stages of the peace process (2008) – has created a stable operating environment for businesses and strengthened private sector development, which has created more livelihood opportunities. It has also been instrumental in strengthening dialogue between public and private sectors and in building trust between stakeholders in the post-conflict era.[121]

The Nepal Business Forum has explored several dimensions of Nepal's business climate, including regulatory investment reforms, potential labour force skills, access to finance, and new business start-ups. An evaluation conducted by the World Bank's Independent Evaluation Group found that promoting public–private dialogue in the context of a country struggling to establish democracy has been useful.[122]

In **Ethiopia**, the government has placed economic transformation at the heart of its development priorities. It has taken steps to invest in infrastructure and human resource development in order to make the domestic market more profitable and attract private investment. In addition, the investment code has been revised to improve investment incentives to priority sectors. Government leadership in strengthening agricultural investment, allocating land, creating tax and credit policy incentives, and facilitating licensing has led to rapid economic growth in recent years and strengthened the development of the country's private sector.[123]

Case study 10: Role of the Deutsche Post DHL Group in the Nepal earthquake response

The international courier company Deutsche Post DHL Group dispatched a disaster response team (DRT) to Nepal within 48 hours of the earthquake that struck in April 2015, following an alert from the UN. This response fell within the framework of a three-year public–private partnership between the United Nations Development Programme (UNDP), the UN Office for the Coordination of Humanitarian Affairs (OCHA) and Deutsche Post DHL agreed in June 2014 to support international disaster preparedness and response. Support from the Deutsche Post DHL Group was provided *pro bono*.[124]

The Nepal DRT – comprising specially trained volunteer DHL employees from Bahrain, Belgium, Dubai, India, Malaysia and Singapore – arrived in Kathmandu on 27 April and was coordinated by the Country Manager for DHL Express Nepal. On arrival, the team provided logistical support to Kathmandu International Airport, helping to manage incoming international aid and supporting the distribution of goods to local and international organisations for onward distribution to people affected by the earthquake.[125]

The DRT worked in close collaboration with UN OCHA, UNDP and the World Food Programme (WFP). The DHL Group transported relief items (including water and food) and equipment via Kathmandu airport. In total, 33 volunteers moved about 2,000 tonnes of relief goods from the airport to WFP's humanitarian staging area during their 27 days of deployment.

The success of this operation rested on the speed and efficiency of the response. This was possible because the DHL Group had already been planning activities and developed a strategy for responding to an earthquake in Nepal from its base in Bahrain, given the high risks of such an event happening. DHL had already visited Nepal prior to the earthquake and conducted a Get Airports Ready for Disaster (GARD) programme with local Nepalese authorities and UNDP in 2010.Despite the response planning activities that had taken place, limited progress was made in implementing the GARD programme at the national level. However, on the positive side, because of the DHL Group's

preparedness activities, the Government of Nepal and Kathmandu International Airport authorities were aware of their work when the earthquake happened, and were able to facilitate their quick arrival with limited bureaucracy.

Key lessons from case study
- The private sector can play a key role in disaster response, particularly because of its ability to respond flexibly, reliably, quickly and efficiently, building in particular on its access to modern and innovative technologies and equipment.
- As such, it can play a key role in achieving the commitment to provide predictable aid as set out in the Busan Partnership Agreement and the New Deal (Section 3.6).
- In addition, corporate partnerships between aid agencies and the private sector – often in the form of multi-year funding agreements – can provide reliable and efficient mechanisms for rapid and predictable responses to natural disasters.

The Nepal case emphasises the need for partner country governments to lead the delivery of a disaster prevention strategy, and for private sector companies and governments of high disaster-risk countries to have developed a relationship and put joint response plans in place prior to a disaster happening. The DHL Group faced challenges in accessing and hiring appropriate equipment locally and identified the need to transport such equipment to developing countries likely to be affected by disasters in the future (or to have planned with the government to stockpile this equipment).

4.6 Fourth measure of progress: South–South partnerships for development cooperation between fragile states

The promotion of Fragile-to-Fragile cooperation is a central aspect of the New Deal. At the core of the mission of the g7+ is the ambition to support other fragile states experiencing conflict or emerging from crises to build resilience through natural resource management, PFM, development partner coordination and electoral processes.[126] Timor-Leste's support to voter registration in Guinea-Bissau is a clear example of this kind of cooperation (case study 11), from which key lessons can be drawn.

Case study 11: Timor-Leste's support to voter registration in Guinea-Bissau

The Mission of Support to the Electoral Process in Guinea-Bissau was triggered by a request from the country's Transitional Government to the Government of Timor-Leste in September 2013, for technical and financial support in delivering voter registration and electoral kits.

In response, Timor-Leste pledged US$30 million to support Guinea-Bissau in the effective delivery of general elections, which were held on 13 April 2014, with a second round for the presidential elections held on 18 May 2014. The Timor-Leste Secretary of State for Administrative Decentralization coordinated the Mission, with support from representatives of the country's electoral administration bodies and from Timor-Leste Agency for Cooperation in Guinea-Bissau.[127]

Between November 2013 and February 2014, Timor-Leste provided support in the development of systems for voter registration. Technical support was provided to the Electoral Census Department for installation of service databases, networks, and software for computer portals in order to develop an Electoral Census Informatics system. Technicians were trained to deliver civic education campaigns on the election and voter registration process.

Despite delays in completing the voter registration process, due to challenges in voter awareness raising in the early stages, it was reportedly a success. According to reports from the g7+, 700,000 people registered to vote over three months, which equates to 95% of those eligible to vote, according to the 2009 census.[128] The support provided by Timor-Leste, which laid the foundations for

a successful election and enhanced donor trust in the government to deliver on this, paved the way for further funding commitments from other donors to support the election, including UNDP and the EU.

Key lessons from case study
- Fragile-to-Fragile cooperation is beginning to play an important role, supported by critical facilitation through the New Deal.
- Such cooperation can pave the way for greater donor trust in the most fragile of governments and kick-start wider donor support.
- In addition, this form of cooperation is particularly valuable in terms of capacity building and sharing relevant and applicable lessons learnt between g7+ countries.

5. Progress in delivering on the Busan Partnership Agreement in fragile states – results

5.1 Importance of principle in fragile states

Achieving and demonstrating the results of development cooperation is a central component of the Busan Partnership Agreement and a fundamental aspect of monitoring its implementation.[129] The Busan Partnership Agreement Indicators 1 and 7 are used to guide and measure progress under this principle. A focus on results is also a key component of the FOCUS New Deal principles (Annex 1).

5.2 Methodology for measuring progress

This chapter will use evidence to assess progress made by development partners on results at the country level. On the basis of references made to this principle in the Busan Partnership Agreement, it will use Busan Partnership Indicator 7 as the key measure of progress.

Busan Partnership Indicator 7 focuses on the extent that mutual accountability among development cooperation actors has been strengthened through inclusive reviews. The Busan Partnership Agreement encourages governments to lead in the development of national review frameworks to monitor progress and promote mutual accountability, and for national assessments to be undertaken that engage both developing country authorities and providers of development cooperation in a mutual performance review. It emphasises governments' accountability to their citizens and encourages the active participation of all actors in mutual assessment reviews, including: government representatives at local, regional and national levels from across all government ministries; development partners (bilateral and multilateral); civil society, parliamentarians; and private actors.[130]

Busan Partnership Indicator 1 – which focuses on the extent that development cooperation uses partner country results frameworks and their associated monitoring and evaluation systems – is also relevant. However, given that there has been a notable lack of evidence relating to progress at the country level on Busan Indicator 1, which is currently being piloted by the Global Partnership Initiative on Results and Mutual Accountability in eight countries,[131] it is too early to assess progress against this indicator.

The second part of the chapter looks at one additional **critical issue** relating to results – the extent that the needs of the most vulnerable people in fragile contexts have been met. This is in line with the understanding that meeting their needs is the anticipated end goal of development cooperation and the GPEDC, and with Agenda 2030 to "leave no one behind".

5.3 First measure of progress: mutual accountability and alignment

The target for achieving Busan Indicator 7 on mutual accountability is for "all developing countries to have inclusive mutual reviews in place", with an assessment every one to two years. A country is considered to have a mutual assessment framework in place when at least four of these five criteria are met:

1. An aid policy defines the country's development cooperation priorities.
2. National targets for effective development cooperation exist for both the developing country government and providers of development cooperation.
3. Progress has been assessed regularly and jointly by government and providers at senior levels over the past two years.
4. Local governments and non-executive stakeholders have been actively involved in these reviews.
5. The comprehensive results of the review have been made public in a timely manner.

Of all the 23 fragile states reporting to the Global Partnership monitoring mechanism in 2013, 11 (48%) report having mutual assessment reviews in place, compared to six (70%) of the non-fragile states reporting. This is a significant improvement on 2010, when only five fragile states reported having mutual assessment reviews in place.[132]

With regard to achievements against the first two criteria, there has been significant progress. Of the 23 fragile states reporting in 2013, 60% (14 countries) have developed an aid policy defining the country's development cooperation priorities, which is lower than the proportion of non-fragile states that reported (18 countries out of 23, 78%). This is not surprising given the greater capacity and political challenges experienced in fragile states. Similarly, 14 of the (different) fragile states reporting to the Global Partnership monitoring mechanism have also developed national targets for effective joint development cooperation, which is lower than the proportion of non-fragile states that reported (19 out of 23 countries, 82%).

Some clear examples have emerged from the implementation of the New Deal. **Somalia, Afghanistan** and **Sierra Leone** have developed Compacts as joint government and partner accountability frameworks. Afghanistan's Compact (the 2012 Tokyo Accountability Framework) has been revised to integrate the PSGs, which is operationalised through the 2013 Aid Management Policy. The 2014 Mutual Accountability Framework (Compact) developed by the Government of Sierra Leone and partners outlines joint outcomes and outputs for implementing the PSGs arising from its fragility assessment, and sets out the terms of the partnership.[133] A 'dashboard' for the Mutual Accountability Framework was also developed that uses indicators against which progress in implementing the commitments can be tracked – in addition to the PSGs this includes the global-level Busan indicators as well as a range of other indicators used by government and development partners to monitor progress.[134]

The Tokyo conference on **Afghanistan** in 2012 set out an ambitious set of commitments as part of the Tokyo Mutual Accountability Framework. As part of this process, development partners committed to aligning a minimum of 80% of ODA with the Afghan government's 22 national priority programmes. To be counted as ODA, assistance had to be aligned at the deliverable level. Some donors have managed to reach 100%. As the Afghan government has noted, alignment is most easily demonstrated when aid is brought on budget.[135]

The Government of **Myanmar** developed a clear Mutual Accountability Framework in January 2013 known as the Nay Pyi Taw Accord for Effective Development Cooperation. This four-page document sets out five broad areas of commitment by the government and six by the donors. It has subsequently been supplemented by various action plans.[136]

Despite the progress made, mutual accountability frameworks are still to be established in many fragile states. For example, in **Haiti** there have been no government-donor meetings since the last meeting of the Comité d'Efficacité de l'Aide in May 2013. Political leadership is central to driving progress on mutual accountability and the development and delivery of results frameworks.[137]

There has also been some improvement in terms of undertaking joint and inclusive assessments of progress between development partners and country partners, and in making the results publicly available (criteria three, four and five). Of the 23 fragile states reporting to the Global Partnership monitoring in 2013, more than half (12 countries, 52%), have assessed progress regularly and jointly by government and development providers at senior levels over the past two years.[138] This is lower than the proportion of non-fragile states that reported (18 out of 23 countries, 78%).

A lower proportion of fragile states reported that they have actively involved local governments and non-executive stakeholders in these reviews (10 countries, 43%), which is only very slightly lower than the number of non-fragile states reporting (11 out of 23 countries, 47%). Yet experiences vary significantly between fragile states.[139]

In **Burundi,** significant progress has been made with regards to mutual accountability**.** A Partners Coordination Group (GCP) was launched in 2008. The GCP is a three-level body including sector groups, a strategic forum of partners, and a political forum. Joint monitoring and evaluation is undertaken by the Government of Burundi and development partners across all three bodies. A monitoring and evaluation group was formed to assess progress made by the sector groups – comprising government departments and technical and financial partners, and co-chaired by the Permanent Secretariat of the Aid Coordination National Committee and the Chief of Cooperation of the Ministry of Belgium.

The sector groups meet monthly to plan, assess and review progress. The strategic forum of the GCP, which brings together development partners with the Ministry of Finance and Economic Development Planning, coordinates the annual review of the strategic framework and action plans for delivering the growth and poverty alleviation strategy (CSLP II). It meets once a month to review items put forward by the monitoring and evaluation group. The political forum comprises members of the senior political authorities and development partners. It meets annually to review priorities put forward by the monitoring and evaluation group based on the results of the strategic forum. The GCP has resulted in significant progress being made in aligning contributions from partners on national priorities and in developing joint targets and mutual accountability frameworks.[140]

In **Uganda**, there has been progress on developing a joint assessment framework between the Government of Uganda and development partners that provide budget support. Performance is in theory assessed against a single results framework, which enables development partners to make disbursement decisions. For project support donors, the government has developed a partnership policy and accompanying joint monitoring framework. Yet, as of October 2014, no inclusive mutual assessments with development partners had been undertaken to track joint progress against these frameworks. The government's performance is assessed every six months through the Government Performance Report, the results of which are made public. However, these reviews are not undertaken jointly; undertaking reviews to assess the performance of development partners has been a key challenge.[141]

In terms of progress against Busan Indicator 1 and the utilisation of partner country results frameworks by development partners, a key constraint in fragile states has been the capacity of partner country governments to develop these frameworks in the first place. For example, in Somalia, DFID is taking steps to align its country results framework to that of the Federal Government of Somalia. Yet it faces challenges in measuring tangible results through government

Progress in delivering the Busan Partnership for
Effective Development Co-operation in states of fragility

systems given limited capacity in government to develop national results frameworks and indicators.[142]

More broadly, measuring results in fragile states is particularly difficult given the contextual challenges experienced which impact upon the length of time required. Beyond capacity constraints, these challenges include weak access to communities, poor communications and the ongoing risk of insecurity and instability. Hence, in order to effectively measure results in fragile contexts, it is important that results frameworks accommodate these challenges and that targets and indicators are set appropriately to respond realistically to the context.

In addition, a key challenge has been the lack of a blueprint for how countries should monitor commitments set out in the Busan Partnership Agreement; as a result, some countries are using existing indicators and data and some have created new indicators and monitoring systems.[143] This limits the ability to make comparisons across countries. Similarly, the absence of a global results framework has meant that the utilisation of country results frameworks by development partners has not been undertaken in a consistent or comparable way.

5.4 First critical issue: meeting the needs of vulnerable people

Meeting the needs of vulnerable and poor people in fragile states is critical to achieving impact and illustrating results. Development cooperation in fragile states has, in some contexts, focused primarily on peace, security and statebuilding and less on the provision of basic services, in line with the belief that peace and security is a prerequisite for effective development. As illustrated in the case of **Afghanistan**, the 'governance and security' sector received a significantly higher volume of ODA than any other sector in 2013 (US$2 billion), particularly sectors providing basic services. For example, the governance and security sector received over 25 times the volume of funding received by the water and sanitation sector, and seven times the volume received by agriculture and food security in 2013.[144]

However, given that statebuilding and peacebuilding are long-term processes, it is important that the needs of vulnerable people continue to be met while support at the state level and for peacebuilding and security interventions takes place, in particular through the simultaneous provision of basic services.

The approach taken by the US Government in Somalia provides such an example. USAID has provided support to the provision of basic services in **Somalia** at the same time as providing support to peacebuilding and statebuilding through the implementation of the New Deal (case study 12).

As set out in Chapter 1, most humanitarian assistance goes to long-term recipients in response to protracted and reoccurring crises, often financing provision of basic services. It is worth exploring under what circumstances there may also be a role for other actors in ensuring such provision, particularly where insecurity is a sub-national phenomenon. One area, for example, where development finance is complementing and even substituting for humanitarian support is in the development and roll-out of national social protection programmes such as **Ethiopia's** Productive Safety Net Programme (PSNP). This programme has been in operation for ten years and reaches more than 7 million people. The main element of the programme is the provision of a guaranteed number of days of employment for the poorest rural households. This is complemented by cash transfers for households that are unable to work. Evaluations have shown that the programme has made households more resilient and has reduced the requirement for humanitarian interventions during weather-related shocks. For example, the programme was scaled up in 2011 to meet additional needs sparked by the Horn of Africa crisis.[145] There is considerable scope to expand such support as, on average, only 25% of those living in extreme poverty globally are covered by a social protection programme.[146]

The provision of cash vouchers is another example of efforts in fragile states to directly meet the needs of the most vulnerable people. Providing people with money instead of goods allows them to choose how best to spend it to meet their needs. Cash transfers can also stimulate the local economy, and improve the speed and efficiency of humanitarian assistance.[147]

As an example, cash vouchers are used to provide food assistance and non-food items to Syrian refugees as part of the UN-led 3RP in Lebanon and Jordan. As a result of effective mapping tools to identify, report and assist the most vulnerable refugees, and the creation of a 'one card' system to channel assistance from different partners (enabling harmonised assistance and cost savings for agencies), vulnerable people have been effectively targeted, and resources have been used more efficiently. Food assistance and other cash programmes are now complementing each other to maximise resources and avoid duplication, improving the quality of assistance provided and reaching more people.[148]

Case study 12: USAID support to health service provision in Somalia

The US Government has worked closely with other donors to support the Federal Government of Somalia in developing and delivering on the Somali Compact, playing a leadership role among donors as a co-chair of the SDRF. At the same time, the US provides support for the delivery of a range of basic services (such as education).

USAID is currently supporting the Somali Youth Learners Initiative, which was established in 2011 and aims to expand access to quality secondary education for 160,000 youth. USAID is supporting officials from the Ministry of Education and local Community Education Committees to strengthen the secondary education system as well as providing teacher training. Through this programme, young people receive formal and non-formal education services and learn entrepreneurship skills to increase their opportunities for employment. Specific efforts have been made to include women in the programme to ensure gender equality in access to education.[149]

To date, the programme has provided assistance to 43 secondary schools and collaborated with education authorities to provide services for more than 16,000 secondary school-aged children across Somalia. A total of 79 classrooms have been completed, and textbooks and teaching materials have been provided. The initiative has trained and supported staff from the Ministry of Education in Galmudug and Mogadishu to carry out systematic public tendering processes for school construction, which is leading to greater transparency and public trust in local authorities.[150]

Key lessons from the case study
- Supporting the delivery of basic services can address the needs of vulnerable people and strengthen trust between the government and its citizens
- gaining citizens' trust is fundamental to a government's legitimacy, which underpins the very essence of statebuilding efforts
- Continuing to target the needs of vulnerable people through service delivery in fragile states at the same time as focusing on statebuilding and peacebuilding is critical for effective development in fragile states.

---

6. Transparency and shared responsibility

6.1 Importance of principle in fragile states

Transparency is a key component of the development effectiveness agenda, and one that underpins commitments in many other areas such as country ownership, predictability, inclusive partnerships and results. Better information on development cooperation is essential for the governments of

developing countries to help them plan and manage these resources effectively. It is equally important for providers of development cooperation, so that they can improve coordination and maximise their impact. Publicly accessible information is also vital for parliamentarians, CSOs and citizens so that they can hold their governments to account for the allocation and use of these resources.

There is growing recognition of the importance of government data being published in formats that enable monitoring. This is reflected in the launch of many global open data initiatives in recent years, including the International Aid Transparency Initiative (IATI), the Global Initiative for Fiscal Transparency (GIFT) and the Open Government Partnership (OGP). It is also mirrored in the launch of many national open data portals, some of which are highlighted in this section of the report.

Having emerged as a key political priority at Busan, transparency and accountability was identified as the fourth of the shared principles agreed at the High Level Forum, with those endorsing the Busan Partnership Agreement recognising that:

> "*Mutual accountability and accountability to the intended beneficiaries of our co-operation, as well as to our respective citizens, organisations, constituents and shareholders, is critical to delivering results. Transparent practices form the basis for enhanced accountability.*"[151]

Transparency was explicitly recognised as being the foundation for greater accountability between those who provide development cooperation and those who receive it, as well between governments and their citizens.

The New Deal for Engagement in Fragile States also reflected the central importance of transparency, committing to more transparent use of aid, greater monitoring of resource flows to fragile states, and strengthening of national planning and reporting systems (Annex 1).[152]

Transparency can be especially important in fragile states – for example, when timely and detailed information is crucial to the speed and coordination of disaster response, as the second Nepal case study below (case study 14) illustrates. But transparency can also pose more of a challenge in fragile contexts – for example, where the state lacks the capacity to develop transparent national systems, or where transparency might endanger the security of organisations and individuals operating in highly sensitive conflict zones.

6.2 Methodology for measuring progress

The first commitment set out on transparency in the Busan Partnership Agreement[153] is a general commitment for all actors to make public the full range of information on development activities. This chapter is structured around the second and third commitments on transparency set out in the Busan Partnership Agreement as measures of progress:

1. Establish transparent public financial management and aid information management systems, and strengthen capacity to use this information. The commitment is largely focused at the country level. This will also include a focus on the capacity of national actors to use information.
2. Implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information on development co-operation. This final commitment is primarily directed towards providers of development cooperation.

6.3 First measure of progress: establishing transparent PFM systems and AIMS

The establishment of transparent PFM systems is crucial to development effectiveness, and as a subset of this, the transparency of government budgets is key, given their core role in funding development. The International Budget Partnership (IBP) has recently launched its Open Budget Survey 2015, which measures three aspects of how governments are managing public finances: budget transparency, budget participation and budget oversight. Their overall conclusion is that most countries surveyed "provide insufficient information for civil society and the public to understand or monitor the budget. Also, only a small fraction of countries provide appropriate mechanisms for public participation." On a more positive note, IBP states that over the past decade, budget transparency has increased in nearly all parts of the world, with some of the largest gains in countries that provided the least information in the past.[154]

In the 2015 Open Budget Index, 14 of the 34 countries identified as providing minimal-to-no information on their budgets are classified as fragile states, reflecting the limited capacity of some governments included on this list. But there are also positive exceptions, such as Malawi and Uganda, both of whom fall into the category of providing 'substantial' budget information, alongside many developed economies.[155]

Uganda is an especially interesting example. The country's Open Budget Index score more than doubled since the survey was first carried out, rising from 32 in 2006 to 65 in 2012.[156] While it has since (in the 2015 survey) declined slightly to 62, the survey report attributes this to a lack of further improvement as opposed to a decline from the previous transparency conditions. Uganda's progress has resulted from several PFM reforms such as enacting the new Public Financial Management Act (March 2015) to address gaps in the Public Finance and Accountability Act (2003), as well as the launch of a comprehensive budget website in 2014 (case study 13).

More than 50 countries currently have AIMS, including all of the g7+ pilot countries[157] and a further 24 countries included in the current list of OECD fragile states. AIMS can play a positive role in improving the transparency of development effectiveness at country level, as case study 14 illustrates.

However, as the New Deal Monitoring Report for 2014 makes clear, AIMS in fragile states continue to face a number of problems, which limit their ability to provide timely and appropriate information to the annual government budget planning process. The report notes that some of these problems relate to:

> "… capacity of government to manage the system (**Solomon Islands, Sierra Leone, Somalia**), and to the functionality of system configuration (South Sudan and Somalia). Others relate to the format of the donor data provided, which is not entirely compatible with the format required for preparation of the Government budget (**DRC, Solomon Islands, and Timor-Leste**). Problems also persist with other government institutions by-passing the system and generating parallel data requests directly to donors (DRC, Sierra Leone). Finally, in most countries, the timeliness of donor submissions to the system continues to be a challenge, limiting their uptake into the national budget."[158]

Making information about all development activities publicly available is an essential first step, but for that information to make a difference, it has to be used. Lack of capacity to use the data that is increasingly becoming available at country level continues to be a significant problem, especially in fragile states. The excerpt from the New Deal Monitoring Report quoted above notes problems on the government side, such as lack of capacity to manage AIMS and to ensure their consistent use across government. Meanwhile the **Nepal** example (case study 14) illustrates all too clearly the lack

of capacity on the part of citizens to use AIMS data, with obvious barriers including internet connectivity and low literacy levels.

On a more positive note, the growth of the open data movement has led to the development of many new tools and applications aimed at increasing the capacity of citizens to track and monitor government spending, as the case studies from Kenya (case study 15) and the response to the Nepal earthquake (case study 16) illustrate.

Case study 13: Uganda's new budget website

Uganda's budget website (http://www.budget.go.ug/) provides a central repository for all government budget documents ranging from budget circulars to quarterly releases of funds to local governments. It allows users to access data down to the smallest budget centres such as sub-counties and individual schools.[159]

Given the challenges faced by many citizens in accessing the internet, the Ministry of Finance, Planning and Economic Development has, since 2013/14, coordinated outreach to share information on the budget through other means, including through press conferences and media (print, radio and television broadcasting). Together with the website, these strategies underpin Uganda's budget transparency strategy.

To further improve transparency, the government has strengthened the level of participation in planning and budgeting. A free helpline has been set up to provide citizens with information on the budget, answer any queries they may have, and record any cases of public finance misuse. In addition, CSOs have been given a platform to present their budget monitoring results at quarterly press conferences where fund releases are announced. For example, the Civil Society Budget Advocacy Group (CSBAG) and the Advocates Coalition for Development and Environment (ACODE) present results from monitoring of public spending on schools, health centres and through district governments.

Key lessons from case study
- A national budget website can play a key role in strengthening transparency and accountability, especially when accompanied by activities to reach citizens without access to the internet.
- CSOs can play an important role in monitoring and supporting transparency and accountability mechanisms
- Information collected should be relevant, usable, timely and accessible.

Case study 14: Nepal's public aid information management system

In 2010, a team of government officials at Nepal's International Economic Cooperation Coordination Division (IECCD), supported by Development Gateway, institutionalised a new Aid Management Platform. Managing information about flows of aid to Nepal has traditionally been a difficult task; flows come from a range of sources (Nepal has more than 40 development partners), in different currencies, at different times and with different repayment obligations. Prior to the Aid Management Platform, it took almost a month each year for the IECCD to gather this data – a process which is now automated. In June 2013, in a demonstration of its commitment to aid transparency, the Government of Nepal made the Platform publicly available.[160]

The Aid Management Platform contains information on more than US$6 billion in development aid disbursements allocated to more than 1,000 projects. In making aid information available to the public, the government has allowed media, academia and civil society to follow where this development finance is going, spot gaps in areas of need, and identify instances of duplication. To meet the needs of this range of users, the Platform presents its data in a variety of formats, including reports, maps, interactive visualisations, and in downloadable files.

Due to a range of factors, including widespread data illiteracy and poor internet connectivity, public use of the data in the Aid Management Platform is still at a low level. The IECCD has used the data – for example, to inform its 2014 Development Cooperation Policy;[161] however, evidence of use among line ministries, by donors, and by groups outside of government is limited. In addressing this, the IECCD has conducted training for line ministry officials, international NGOs, civil society groups and journalists. In the long term, the IECCD believes that public use of this transparent evidence base will help ensure accountability of aid spending and improve efficiency and coordination of development aid flows.

Key lessons from case study
- For data to be useful it needs to be standardised and stored in a format that can be joined up with data from other sources.
- The data also needs to be complete, accurate, and disaggregated.
- When publicly sharing financial resource flow data, the needs of the user must be identified, understood and designed for.
- The user may then need support to analyse and interpret the data
- Without demand for the data and use of it, sustainability may be at risk.
- Demand may need to be stimulated by demonstration of the value of the data.

Case study 15: Supporting the use of open data applications in Kenya

In 2011, Kenya became the first country in sub-Saharan Africa to launch an open data portal. The Kenya Open Data Initiative (KODI) now hosts almost 700 government datasets, which the public can access.[162] However, despite the existence of a strong information and communications technology (ICT) sector, high mobile phone penetration, active civil society and a relatively open media, use of the Kenyan open datasets has fallen short of initial expectations.[163]

In response to this, several initiatives have evolved that support intermediaries to access and use the government datasets. Initially, efforts focused on short-term solutions such as hackathons and training sessions, but it proved difficult to sustain momentum from these. Code4Kenya was launched in 2013, and is one of the first sustained efforts to focus on making open data relevant to and accessible by citizens. It uses 'fellows' embedded in media and civil society organisations that have agreed to host them for five months to help them make better use of data and technology. In this way, it aims to promote transparency, accountability, citizen engagement and improved public service delivery.[164]

Key lessons from case study
- Building the capacity of intermediaries to use data is essential for open data to benefit citizens.
- An open data application cannot be sustained without an interconnected ecosystem of data producers, intermediaries, technology developers, analysts and users.
- Strengthening capacity to use open data can require cultural change, which is a long process that requires sustained efforts.
- Feedback from citizens must be regularly sought to ensure that the data provided is driven by demand.

Case study 16: Open data on relief funding for the Nepal earthquake response

Since the earthquake in April 2015, calls for greater transparency and accountability of aid within Nepal have been greater than ever.[165] The government estimates that US$6.7 billion is needed for reconstruction;[166] transparency of these flows is critical to support effective accountability and

coordination, and to ensure that resource allocation meets needs. In response to this, technology and open data have been leveraged in Nepal to take humanitarian aid transparency to new levels.

Within days of the disaster, Nepali tech firm Young Innovations set up an online portal to share relief aid data in open format. The Open Nepal Earthquake Portal captures data about the totality of pledged and disbursed relief funds within a central platform. The portal takes data from a wide range of secondary sources, including the UN Office for the Coordination of Humanitarian Affairs' Financial Tracking Service and media reports, and crowd sources information for additional flows. The data gathered reflects financial flows from bilateral governments, multilateral organisations, NGOs, as well as domestic sources, corporations and individuals.[167]

By sharing this data in open format, Young Innovations hopes to enable more widespread public analysis of the data, better coordination of funds and action for accountability. Future features are planned for the portal that will track relief money as it passes down the implementation chain from donor to recipient. These processes will trial the new humanitarian extension of the International Aid Transparency Initiative (IATI) Standard.

Key lessons from case study
- Disaggregated data made accessible on an open platform can help the public to understand raw data behind the media headlines, dig deeper for analyses, and independently verify claims. It can also help donors understand which activities and sectors others are funding and identify any gaps.

6.4 Second measure of progress: implementation of a common, open standard

Implementation of the common standard by the Busan deadline of December 2015 forms the basis of the transparency indicator developed by the GPEDC as part of its Global Monitoring Framework. This focuses on the supply of information by development cooperation providers, using the three systems of the common standard – the OECD Creditor Reporting System (CRS) and Forward Spending Survey (FSS) plus the International Aid Transparency Initiative (IATI).

A pilot assessment took place at the end of 2013, with the findings published in the GPEDC's 2014 Progress Report. This found that providers were not yet publishing sufficiently timely, comprehensive and forward-looking data; on average, data is provided on an annual basis that is between six and nine months old, and provides information on 50% of the common standard data fields. Lack of forward-looking data – a key demand at country level – was found to be an area of particular weakness.[168]

An update on the Mexico Voluntary Initiative on IATI produced in July 2015 and based on the IATI Dashboard publishing statistics found that with five months to the Busan deadline:
- **Timeliness** – 45% of Busan endorsers who publish to IATI are meeting their commitment to publish data at least quarterly with a time lag of one quarter at most.
- **Forward-looking** – To date, just over 25% are publishing at least *some* forward-looking information for 2016 budgets. Of these, only three Busan endorsers who publish to IATI are providing budget information for 2016 for more than half of their reported activities.
- **Comprehensiveness** – Just under half are publishing to 90% or more of the core fields of the IATI Standard; over 60% are publishing commitments in 90% or more of their activities but only 30% are publishing disbursement and/or expenditure transactions in 90% or more of their activities; on value-added fields of the Standard, only two publishers are using these fields in more than 70% of their activities.

- More than 250 **NGOs** and 12 **private sector** consultancies are publishing to IATI; of these, 65 NGOs are publishing at least quarterly data and around 30 are publishing forward-looking budgets.

This points to encouraging progress by some donors in increasing the timeliness of their data, while in terms of forward-looking data there is significant room for improvement.[169]

Also, while the focus of the transparency indicator is on the supply of information by providers of development cooperation, as noted above, it is only when this data is routinely being used at country level – for example, being imported into AIMS and budget systems – that the real gains of transparency will be fully realised.

Case study 17: Myanmar's 'IATI native' aid management system

There has been a significant increase in development cooperation to Myanmar since the government began its democratic transition and social and economic reform programme in 2011. The government wanted a simple and effective information management system to gain a more accurate picture of the development cooperation coming in to the country and to ensure resources are directed to where they are needed most. After consulting neighbouring countries, Myanmar decided to build its own 'home grown' AIMS to ensure the finished product would respond to the its needs, be available online quickly, and be able to expand and develop in line with future changes.

Myanmar decided to develop its AIMS directly in line with the IATI Standard from the outset, and with initial support from the EU, it hired Catalpa International to develop the new system. Named Mohinga, it went online in February 2015, recording approximately 80% of ODA to Myanmar. It is the first locally built, IATI-compliant, mobile-ready, open-source AIMS.

Mohinga was built to be simple to use, removing many of the barriers that can make such systems difficult and time consuming. The application runs in English and Myanmar languages and enables users to visualise aid flows as a variety of charts and graphs. Users can also export all of the raw data in .xls format, allowing them to delve into full data sets. Development partners update their information via an easy-to-use online data entry form.

Mohinga has nevertheless faced challenges, the first being low awareness of the IATI Standard among the donor community in Yangon. While the system was originally built to import data directly from the IATI Registry, it was found that many development partners were not publishing sufficiently detailed information to IATI, and some significant actors (such as China and India) do not publish to IATI at all. This means that for now, Mohinga uses data that is input manually from most of its development partners, but in an IATI-compliant format. As the quality of data from IATI publishers improves, the system will be able to pull in automatic imports from the IATI Registry for those development partners that are reporting comprehensively to the Standard.

A successful pilot with the UK's Department for International Development (DFID) was completed earlier this year in which 226 activities and 935 individual DFID transactions were seamlessly imported into Mohinga. As a result, the Myanmar government gained a much fuller picture of the UK's development cooperation to the country, while automated import also represents a significant efficiency saving for DFID. Mohinga is now planning to automate imports from a further group of donors including the EU, Canada, the World Bank and the United Nations Development Programme (UNDP).[170]

Key lessons from case study

- It is important to increase knowledge of the IATI at country level and ensure that all providers of development cooperation publish high-quality data to the IATI Standard to facilitate automated data exchange with country-based systems.

PART C: ANNEXES

Annex 1. Principles of the New Deal for Engagement in Fragile States

The New Deal sets out five Peacebuilding and Statebuilding Goals (PSGs) as the foundation for addressing the underlying causes of fragility:[171]

1. Legitimate and inclusive politics
2. Justice
3. Security
4. Economic foundations
5. Revenues and services

Together, these goals can build the foundations for promoting resilience, addressing the underlying causes of fragility, and making progress on the MDGs (now superseded by the Sustainable Development Goals).

The action-oriented steps of implementing the New Deal are set out under its 'FOCUS' component, which includes:

- Conducting a **F**ragility assessment
- Creating **O**ne vision and plan (a national strategy/plan)
- Establishing a **C**ompact (a joint government and international partner delivery and accountability framework)
- **U**sing the PSGs to monitor progress
- **S**upport political dialogue and leadership.

The final component of the New Deal, 'TRUST', focuses on the delivery of visible results through:

- **T**ransparency
- **R**isk Sharing
- **U**se of country systems
- **S**trengthening capacities
- **T**imely and predictable aid.

Annex 2. Alignment between principles set out in the Busan Partnership Agreement and those agreed through the New Deal for Engagement in Fragile States

Busan Partnership Agreement criteria	New Deal principle
Country ownership	
Government ownership of national frameworks for development	Alignment with TRUST principle on ''support political dialogue and leadership" and "use and strengthen country systems"; and FOCUS principle on "one vision, one plan"
Alignment of development partner priorities with those of the partner country governments	Alignment with TRUST principle on "use and strengthen country systems", and FOCUS principle on "create a Compact"
Donor use of country systems	Alignment with TRUST principles on "use and strengthen country systems" and "risk sharing"
Development of joint risk management frameworks	Alignment with TRUST principle on "risk sharing"
Predictable aid	Alignment with TRUST principle on "timely and predictable aid"
Untying aid	N/A
Inclusive partnerships	
Inclusion of civil society, local government and parliaments in national development processes	Alignment with TRUST principle on undertaking an inclusive "fragility assessment" and PSG 1, "legitimate and inclusive politics"
Inclusion of private sector in national development processes	Alignment with PSG 4, "economic foundations"
South–South cooperation	Alignment with g7+ commitment on Fragile-to-Fragile (or South–South) cooperation
Results	
Development cooperation is focused on results that meet developing countries' priorities	Alignment with FOCUS principle "use PSGs to monitor progress"
Mutual accountability among development cooperation actors is strengthened through inclusive reviews	Alignment with FOCUS principles on "create a Compact" and "use PSGs to monitor progress"
Transparency and accountability	
Availability of public information on funded development activities	Alignment with TRUST principle on "transparency"
Establishment of transparent public financial management and aid information management systems at country level	Alignment with TRUST principle on "transparency"
Capacity building to ensure better use of information in decision-making	Alignment with TRUST principle on "transparency"
Use of IATI at the country level	Alignment with TRUST principle on "transparency"

Annex 3. Fragile states appearing on various indexes/lists

Country	G7+ member country	2014 World Bank/Asian Development Bank (ADB) and African Development Bank (AfDB) Harmonised List	2014 Fragile States Index by the Fund for Peace	OECD DAC list 2015 (combines Fund for Peace Index and World Bank/ADB and AfDB Harmonised List)	Least developed countries that have had a UN peacekeeping/ peacebuilding/ political mission in the past five years
Afghanistan	x	x	x	x	x
Bangladesh			x	x	
Bosnia & Herzegovina		x		x	
Burundi	x	x	x	x	x
Cameroon			x	x	
Central African Republic	x	x	x	x	x
Chad	x	x	x	x	
Republic of Congo		x		x	
Comoros	x	x		x	
Côte d'Ivoire	x	x	x	x	x
Cyprus					
DRC	x		x	x	x
Egypt			x	x	
Eritrea		x	x	x	
Ethiopia			x	x	
Guinea	x		x	x	
Guinea-Bissau	x	x	x	x	x
Haiti	x	x	x	x	x
Iraq		x	x	x	
Kenya			x	x	
Kiribati		x		x	
Kosovo		x		x	
Lebanon					
Liberia	x	x	x	x	x
Libya		x		x	
Madagascar		x		x	
Malawi		x		x	

Mali		x		x	x
Marshall Islands		x		x	
Mauritania			x	x	
Micronesia		x		x	
Myanmar		x	x	x	
Nepal		x	x	x	
Niger			x	x	
Nigeria			x	x	
North Korea			x	x	
Pakistan			x	x	
Papua New Guinea	x				
Rwanda			x	x	
São Tomé and Príncipe	x				
Sierra Leone	x	x		x	x
Solomon Islands	x	x		x	
Somalia	x	x	x	x	x
South Sudan	x	x	x	x	x
Sri Lanka			x	x	
Sudan		x	x	x	
Syria		x	x	x	
Timor-Leste	x	x	x	x	x
Togo	x	x		x	
Tuvalu		x		x	
Uganda			x	x	
West Bank and Gaza		x		x	
Yemen	x	x	x	x	
Zimbabwe		x	x	x	

Progress in delivering the Busan Partnership for
Effective Development Co-operation in states of fragility

Annex 4: List of people interviewed

Name	Country/Organisation	Position
Kate Alexander	United Kingdom, Department for International Development	Conflict and Security Group, Conflict, Humanitarian and Security Department
Mustafa Aria	Afghanistan	Director Aid Management Unit, Ministry of Finance
Sara Batmanglich	INCAF, OECD DAC	Peace and Conflict Adviser
Jöran Bjällerstedt	Sweden's Ministry of Foreign Affairs	Ambassador and Senior Adviser, Department for Security Policy; Co-Chair of International Dialogue on Peacebuilding and Statebuilding.
Chris Deeks	DHL Group	DHL Humanitarian Director
Rachel Locke	United States Agency for International Development	Policy Adviser on Fragility
Leigh Mitchell	Myanmazr	Senior Development Effectiveness Adviser, Ministry of National Planning and Economic Development
Miriam Moeller	International Dialogue on Peacebuilding and Statebuilding (IDPS) Secretariat	Adviser
Monica Moore	United States Agency for International Development	Country Development Officer for Somalia
Kathryn Nwajiaku	International Dialogue on Peacebuilding and Statebuilding (IDPS) Secretariat	Head of IDPS Secretariat
Hodan Osman	Somalia	Adviser on PFM, Ministry of Finance
Jolanda Profos	INCAF, OECD DAC	Policy Analyst
Jinal Shah	United Kingdom, Department for International Development	Policy and Programme Officer, DFID Somalia
Peter van Sluijs	Civil Society Platform for Peacebuilding and Statebuilding	Coordinator IDPS CSP Secretariat
Sara Lukey-Smith	Saferworld	South Sudan Policy, Advocacy and Communications Manager
Tom Wheeler	Saferworld	Conflict and Security Adviser, Policy Programme
Steve Zyck	Overseas Development Institute	Research Fellow, Humanitarian Policy Group

Annex 5: Documents reviewed

Africa Governance Initiative (2015), *State of Emergency: How Government Fought Ebola*. Available at: http://agi-staging.cloud.tilaa.com/article/case-study-how-government-fought-ebola

Australian Embassy website, Timor-Leste (2012). *Minister of Finance and Australian Ambassador Sign Budget Support Agreement*. Available at: http://easttimor.embassy.gov.au/dili/012012.html

Australian Government, Department of Foreign Affairs and Trade (September 2014), *Aid Program Performance Report 2013-14 Timor-Leste*. Available at: http://dfat.gov.au/about-us/publications/Documents/timor-leste-appr-2013-14.pdf

Bennett J, Pantuliano S, Fenton W, Vaux A, Barnett C, Brusset E (2010), *Aiding the Peace: A Multi-Donor Evaluation of Support to Conflict Prevention and Peacebuilding Activities in Southern Sudan 2005–2010*. ODI, London. Available at: http://www.oecd.org/countries/southsudan/46895095.pdf

Bernardi M, Hart T, Rabinowitz G (2014), *EU State Building Contracts: Early Lessons from the EU's New Budget Support Instrument for Fragile States*, ODI Briefing. Available at: http://www.odi.org/publications/8614-eu-state-building-contracts-budget-support-fragile-states-mali-south-sudan

Brookings Institution (2014), *Implementing the New Deal for Fragile States, Global Economy and Development* (Policy paper 02/2014). Available at: http://www.brookings.edu/~/media/Research/Files/Papers/2014/07/30-new-deal-fragile-states-ingram/Implementing-the-New-Deal-for-Fragile-States.pdf?la=en

Busan Partnership Agreement (November 2011), Busan Partnership for Effective Development Cooperation, Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November – 1 December, 2011. Available at: http://www.oecd.org/development/effectiveness/49650173.pdf

CABRI (2014), *Towards a Greater Use of Country Systems in Africa: Recent Trends and Approaches*. Available at: http://www.effectiveinstitutions.org/en/publications

CSPPS (2014), *Amplifying the Voice of Civil Society in Policy Processes: CSPPS 2014 Annual Report*. Available at: http://www.cspps.org/documents/130616042/130793247/CSPPS+AR2014-2.pdf/dcd6e781-a1ce-4be0-bee1-c0746a041338

CSPPS (April 2015), *Tackling and Preventing Ebola while Building Peace and Societal Resilience: Lessons and Priorities for Action from Civil Society in Ebola-affected New Deal Countries*. Available at: http://www.cspps.org/documents/130616042/130793247/CSPPS+Ebola+Report.pdf/33092e41-bd4a-4ccf-8ddf-4464e5c6ce37

Development Initiatives (2015), *Getting Poverty to Zero: Financing for Social Protection in Least Developed Countries*. Available at: http://devinit.org/#!/post/getting-poverty-to-zero-financing-for-social-protection-in-least-developed-countries

Development Initiatives (2015), *Using Aid Data for Policy Making in Nepal*. Available at: http://devinit.org/wp-content/uploads/2015/05/CASE-STUDY-Using-aid-data-for-policy-making-Nepal-LONG-2015-01.pdf

DFID (February 2015), 'Summary of DFID's work in Burma 2011-2016'. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412358/Burma-summary-V2.pdf

DFID (June 2015), Project Completion Report for Project 'Support to the Implementation of the New Deal for Engagement in Fragile States.

69

DFID (2013), *Pooled Funding to Support Service Delivery: Lessons of Experience from Fragile and Conflict-Affected States*. Available at: http://www.publicworld.org/files/61050-PFs-Full_Volume (May2013).pdf

DHL website (2015), 'Deutsche Post DHL Group sends Disaster Response Team to Nepal within 48 Hours after earthquake'. Available at: http://www.dhl.com/en/press/releases/releases_2015/group/dpdhl_group_sends_disaster_response_team_to_nepal_within_48__ours_after_earthquake.html

Finch C (2013), *Making Open Data Work for Citizens: Four lessons from Code4Kenya*, World Bank. Available at: http://blogs.worldbank.org/voices/making-open-data-work-for-citizens-four-lessons-from-code4kenya

G7+ (2015), g7+ Policy Note on Fragile-to-Fragile Cooperation. Available at: http://www.g7plus.org/sites/default/files/basic-page-downloads/g7%2B-Policy-Note-on-Fragile-to-Fragile-Cooperation-English.pdf

GHA (2015), *Global Humanitarian Assistance Report 2015*. Available at: http://www.globalhumanitarianassistance.org/report/gha-report-2015

GPEDC (October 2014), Country Brief: Malawi.

GPEDC (October 2014), Country Brief: Uganda.

GPEDC (October 2014), Country Brief: Ethiopia.

GPEDC (October 2014), Country Brief: Burundi.

GPEDC (2014), *Progress Since Busan: Results*. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Results-discussion-paper-final-draft-9-April1.pdf

GPEDC (2014), *Progress Since Busan: Country and Democratic Ownership*. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Final-draft-ownership-paper-clean-10th-April1.pdf

GPEDC (2014), *Progress Since Busan on Inclusive Development*. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Inclusive-Development-HLM-Discussion-Paper-April-10-final1.pdf

GPEDC (June 2015), *Update on Global Partnership Initiatives: Reporting June 2015*. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2015/08/Annex-Document-5-Update-on-GPI_List-of-responses_August-2015rev.pdf

GPEDC (January 2015), *Case Study: Partnerships Driving Ebola Emergency Response in Sierra Leone*. Available at: http://effectivecooperation.org/wordpress/2015/01/29/partnership-driving-ebola-emergency-response-in-sierra-leone/

Government of Afghanistan, Afghanistan Development Cooperation Report, draft/forthcoming.

Government of the Republic of the Union of Myanmar (January 2013), Nay Pyi Taw Accord for Effective Development Cooperation.

Government of Nepal (2015), Post Disaster Needs Assessment. Available at: http://reliefweb.int/sites/reliefweb.int/files/resources/PDNA_Executive_Summary_new.pdf

Government of Timor-Leste website (February 2014), *Mission of Support to the Electoral Process in Guinea-Bissau completes its first phase*. http://timor-leste.gov.tl/?p=9743&lang=en

70

Government of Timor-Leste (2011), Strategic Development Plan (2011–2030), Available at:
http://timor-leste.gov.tl/wp-content/uploads/2011/07/Timor-Leste-Strategic-Plan-2011-20301.pdf

Government of Lebanon, UN (2014), Lebanon Crisis Response Plan 2015-16. Available at:
https://docs.unocha.org/sites/dms/CAP/2015-2016_Lebanon_CRP_Web_EN.pdf

Hemmer J, Grinstead N (June 2015), *When Peace is the Exception: Shifting the Donor Narrative in South Sudan*. Clingendael, Netherlands Institute of International Relations. Available at:
http://www.clingendael.nl/sites/default/files/CRU_PB_When_peace_is_the_exception.pdf

Huffington Post (2015), *Lebanon to Provide Education For Up To 100,000 Syrian Refugees This Year*. 22 September. Available at: http://www.huffingtonpost.com/entry/lebanon-to-provide-education-for-up-to-100000-syrian-refugees-this-year_56013280e4b00310edf86ab9

Holmes R, Slater R, Acker A, Berezovskaja A (2014), *Gender-Responsive Budgeting in Fragile and Conflict-Affected States: A Review*, ODI, Secure Livelihoods Research Consortium Working Paper 17. Available at: http://www.securelivelihoods.org/publications_details.aspx?resourceid=311

Homer D, Abdel Fattah D (2013), *Nepal Aid Management Platform Goes Public*. Available at:
http://aiddata.org/blog/nepal-aid-management-platform-goes-public

International Dialogue on Peacebuilding and Statebuilding (2011), *New Deal for Engagement in Fragile States*. Available at: http://www.pbsdialogue.org/documentupload/49151944.pdf

International Dialogue on Peacebuilding and Statebuilding (November 2014), *New Deal Monitoring Report 2014, Final Version*. Available at:
http://www.pbsbdialogue.org/documentupload/FINAL%202014%20New%20Deal%20Monitoring%20Report.pdf

Jalbout M, Zyck S (2015), Financing Education in Lebanon: Opportunities for Action. Country Case Study for the Oslo Summit on Education for Development. Available at:
www.osloeducationsummit.no/pop.cfm?FuseAction=Doc&pAction=View&pDocumentId=63413

Jalbout M (August 2015), *What Can We Learn from Financing Refugee Education in Lebanon?* Brookings. Available at: http://www.brookings.edu/blogs/education-plus-development/posts/2015/08/17-financing-refugee-education-lebanon-jalbout

Jalbout M (April 2015), Reaching all Children with Education in Lebanon: Opportunities for Action. Available at: http://b.3cdn.net/awas/425e9dbef2c7ca9980_tom6bga7x.pdf

Kenya Open Data Initiative website, https://opendata.go.ke/

Mahihu C, Mutuku L (2014) *Open Data in Developing Countries: Understanding the Impacts of Kenya Open Data Applications and Services*, iHub Research. Available at:
http://www.opendataresearch.org/sites/default/files/publications/ODDC%20Report%20iHub.pdf

Manuel M, McKechnie S (2015), 'Peacebuilding and Statebuilding in Fragile States: External Support That Works' in in L Chandy, H Kato and H Kharas (eds), *The Last Mile in Ending Extreme Poverty*, Brookings Institution.

Myanmar Ministry of Planning and Economic Development (February 2015), Presentation on 'Enhancing Effective Development Cooperation in Myanmar', Annual Development Partners meeting.

OECD DAC website, International Engagement in Fragile States. Available at:
http://www.oecd.org/dac/governance-peace/conflictandfragility/iefs.htm

Progress in delivering the Busan Partnership for
Effective Development Co-operation in states of fragility

OECD DAC website, State Fragility and Statebuilding. Available at:
http://www.oecd.org/dac/governance-peace/conflictandfragility/sb.htm. Accessed on 26/08/2015/

OECD DAC (2014), *Development Assistance and Approaches to Risk in Fragile and Conflict Affected States*. Available at: http://www.oecd.org/dac/governance-peace/publications/2014-10-30%20Approaches%20to%20Risk%20FINAL.pdf

OECD DAC (2015), *States of Fragility 2015: Meeting Post-2015 Ambitions*. Available at:
http://www.oecd.org/dac/governance-peace/publications/documentuploads/SOF2015.pdf

OECD DAC (2015), *Development Co-operation Report 2015: Making Partnerships Effective Coalitions for Action*. Available at: http://www.oecd.org/dac/development-co-operation-report-20747721.htm

OECD/UNDP (2014), *Making Development Co ⁻operation More Effective: 2014 Progress Report*. Available at: http://www.oecd.org/publications/making-development-co-operation-more-effective-9789264209305-en.htm

Open Nepal Earthquake Portal website, http://earthquake.opennepal.net/about.

Oxfam (January 2014), *Riding the Wave of Reform: Fast-Tracking Myanmar's Future with Good-Quality Aid.* Available at: http://policy-practice.oxfam.org.uk/publications/riding-the-wave-of-reform-fast-tracking-myanmars-future-with-good-quality-aid-311405

Rieffel L, Fox JW (2013) *Too Much, Too Soon? The Dilemma of Foreign Aid to Myanmar/Burma*. Arlington, Virginia: Nathan Associates.

The Asia Foundation (May 2014), *The Changing Aid Landscape in East Asia: The Rise of Non-DAC Providers*. Available at:
https://asiafoundation.org/resources/pdfs/ChangingAidLandscapeinEastAsia.pdf

The Federal Government of Somalia (2013), The Somali Compact. Available at:
http://www.pbsbdialogue.org/The%20Somali%20Compact.pdf

UN 3RP (2014), *Regional Refugee & Resilience Plan 2015-2016 in Response to the Syria Crisis: Regional Strategic Overview*. Available at: http://www.3rpsyriacrisis.org/wp-content/uploads/2015/01/3RP-Report-Overview.pdf

UN 3RP (June 2015), *3RP Regional Progress Report*. Available at: www.unhcr.org/558aa6566.pdf

UNDP (April 2015), *UNDP New Deal Support Facility: Implementation Plan. First Quarter 2015*. Available at: http://www.pbsdialogue.org/documentupload/New%20Deal%20Q1.pdf

UNHCR (December 2014), UNHCR Lebanon: Education Update. Available at:
file:///C:/Users/acer/Downloads/6-EducationUNHCRMonthlyUpdate-December2014.pdf

UN OCHA CERF website, Countries 2015. Available at: http://www.unocha.org/cerf/cerf-worldwide/allocations-country/2015.

Utterwulghe S (2014), 'Fostering private sector development in fragile states: why public–private dialogue is part of the recipe'. GREAT insights Magazine, Volume 4, Issue 1. Dec 2014/Jan 2015.

UKAID website, Development Tracker: Productive Safety Net Programme II. Available at:
http://devtracker.dfid.gov.uk/projects/GB-1-200762/

USAID Somalia (November 2014), Somali Youth Learners Initiative update briefing.

World Bank (2011), *Nepal Investment Climate Reform Program: Independent Evaluation Group (IEG) Note 2011*, IEG, World Bank, Washington DC.

72

Notes

[1] The analytical framework for this research is based on the four Busan principles as opposed to the New Deal principles, as the collection of evidence at the country level will extend beyond New Deal implementation to capture the broader spectrum of assistance – including the response to the Ebola crisis and to the protracted refugee crisis in the Syria region.

[2] OECD DAC (2008) *Concepts and Dilemmas of State Building in Fragile Situations: From fragility to resilience*' http://www.oecd.org/dac/governance-peace/conflictandfragility/docs/41100930.pdf

[3] Figure shows change in extreme poverty between 2002 and 2011 and poverty gap for 2011. Fragile states are defined based on the OECD DAC's definition. Data covers 113 developing countries.

[4] Figure not to scale. 'Fragile states' as defined by the group of 'very high warning' countries (scoring over 80) on the 2013 Fragile States Index. Environmentally vulnerable countries defined as countries scoring 'high' and 'very high' across INFORM indicators 'natural hazard', 'vulnerability' and 'lack of coping capacity'. Poverty estimates use World Bank PovcalNet 2011 modelled data; regional poverty estimates have been applied to 33 countries with missing poverty data, 13 of which are under the classification of politically fragile, environmentally vulnerable or both.

[5] International Dialogue on Peacebuilding and Statebuilding (2011), *New Deal for Engagement in Fragile States*. Available at: http://www.pbsdialogue.org/documentupload/49151944.pdf

[6] Fragile State Principles (FSPs) were developed by representatives of the g7+ and bilateral and multilateral partners collectively known as the International Dialogue on Peacebuilding and Statebuilding.

[7] OECD DAC website, 'International Engagement in Fragile States'. http://www.oecd.org/dac/governance-peace/conflictandfragility/iefs.htm. Accessed on 26/08/2015.

[8] Development Initiatives based on UN OCHA Financial Tracking Service. Data is in constant 2013 US$, based on download dated 29 April 2015. HA is the sum of bilateral from DAC and EU institutions and imputed multilateral. List of fragile states based on list used in OECD DAC 2015 *States of Fragility* report based on the 2014 World Bank/Asian Development Bank and African Development Bank Harmonised List, and the 2014 Fragile States Index by the Fund for Peace.

[9] Long-term recipients refer to countries that have received an above average share of ODA in the form of humanitarian assistance for eight or more years.

[10] Long-term, medium-term or short-term classification is determined by the length of time the country has received an above-average share of its ODA in the form of humanitarian assistance. Calculations are based on shares of country-allocable humanitarian assistance. Long-term humanitarian assistance countries are defined as those receiving a greater than average proportion of ODA (excluding debt relief) in the form of humanitarian assistance for more than eight years between 1999 and 2013. 'Medium-term' refers to those receiving a

73

higher than average proportion for between three and seven years inclusive, and 'short-term' means less than three years.

[11] GPEDC (2014), *Progress Since Busan: Country and Democratic Ownership*. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Final-draft-ownership-paper-clean-10th-April1.pdf

[12] The Rome Declaration on Harmonisation (2003), the Paris Declaration on Aid Effectiveness (2005), and the Accra Agenda for Action (2008).

[13] Busan Outcome document (November 2011), Busan Partnership for Effective Development Cooperation, Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November – 1 December 2011. Available at: http://www.oecd.org/development/effectiveness/49650173.pdf

[14] See principle 3, 'Focus on state building' and principle 7, 'Aligning with local priorities'

[15] GPEDC (2014), *Progress Since Busan: Country and Democratic Ownership*. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Final-draft-ownership-paper-clean-10th-April1.pdf

[16] International Dialogue on Peacebuilding and Statebuilding (November 2014), *New Deal Monitoring Report 2014, Final Version*. Available at: http://www.pbsbdialogue.org/media/filer_public/a5/df/a5dfd621-00a5-4836-8e20-8fff3afd1187/final_2014_new_deal_monitoring_report.pdf

[17] McCandless E, Bouchet N, CSPPS Country Teams (April 2015) *Tackling and Preventing Ebola while Building Peace and Societal Resilience: Lessons and Priorities for Action from Civil Society in Ebola-affected New Deal Countries.* Available at: http://www.cspps.org/documents/130616042/130793247/CSPPS+Ebola+Report.pdf/33092e41-bd4a-4ccf-8ddf-4464e5c6ce37

[18] pbsbdialogue.org/documentupload/FINAL%202014%20New%20Deal%20Monitoring%20Report.pdf

[19] *OECD States of Fragility 2015: Meeting Post-2015 Ambitions*. Available at: http://www.oecd-ilibrary.org/development/states-of-fragility-2015_9789264227699-en

[20] Brookings Institution (2014), *Implementing the New Deal for Fragile States, Global Economy and Development* (Policy paper 02/2014). Available at: http://www.brookings.edu/~/media/Research/Files/Papers/2014/07/30-new-deal-fragile-states-ingram/Implementing-the-New-Deal-for-Fragile-States.pdf?la=en

[21] See note 16

[22] Interview with Hodan Osman, PFM Adviser, Ministry of Finance, Federal Government of Somalia (22 September 2015).

[23] See note 20.

[24] Key informant interview with Jöran Bjällerstedt, Ministry of Foreign Affairs Sweden, Co-Chair of International Dialogue on Peacebuilding and Statebuilding (25 August 2015).

[25] GPEDC (October 2014), Country Brief: Malawi.

74

[26] GPEDC (October 2014), Country Brief: Uganda.

[27] Africa Governance Initiative (2015), *State of Emergency: How Government Fought Ebola*. Available at: http://agi-staging.cloud.tilaa.com/article/case-study-how-government-fought-ebola

[28] CSPPS (April 2015), T*ackling and Preventing Ebola while Building Peace and Societal Resilience: Lessons and Priorities for Action from Civil Society in Ebola-affected New Deal Countries*. Available at: http://www.cspps.org/documents/130616042/130793247/CSPPS+Ebola+Report.pdf/33092e41-bd4a-4ccf-8ddf-4464e5c6ce37

[29] See note 27

[30] See note 13

[31] Development Initiatives based on OECD/UNDP (2014), *Making Development Co‑operation More Effective: 2014 Progress Report*. Available at: http://www.oecd.org/publications/making-development-co-operation-more-effective-9789264209305-en.htm

[32] Figure 4 shows the median value of the proportion of scheduled disbursements of the fragile and non-fragile states reporting to the Global Partnership monitoring exercise (GP monitoring indicator 6)

[33] OECD/UNDP (2014), *Making Development Co‑operation More Effective: 2014 Progress Report*. Available at: http://www.oecd.org/publications/making-development-co-operation-more-effective-9789264209305-en.htm

[34] DFID (June 2015), Project Completion Report for Project 'Support to the Implementation of the New Deal for Engagement in Fragile States'.

[35] Key informant interview with Sara Batmanglich, Peace and Conflict Adviser, OECD DAC (13 August 2015).

[36] Rieffel L, Fox JW (2013) *Too Much, Too Soon? The Dilemma of Foreign Aid to Myanmar/Burma*. Arlington, Virginia: Nathan Associates.

[37] Presentation by Ministry of Planning and Economic Development at Annual Development Partners meeting (February 2015), Enhancing Effective Development Cooperation in Myanmar; and key informant interview with Leigh Mitchell, Senior Development Effectiveness Adviser, Ministry of National Planning and Economic Development, Myanmar (11 September 2015).

[38] See note 36

[39] Key informant interview with Leigh Mitchell, Senior Development Effectiveness Adviser, Ministry of National Planning and Economic Development, Myanmar (11 September 2015).

[40] Manuel M, McKechnie S (2015), 'Peacebuilding and Statebuilding in Fragile States: External Support That Works*'* in L Chandy, H Kato and H Kharas (eds), *The Last Mile in Ending Extreme Poverty*, Brookings Institution Press, USA.

[41] See note 40

[42] Government of Afghanistan, Afghanistan Development Cooperation Report, forthcoming.

[43] Huffington Post (September 2015), 'Lebanon to Provide Education For Up To 100,000 Syrian Refugees This Year'. Available at: http://www.huffingtonpost.com/entry/lebanon-to-provide-education-for-up-to-100000-syrian-refugees-this-year_56013280e4b00310edf86ab9

[44] *3RP Regional Refugee & Resilience Plan 2015–2016 In Response to the Syria Crisis. Regional Strategic Overview*. Available at: http://www.3rpsyriacrisis.org/wp-content/uploads/2015/01/3RP-Report-Overview.pdf

[45] Available at: http://www.3rpsyriacrisis.org/wp-content/uploads/2014/12/3RP-Report-Lebanon-formatted.pdf

[46] Available at: https://docs.unocha.org/sites/dms/CAP/2015-2016_Lebanon_CRP_Web_EN.pdf

[47] Jalbout M, Zyck S (2015), Financing Education in Lebanon: Opportunities for Action. Country Case Study for the Oslo Summit on Education for Development. Available at: http://www.osloeducationsummit.no/pop.cfm?FuseAction=Doc&pAction=View&pDocumentId=63413

[48] Government of Lebanon, UN (December 2014), *Lebanon Crisis Response Plan 2015–16*. Available at: https://docs.unocha.org/sites/dms/CAP/2015-2016_Lebanon_CRP_Web_EN.pdf

[49] UNHCR (December 2014), UNHCR Lebanon: Education Update.

[50] 3RP (June 2015), *3RP Regional Progress Report*. Available at: http://www.unhcr.org/558aa6566.pdf

[51] See note 47

[52] Key informant interview with Steve Zyck, Research Fellow, Overseas Development Institute (22 September 2015).

[53] Jalbout M (2015), 'What can we learn from financing refugee education in Lebanon?' Brookings, 17 August. Available at: http://www.brookings.edu/blogs/education-plus-development/posts/2015/08/17-financing-refugee-education-lebanon-jalbout

[54] See note 47

[55] See note 47

[56] Jalbout M (2015), Reaching all Children with Education in Lebanon: Opportunities for Action. Available at: http://b.3cdn.net/awas/425e9dbef2c7ca9980_tom6bga7x.pdf

[57] See note 47

[58] See reference in note 13, para 19.

[59] See reference in note 13, para 18.

[60] See note 31

[61] Figure 5 shows the median value of GP monitoring indicator 9b for the fragile and non-fragile states reporting to the Global Partnership monitoring exercise. Indicator 9b is the average of amounts recorded on budget execution, financial reporting, auditing and procurement systems – given a percentage of total disbursements to the government sector.

76

[62] See note 33

[63] Government of Afghanistan, Afghanistan Development Cooperation Report, forthcoming.

[64] CABRI (2014), *Towards a Greater Use of Country Systems in Africa: Recent Trends and Approaches*. http://www.effectiveinstitutions.org/en/publications

[65] Rothmann I, Canavan A, Cassimon D, Coolen A, Verbeke K (2011), *Moving Towards a Sector-Wide Approach (SWAp) for Health in Fragile States: Lessons Learned on the State of Readiness in Timor-Leste, Sierra Leone and Democratic Republic of Congo*. KIT Working Papers Series H5. Amsterdam: KIT.

[66] See note 65

[67] OECD DAC (2014), *Development Assistance and Approaches to Risk in Fragile and Conflict Affected States*. Available at: http://www.oecd.org/dac/governance-peace/publications/2014-10-30%20Approaches%20to%20Risk%20FINAL.pdf

[68] DFID (2013), *Pooled Funding to Support Service Delivery: Lessons of Experience from Fragile and Conflict-Affected States*. Available at: http://www.publicworld.org/files/61050-PFs-Full_Volume(May2013).pdf

[69] See note 67

[70] See note 16

[71] Key informant interview with Jinal Shah, Policy and Programme Officer, DFID Somalia (2 September 2015).

[72] GPEDC (October 2014), Country Brief: Malawi.

[73] GPEDC (October 2014), Country Brief: Malawi.

[74] See note 67

[75] Government of Afghanistan, Afghanistan Development Cooperation Report, forthcoming.

[76] See note 67

[77] DFID (June 2015), Project Completion Report for Project 'Support to the Implementation of the New Deal for Engagement in Fragile States'

[78] UNDP (April 2015), UNDP New Deal Support Facility: Implementation Plan.

[79] See note 78

[80] Key informant interview with Jinal Shah, Policy and Programme Officer, DFID Somalia (2 September 2015).

[81] Key informant interview with Hodan Osman, PFM Adviser, Ministry of Finance, Federal Government of Somalia (22 September 2015).

[82] The Federal Government of Somalia (2013), The Somali Compact. Available at: http://www.pbsbdialogue.org/The%20Somali%20Compact.pdf

[83] See reference in note 13, para 24.

[84] See note 33

77

[85] Figure 6 shows the median value for medium-term predictability of aid to fragile and non-fragile states reporting to the Global Partnership monitoring exercise (GP monitoring indicator 5b).

[86] See note 33

[87] See note 16

[88] See note 88

[89] See note 16

[90] See note 40

[91] GHA (2015), *Global Humanitarian Assistance Report 2015*, Chapter 8. Available at: http://www.globalhumanitarianassistance.org/report/gha-report-2015

[92] UN OCHA CERF website, Countries 2015. Available at: http://www.unocha.org/cerf/cerf-worldwide/allocations-country/2015.

[93] See note 91

[94] Material in case study taken from Bernardi M, Hart T, Rabinowitz G (2014), *EU State Building Contracts: Early Lessons from the EU's New Budget Support Instrument for Fragile States*, ODI Briefing. http://www.odi.org/publications/8614-eu-state-building-contracts-budget-support-fragile-states-mali-south-sudan

[95] See note 16

[96] Hemmer J, Grinstead N (June 2015), *When Peace is the Exception: Shifting the Donor Narrative in South Sudan*. Clingendael, Netherlands Institute of International Relations. Available at: http://www.clingendael.nl/sites/default/files/CRU_PB_When_peace_is_the_exception.pdf

[97] Bennett J, Pantuliano S, Fenton W, Vaux A, Barnett C, Brusset E (2010), *Aiding the Peace: A Multi-Donor Evaluation of Support to Conflict Prevention and Peacebuilding Activities in Southern Sudan 2005–2010*. ODI, London. Available at: http://www.oecd.org/countries/southsudan/46895095.pdf

[98] See note 40

[99] See note 96

[100] 3RP (June 2015), 3RP Regional Progress Report. Available at: http://www.unhcr.org/558aa6566.pdf

[101] See reference in note 13, para 25.

[102] G7+ (2015), g7+ Policy Note on Fragile-to-Fragile Cooperation.

[103] GPEDC (2014), *Progress Since Busan on Inclusive Development*. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Inclusive-Development-HLM-Discussion-Paper-April-10-final1.pdf

[104] See note 103

[105] See note 16

78

[106] Key informant interview with Mustafa Aria, Aid Management Director, Ministry of Finance, Government of Afghanistan, g7+ Focal Point (3 September 2015).

[107] CSPPS (2014), *Amplifying the Voice of Civil Society in Policy Processes: CSPPS 2014 Annual Report*. Available at: http://www.cspps.org/documents/130616042/130793247/CSPPS+AR2014-2.pdf/dcd6e781-a1ce-4be0-bee1-c0746a041338

[108] GPEDC (October 2014), Country Brief: Malawi.

[109] Unpublished information provided by KOICA by email (23 October 2015).

[110] Material for this case study is taken from CSPPS (April 2015), Tackling and Preventing Ebola while Building Peace and Societal Resilience: Lessons and Priorities for Action from Civil Society in Ebola-affected New Deal Countries. Available at: http://www.cspps.org/documents/130616042/130793247/CSPPS+Ebola+Report.pdf/33092e41-bd4a-4ccf-8ddf-4464e5c6ce37

[111] See note 16

[112] Key informant interview with Peter van Sluijs, Coordinator IDPS CSO Secretariat, Civil Society Platform for Peacebuilding and Statebuilding (2 September 2015).

[113] See note 13.

[114] See note 33

[115] See note 33

[116] GPEDC (October 2014), Country Brief: Ethiopia.

[117] Holmes R, Slater R, Acker A, Berezovskaja A (August 2014), *Gender-Responsive Budgeting in Fragile and Conflict-Affected States: A Review*, ODI, Secure Livelihoods Research Consortium Working Paper 17. Available at: http://www.securelivelihoods.org/publications_details.aspx?resourceid=311

[118] GPEDC (October 2014), Country Brief, Uganda.

[119] GPEDC (June 2015), Update on Global Partnership Initiatives – Reporting June 2015. Available at: http://effectivecooperation.org/wordpress/wp-content/uploads/2015/08/Annex-Document-5-Update-on-GPI_List-of-responses_August-2015rev.pdf

[120] See reference in note 13, para 32.

[121] Utterwulghe S. (2014), *Fostering private sector development in fragile states: why public–private dialogue is part of the recipe*. GREAT insights Magazine, Volume 4, Issue 1. December 2014/January 2015.

[122] Nepal Investment Climate Reform Program (557305). Independent Evaluation Group (IEG) Note 2011, IEG, World Bank, Washington DC.

[123] GPEDC (October 2014), Country Brief: Ethiopia.

[124] Interview with Chris Deeks, DHL Humanitarian Director, DHL Group (1 September 2015).

79

[125] DHL website (April 2015), 'Deutsche Post DHL Group sends Disaster Response Team to Nepal within 48 Hours after earthquake'. Available at: http://www.dhl.com/en/press/releases/releases_2015/group/dpdhl_group_sends_disaster_response_team_to_nepal_within_48__ours_after_earthquake.html

[126] G7+ (2015) g7+ Policy Note on Fragile-to-Fragile Cooperation

[127] Government of Timor-Leste website (February 2014). 'Mission of Support to the Electoral Process in Guinea-Bissau completes its first phase'. http://timor-leste.gov.tl/?p=9743&lang=en

[128] G7+ (2015) g7+ Policy Note on Fragile-to-Fragile Cooperation.

[129] GPEDC (2014): *Progress Since Busan: Results*. http://effectivecooperation.org/wordpress/wp-content/uploads/2014/04/Results-discussion-paper-final-draft-9-April1.pdf

[130] See note 33

[131] See note 33

[132] See note 31

[133] See note 16

[134] See note 16

[135] Government of Afghanistan, Afghanistan Development Cooperation Report, forthcoming.

[136] Government of the Republic of the Union of Myanmar (January 2013), Nay Pyi Taw Accord for

Effective Development Cooperation.

[137] See not 129

[138] See note 31

[139] See note 31

[140] GPEDC (October 2014), Country Brief Burundi.

[141] GPEDC (October 2014), Country Brief: Uganda.

[142] Key informant interview with Jinal Shah, Policy and Programme Officer, DFID Somalia (2 September 2015).

[143] See note 33

[144] Development Initiatives (August 2015) based on data from the OECD DAC Creditor Reporting System (CRS).

[145] UKAID website, Development Tracker: Productive Safety Net Programme II. Available at: http://devtracker.dfid.gov.uk/projects/GB-1-200762/ (Accessed on 15/09/2015)

[146] Development Initiatives (2015), *Getting Poverty to Zero: Financing for Social Protection in Least Developed Countries*. Available at: http://devinit.org/#!/post/getting-poverty-to-zero-financing-for-social-protection-in-least-developed-countries

[147] See note 88

80

[148] UN 3RP (June 2015), 3RP Regional Progress Report. Available at:
http://www.unhcr.org/558aa6566.pdf

[149] USAID Somalia (November 2014), Somali Youth Learners Assistant Initiative update briefing.

[150] Development Initiatives (August 2015) based on data from the OECD DAC Creditor Reporting System (CRS).

[151] See note 13.

[152] International Dialogue on Peacebuilding and Statebuilding (2011), *New Deal for Engagement in Fragile States*. Available at:
http://www.pbsdialogue.org/documentupload/49151944.pdf

[153] See reference in note 13, para 23.

[154] Open Budget Survey 2015. Available at: http://internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/

[155] Open Budget Index 2015. Available at: http://internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/publications-2/rankings-key-findings/rankings/

[156] International Budget Partnership. Open Budget Survey 2012: Uganda. Available at:
http://internationalbudget.org/wp-content/uploads/OBI2012-UgandaCS-English.pdf. A

[157] Afghanistan, Central African Republic. Liberia, DRC, Sierra Leone, South Sudan and Timor-Leste

[158] See note 16

[159] Uganda Ministry of Finance, Planning and Economic Development (June 2014), Background to the Budget2014/2015 Fiscal Year: Maintaining the Momentum, Infrastructure Investment for Growth and Socio-Economic Transformation. Available at:
http://budget.go.ug/budget/sites/default/files/National%20Budget%20docs/BACKGROUND%20TO%20THE%20BUDGET%202014-15_0.pdf

[160] Homer D, Abdel Fattah D (2013) *Nepal Aid Management Platform Goes Public*. Available at: http://aiddata.org/blog/nepal-aid-management-platform-goes-public

[161] Development Initiatives (2015) *Using Aid Data for Policy Making in Nepal.* Available at:
http://devinit.org/wp-content/uploads/2015/05/CASE-STUDY-Using-aid-data-for-policy-making-Nepal-LONG-2015-01.pdf

[162] Kenya Open Data Initiative website, https://opendata.go.ke/. Accessed on 22/09/2015.

[163] Finch C (2013), 'Making Open Data Work for Citizens: Four Lessons from Code4Kenya', World Bank, 27 February. Available at: http://blogs.worldbank.org/voices/making-open-data-work-for-citizens-four-lessons-from-code4kenya

[164] Mahihu C, Mutuku L (2014), *Open Data in Developing Countries: Understanding the Impacts of Kenya Open Data Applications and Services*, iHub Research. Available at:
http://www.opendataresearch.org/sites/default/files/publications/ODDC%20Report%20iHub.pdf

81

[165] For example, http://kathmandupost.ekantipur.com/printedition/news/2015-06-06/tracking-aid-money.html; http://opennepal.net/blog/transparency-information-about-earthquake-relief-funds-cornerstone-successful-relief-delivery and http://www.theguardian.com/global-development-professionals-network/2015/may/15/nepal-donations-corruption-aid-accountability-transparency-international

[166] Government of Nepal (2015) Post Disaster Needs Assessment. Available at: http://reliefweb.int/sites/reliefweb.int/files/resources/PDNA_Executive_Summary_new.pdf

[167] Open Nepal Earthquake Portal website, http://earthquake.opennepal.net/about. Accessed 22/09/2015.

[168] Making Development Co-operation More Effective, GPEDC Progress Report Chapter 4. Available at: http://www.keepeek.com/Digital-Asset-Management/oecd/development/making-development-co-operation-more-effective_9789264209305-en#page11

[169] Analysis of IATI Dashboard Publishing Statistics, July 2015.

[170] The Mohinga experience: why aid quality matters in Myanmar, guest blog on PWYF website http://www.publishwhatyoufund.org/updates/by-topic/techfortransparency/mohinga-experience-why-aid-quality-matters-myanmar/ plus interview with Leigh Mitchell.

[171] FSPs were developed by representatives of the g7+ and bilateral and multilateral partners collectively known as the International Dialogue on Peacebuilding and Statebuilding.