

# Approaches to Governance in Fragile and Conflict Situations:

## A Synthesis of Lessons

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## Table of Contents

1. Introduction .....	1
Context and Challenges.....	2
Key Terms and Their Usage.....	3
2. Lessons, Tools and Entry Points .....	6
Governance Reform: Opportunities and Constraints. ....	6
Diagnostic Tools for Fragile and Conflict-affected States .....	10
Entry Points for Governance Reform .....	15
3. Conclusions .....	21
References .....	22
Annex 1: Summary of Key Lessons .....	24
Annex 2: Results from “The PRS as Entry Point for Improving Governance in Fragile States” .....	27

## List of Tables and Boxes

Box 1: The “too much, too soon” syndrome leads to many of the symptoms of difficult transitions.....	9
Box 2: Problem-Driven Governance and Political Economy Analysis (PGPE).....	11
Box 3: Common features of political economy analyses.....	12
Box 4: The diagnostic framework of the World Bank program in Cambodia utilized a mix of qualitative and quantitative research methodologies.....	14
Box 5: Social Accountability: a demand-side approach to better governance and service delivery.....	19
Table 1: Overview of Post-Conflict Governance Framework Program.....	2
Table 2: How countries have sequenced governance reform.....	10
Table 3: How does the choice of diagnostic tool affect how well governance reform strategies are designed and implemented?.....	13

## 1. Introduction

Developing a diagnostic and action framework for donor-assisted governance reform in conflict-affected countries and fragile states was the objective of a program implemented by the World Bank's Social Development Department (SDV) and funded by the French Ministry of Foreign Affairs.<sup>1</sup> The first phase of the program developed lessons and outcomes based upon a review of international experience of governance reform in fragile and conflict-affected states. A major objective was to identify specific approaches and activities that would be most effective in strengthening institutions, promoting transparency and accountability, and enhancing capacity at local and national levels. This phase also derived lessons on the utility and shortcomings of governance-related diagnostic tools in designing and evaluating country strategies and programs in fragile states. A key issue concerns methodology. What type of analytical method provides a more useful assessment: country-specific analyses of the political economy, indicators designed for purposes of cross-country comparison, indices that rank state fragility, or some combination of diagnostic tools?

The second phase of the program also was in two parts. Côte d'Ivoire's Poverty Reduction Strategy process was used as an entry point for an initiative that facilitated process and method-oriented exercises for local stakeholders on the *how* rather than the *what* of policy development in an effort to build governance capacity. One result is a model that may serve for future engagement in other fragile and conflict-affected countries. The second part of this phase is an ongoing effort to work with local partners in the Central African Republic and Chad to identify strategies that could strengthen access to justice at the local level. Activities include assessing the strengths and weaknesses of formal and informal justice systems and mapping community-based practices and informal justice systems, including some under the aegis of NGOs, as well as identifying possible linkages to state justice systems.

Table 1 provides an overview of the four components of this governance program. The paper will first examine the concepts of state fragility and governance in terms of donor engagement. Part two will discuss the lessons (opportunities and constraints), diagnostic tools and entry points for governance reform. Part three will offer conclusions.

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<sup>1</sup> French Trust Fund for Post-Conflict Governance Framework (TF 070861), Coopération Française – Ministère des Affaires Étrangères.

**Table 1: Overview of the Post-Conflict Governance Framework Program**

Project Component	Method	Focus	Outcomes
Governance, Fragility & Conflict	Literature review of theory and practice of governance reform in fragile and conflict-affected countries	Governance (5 areas) Sequencing Prioritizing	Identification of best practices
Diagnostic Tools	Literature review of theory and practice	Strengths & weaknesses of various diagnostic methods	Recommendations for the use of diagnostic tools in program design for governance reform
Poverty Reduction Strategy	Intervention	PRSP preparation; senior government administrators & civil society	Identified entry point; participatory model for replication; strengthened capacity of participants
Central African Republic (ONGOING)	Literature review; qualitative field research	Informal, rural justice systems as basis for governance reform	PRELIMINARY RESULT: entry point for justice reform

### ***Context and Challenges***

At the time of colonial independence, the political settlement that formed the new states was negotiated between the departing imperial powers and a cadre of indigenous elites. The resultant political system was nominally democratic but existed in parallel with other forms of socio-political order and often served narrow elite interests without establishing a sound and inclusive social base. A fragile and conflict-affected state (FCS) is often characterized by limitations to its authority, which often does not extend much beyond the reach of the capital, and by its inability reliably to extract taxes and deliver public goods, including security. Governance capacity in post-conflict countries has generally been depleted by years of conflict, the emigration of educated and talented people, the erosion of administrative procedures, and the destruction of infrastructure necessary for service delivery (Ingram 2010, 20). Although an FCS may retain some formal institutions of governance, state resources are often directed toward neo-patrimonial ends. As a result, many FCS have failed to establish mutually constructive and reinforcing relations with its citizens. Instead there may be multiple and conflicting informal centers of authority—often based upon ethnic or religious identity—contending for power and rents, sometimes violently. Citizens may be forced to seek protection and services from non-state actors. However, in some cases, dual systems of power and authority do not result in violent conflict. In such cases the challenge is to gain contextual understanding of how traditional and formal systems interact and to use that knowledge to advance governance reform. These challenges make it imperative to base any intervention in FCS, especially governance reform, on sound political economy analysis.

This program is situated within a three-decades-long policy debate on the nature of the development enterprise that has been influenced by two strands of research and analysis linking development and security: one on the causes and consequences of civil war and violent conflict and the other on an expanded meaning of security that shifts its referent from the state alone to the state’s responsibilities to its people and to the protection and wellbeing of ordinary citizens. Awareness has emerged that the state earns legitimacy through the effective and equitable provision of state functions (providing security, justice and rule of law, an economic

climate conducive to livelihoods, and basic goods and services); that legitimacy and effectiveness lead to improvements in security; that security is essential for poverty reduction; and that the three elements are linked in a virtuous cycle. Finding the means to jump-start this virtuous cycle has been a continuing challenge, leading to changes in how the international community approaches development assistance.

From a practitioner point of view, the change has been from donor-led programs, conditionality, and an over-reliance on the efficiency of free markets to a more nuanced and contextual understanding of conflict, poverty, and development<sup>2</sup> and a facilitating, but still vital, role for donor institutions in fragile and conflict-affected situations. From an analytical point of view, it has led to recognition that political economy analysis along with indicators measuring outputs and deficits is necessary to understand how reform might take hold in FCS. Furthermore, growing respect for the resilience and capability of people as agents of adaptation and change has expanded the universe of policy prescriptions from Western models to include the informal, traditional systems that often deliver justice, security and services where the central state does not. These systems may serve as entry points for donors to structure programs around existing capacity.

### ***Key Terms and Their Usage***

*Fragility.* There is no universally accepted definition of state fragility. Using the Country Policy and Institutional Assessment (CPIA), the World Bank categorizes low-income countries as *fragile* if they have a CPIA score of 3.2 or below. Countries scoring below 3.0 are *core* fragile states; those scoring between 3.0 and 3.2 are *marginal*. The OECD-DAC provides a comprehensive description:

A fragile state has weak capacity to carry out basic functions of governing a population and its territory, and lacks the ability to develop mutually constructive and reinforcing relations with society. As a consequence, trust and mutual obligations between the state and its citizens have become weak.

In fragile states, authority will often flow from a limited number of social groups or interests reflecting an exclusive political settlement that represents a narrowly based coalition or set of interests. Rather than resolving conflict among a broad range of social groups, conflict or difference is often used as justification for strong repressive institutions and limited forums for debate or discussion. Fragile states are also more vulnerable to (internal and external) shocks and the effects of climate change, natural disasters and regional or international economic crisis (OECD 2011, 21).

State fragility and conflict do not necessarily occur in tandem; conflict-affected countries do not always have weak institutions; and a useful distinction can be made between *failed*, *failing*, and *recovering* states, suggesting that fragility occurs across a continuum requiring different policy supports and interventions. This distinction has implications for program design, how governance reforms are sequenced, and prioritized as well as for the choice of diagnostic tool. *Ineffective* governments have ill-equipped public service employees, and are marked by their inability to deliver security, public services, and public goods and to formulate sound policy. *Illegitimate* governments are widely perceived as unrepresentative, arbitrary or unfair in the exercise of power. They have poorly functioning mechanisms of accountability and are marked by corruption. (Agborsangaya-Fiteu 2009).

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<sup>2</sup> Among the notable initiatives in this evolution are the OECD-DAC's 2005 Paris Declaration on Aid Effectiveness, 2008 Accra Agenda for Action, 2007 *Principles for Good International Engagement in Fragile States and Situations*, and 2011 *Supporting Statebuilding in Situations of Conflict and Fragility: Policy Guidance*; the World Bank's 2000/2001 *World Development Report: Attacking Poverty* and subsequent WDRs including the forth-coming 2011 WDR on conflict, security and development. Additional initiatives include the UNDP's human development reports, the 2003 Commission on Human Security, Japan's bilateral aid program, and extensive academic, World Bank, and NGO research on the incidence and correlates of war.

*Governance.* There is little consensus on a definition for governance. Definitions may address the power and authority of the state; formal institutions and political structures; the state's responsibilities to its citizens; the role of stakeholders including civil society and the private sector; and characteristics of good governance, including capability, accountability, and responsiveness, transparency, and efficiency. The World Bank uses several definitions, among them: "the traditions and institutions by which authority in a country is exercised for the common good;" "the means to reduce poverty worldwide;" and "the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services" (Agborsangaya-Fiteu 2009, 1-2). Hyden and Agborsangaya-Fiteu advance a definition that expands governance beyond the provenance of state power to encompass the collective enterprise of state and civil society:

Governance is the management of the public realm in which state and non-state actors come together to make policy decisions affecting the security and welfare of the citizens (2010, 5).

This definition, which is clearly normative, recognizes that state-society relations shape governance. Implicit in this interaction of state and civil society, are the good governance characteristics of accountability, transparency, participation and responsiveness, and the importance of demand-side pressure for these qualities.

The PRS project in Côte d'Ivoire aimed to strengthen senior civil servants' capacity and knowledge of how to identify, plan and implement policies. Its design is based upon a definition of governance that eschews too-rigorous standards that challenge fragile and conflict-affected countries beyond their capacity. These include standards for democracy that require free and fair elections, peaceful transitions of power, and adherence to rule of law, as well as "good governance" characteristics exemplified by "low levels of corruption, contract enforcement, transparency, and effective accountability mechanisms" (Fruchart 2010, 7). For purposes of the PRS study, Fruchart adopts a narrower definition of governance:

...the capacity of a state system to elaborate and effectively implement development policies (and notably poverty reduction strategy), in particular coordinating the expectations and actions of social and economic agents (Fruchart 2010, 8).

This narrow definition is derived from research that suggests that "good governance"—meaning those formal institutions<sup>3</sup> typically evaluated by World Bank governance indicators—may not be a necessary precondition for economic growth.<sup>4</sup> Due to capacity constraints in fragile and conflict-affected states, it is good practice to prioritize and limit the scope of governance reform objectives to reflect realistically what is possible given lack of capacity, the slow-pace of reform and difficult socio-political realities. Even "good enough governance" whereby states provide basic functions, such as protection from harm and an economic framework for livelihoods, may be a challenge for many fragile and conflict-affected states (Agborsangaya-Fiteu 2009, 3).

However, governance mechanisms are not wholly lacking in fragile and conflict-affected states. Even where weakness permeates the formal institutions of governance, security, justice, and services are frequently obtained through informal mechanisms and local institutions comprising non-state actors and community-based customs grounded in tradition. In the ongoing Central African Republic component of this program, field research is identifying non-state justice actors including community- and NGO-based arrangements that operate outside of formal justice systems. An understanding of indigenous, customary and communal institutions of governance

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<sup>3</sup> "Institution" in this context means "a set of formal and informal rules that govern the behavior of individuals and organizations" (Fruchart 2010, 8).

<sup>4</sup> See: "A New Institutional Database: 'Institutional Profiles 2006,' " by Nicolas Meisel and Jacques Ould-Aoudia, *Agence Française de Développement* Working Paper 46, Septembre 2007.

provides the basis for “grounded governance,” a concept introduced by Clements<sup>5</sup>, that is a way of “incorporating traditional authorities and practices within the formal state in order to provide the belief systems within which to enhance the capacity and effectiveness of new forms of statehood.”

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<sup>5</sup> Clements, Kevin. 2008. “Traditional, Charismatic and Grounded Legitimacy”, Study prepared for the GTZ advisory project on “Good Governance and Democracy,” cited in OECD 2011, 38.

## 2. Lessons, Tools and Entry Points

### *Governance Reform: Opportunities and Constraints*<sup>6</sup>.

*The Political Settlement.* It is a mistake to advocate systemic governance reform “without analyzing existing political settlements, state-society relations or how reform may affect patterns of inclusivity, exclusion, elite buy-in and conflict in the future” (OECD 2011, 50). Political settlements ending violent conflict and establishing basic security ideally precede governance reform efforts. Political frameworks set the parameters for governance. The negotiations around post-conflict settlements may serve as an entry point for reform. “Notwithstanding the limits of the World Bank’s mandate, Bank teams should factor political or conflict analysis into their economic reasoning in order to assess the risk environment. The World Bank may want a seat or ‘ear’ at the table when political negotiations and settlements are being designed.”

In recent times, political settlements have ended conflict, defined how political power will be organized, and shaped the structures of governance that deliver services and secure the state’s legitimacy. As such, they have been called “the first step in the governance ladder.” Three basic types of political settlement have different implications for recovery. *Power sharing* arrangements in Côte d’Ivoire, Kenya, Rwanda and South Africa exhibit several strengths: (1) they end the fighting and establish security; (2) they expand participation and inclusiveness among formerly contentious factions; and (3) they are confidence-building measures that increase trust in the reliability of the peace process. Their limitations are: (1) the need for consensus may create deadlock; and (2) they yield the short-term benefit of ending armed conflict but at the long-term cost of less efficient governance. While power sharing arrangements are successful as transitional governments, they should give way in the longer term to arrangements that create fluid coalitions capable of bridging the divides that exist in the society. The *caretaker government* of Indonesia comprised incumbents of the outgoing regime who oversaw the transition to successful elections. This transition benefited from the experience of incumbents, encouraged moderation and isolated hardliners. The *international interim regimes* of Cambodia and Timor-Leste have been criticized as lacking legitimacy and requiring too much international support.

*Governance reform is a slow cumulative process.* The World Bank cautions that reform takes a generation and expectations of change that are too high or too low impede progress. The Bank has proposed a three-step cyclical framework that, when repeated over time, incrementally improves the resiliency of fragile states. The first step of the cycle is to adopt one or more measures to restore confidence in collective action. Step two is to transform institutions that provide citizens with security, justice, and jobs. Step three involves regional and international action to reduce external stress. In the 2011 *World Development Report*, the Bank emphasizes that this process may begin with modest and unorthodox reform efforts that build on existing, traditional institutions; that reform is a gradually transformative process, with modest successes building upon each other; that countries enter and exit multiple transition periods; and that the process does not aim to replicate Western institutional models (World Bank 2011).

The CAR phase of this governance project has found that some security and justice reform efforts “operate with an ideal-type vision of the state that is far from the way governance and justice work in the CAR and thus represent distant goals. This project, in contrast, is more interested in empirically assessing the situation on the ground to identify the relationship among disputes, conflict, and justice, as well as how currently-existing dispute and conflict resolution practices and/or institutions can be supported” (Lombard 2010b, 16).

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<sup>6</sup> The key source for this section and, unless otherwise noted, the source of all quotations in this section is: Agborsangaya-Fiteu, Ozong. 2009. *Governance, Fragility, and Conflict: Reviewing International Governance Reform Experiences in Fragile and Conflict-Affected Countries*. Social Development, Crime and Violence Issue Note Series, Social Development Department, Sustainable Development Network, The World Bank Group: Washington, DC.

The experience in Sierra Leone shows that reform is slow and incremental with certain threshold tasks accomplished and others, partly achieved. Security sector reforms were inaugurated in 1998 during the civil war. By 2007, police could ensure public safety during the elections, which resulted in the peaceful transfer of power. Despite considerable international support, the mining sector has seen some improvements, but remains less than transparent. Anti-corruption measures and the management of public finance remain in incipient stages. One means of managing expectations is first to set priorities according to three overriding and interlinked objectives: increasing the state's stability, its resilience to crises, and its provision of public goods and services. And next, to *further* prioritize those objectives according to how well conflict-affected countries can realize them in the near-, mid- and long-term (Agborsangaya-Fiteu 2009).

In post-conflict settings with weak capacity the poverty reduction strategy process may be used to invigorate policy-making mechanisms and develop consensus on governance priorities and strategies. The process must be inclusive, nationally led, and aware of the causes of conflict. Strategies must be "modest, focused and manageable." Results from the PRS case study in this program suggest the role of external partner should be that of facilitator, providing expertise on *how*, not *what*.

*Legitimacy and Effectiveness.* *Legitimacy* is the basis for rule by primarily non-coercive methods. It "refers to the perception by citizens that the government is exercising state power in ways that are reasonably fair and in the interests of the nation as a whole" (Agborsangaya-Fiteu 2009, 18). It implies accountability, "the obligation of public officials to explain and justify their behavior to society or to face sanction." Governments recognized as legitimate by the international community, may not be considered legitimate by their citizens. Because legitimacy derives from the consent of those who submit voluntarily to the government's authority and rule of law, it is linked to *effectiveness*—"the ability of governments to produce tangible results, such as needed social, economic, and security services." There are a number of entry points, discussed below, where external partners can help to strengthen legitimacy and effectiveness. Public sector reform, improved and equitable service delivery, and security sector reform are all part of a potential pathway from violence, one that increases people's confidence in their security and economic prospects.

*Security Sector Reform.* As Table 2 suggests, establishing basic security in the aftermath of violent conflict is essential but this is not the same as security sector governance, which "refers to the structures, institutions, and personnel responsible for the management, provision and oversight of security in a country" as well as to efforts to "enhance effective and accountable security for citizens and the state within a framework of human rights and rule of law." Among the challenges of SSR are: developing an institutional framework that integrates security and development policy; strengthening governance of security institutions; professionalizing security forces and holding them accountable to civilian authority; and delivering sustainable security and justice services (Garrasi et al 2009). Providing security and justice are core functions of governance. In FCS, a poorly governed security sector often is the locus of corruption, patronage, and human rights abuses that delegitimize the state, contribute to its fragility, and undermine efforts to achieve equitable economic growth and poverty reduction. "The interaction of security and governance in such contexts is often complex and can only be addressed through broad range governance reforms, which integrate the security sector and apply the same basic principles of public sector governance, including civil oversight, public finance management and the basic tenets of public administration and civil service reform" (Garrasi et al 2009, 5). Donor support for SSR can be helpful but political will is essential from formal actors as well as informal actors, including non-state armed groups and civil society. From the outset, SSR should be nationally led to give the process legitimacy and include: the military (to avoid mistrust that undermines the process), local authorities and civil society (to articulate grassroots' concerns), and legislatures (to provide civilian oversight). There is no single model for SSR. Because the security sector is so important for citizen and state, especially in countries that are affected by violent conflict, it is a critical entry point for governance reform.

*Justice and the Rule of Law.* Weaknesses in a state's justice system contribute to violence and instability. Enforceable laws are essential: (1) for human security and basic law and order; (2) for economic predictability and the regulation of contracts, property, and commercial rights; (3) for the protection of human rights, and protection from gender-based violence; (4) to protect the poor from criminality and bribe-taking that reduce income; (5) to ensure access to justice and equality; and, (6) to build peace and reconciliation through transitional justice. Even when violent conflict delegitimizes formal systems, informal, customary, non-state arrangements may provide security and justice. External actors should avoid implementing *ad hoc*, donor-driven systems; non-state indigenous systems may be more in tune with local values, cheaper, quicker, and more accessible and they may serve as bridges to more formal systems. A thorough analysis of existing justice mechanisms is essential to understand how the poor access or are denied justice and to evaluate whether traditional systems are plagued by corruption, discrimination, and human rights abuses.

*Legislatures.* Well-functioning legislatures bring constituent needs and policy preferences to the national level, conduct oversight and hold the executive accountable. They may enhance reconciliation, validate the political settlement, and contribute to state capability, accountability, and responsiveness. They are responsible for key legislation that directs the disarmament, demobilization, and reintegration process (DDR) as well as security sector reform.

*Civil Society and an Independent Media.* Although there is no agreed definition of civil society, Paffenholz and Spurk attribute to it seven core functions: (1) protection of citizens; (2) monitoring for accountability; (3) advocacy and public communication; (4) socialization; (5) building community; (6) intermediation and facilitation between citizen; and state and (7) service delivery, especially in the social spheres (2006). There is the danger that when state functioning is weak, donor reliance on CSOs may further disempower the state. CSOs and an independent media may foster accountability and social justice, often through strategic partnerships with international media and NGOs. Community-based CSOs can be catalysts for bottom-up governance reform. However, CSOs that receive funding from external sources may not be accountable to their local communities, may have a weak local membership base, and may be more responsive to their benefactors. CSOs may reflect local norms and customs that exacerbate ethnic cleavages and gender inequality. In FCS, civil society and the media may be actively suppressed or considerably weakened and unable to engage a state that is also weak. In conflict-affected settings, power relations may emerge that favor violent or criminal non-state actors who assume some of the civil society functions listed above, while at the same time perpetuating the conflict that gives them power. While CSOs may contribute to governance reform, careful contextual analysis of its role, agenda, and actors is essential

*Is sequencing feasible?* The argument about sequencing reflects "the shifting views that a hierarchy of governance objectives is feasible and helpful versus a more fatalist opinion that in fragile states, sequencing is implausible." The World Bank warns against the "too much, too soon" syndrome (Box 1) in which the pacing and scope of reform efforts exceed local capacity and needs. A range of scholarship has weighed in on this issue.<sup>7</sup> Dobbins maintains that security is an essential first step and that additional goals can and should proceed in tandem *if* there is adequate security. Lund advances no single recipe for reform, but suggests phasing in a sliding scale of priorities from more immediate to long-term such as: security, political agreements, service delivery, representative or legitimate government, economic growth, and reconciliation. Cole and Caan believe that all

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<sup>7</sup>Ball, N., P. Biesheuvel, T. Hamilton-Baillie, and F. Olonisakin. 2007. "Security and Justice Sector Reform Programming in Africa." DFID Evaluation Working Paper no. 23, Department for International Development, London. • Carrothers, T. 2007. "The Sequencing Fallacy." *Journal of Democracy* 18 (1): 12–27. • Dobbins, J., S. G. Jones, K. Crane, and B. Cole DeGrasse, and C. Caan. 2007. "The Beginners Guide to Nation Building." Monograph, RAND Corporation, Santa Monica, CA. 2006. • Cole DeGrasse, B. and C. Caan. 2006. "Transitional Governance: From Ballots to Bullets." Stabilization and Reconstruction Series No. 2, USIP, Washington, DC. 2007. • Ghani, A., and C. Lockhart. 2008. *Fixing Failed States: A Framework for Rebuilding a Fractured World*. New York: Oxford University Press. Lund, M. 2004. "D&G Programming in USAID's Fragile States Agenda: Opportunities and Gaps." December 6.

prongs of governance reform are interrelated and cannot be successfully implemented with focus on one at the expense of another. Ball argues that the politics of the country should determine sequence; some sequencing is necessary but certainly not in any *pro forma* "checklist" style of engagement. Ghani and Lockhart term sequencing "the critical link between idealism and pragmatism." Carrothers suggests "gradualism in contrast to sequencing," explaining that "this does not imply putting off indefinitely the core element of democratization, for example, but rather doing so in iterative and cumulative ways rather than all at once. Therefore, in post-conflict environments, the concern over premature elections does not suggest never having elections at all, but rather delaying the process pending a minimum level of trust that the rules of the game will be respected by all contending groups."

**Box 1: The "too much, too soon" syndrome leads to many of the symptoms observed in difficult transitions. Characteristics of the syndrome include:**

- Overtaxing the existing political and social network capacity of national reformers (as in the Central African Republic and Haiti in the early 2000s).
- Transplanting outside "best practice" models without sufficient time or effort into adapting to context (for instance, in Iraq).
- Adopting an *output* orientation which defines success in the *de jure* space in the capital city (for example, by passing laws, writing sector plans and policies, creating new commissions or organizational structures) and not an *outcome* orientation in the *de facto* world where people live (by improved services, even if basic, in insecure and marginalized rural and urban areas), such as in Timor-Leste from 2002-05.
- "Cocooning" efforts into parallel channels that facilitate short-run accomplishment by bypassing national organizations and institutions, and undermine national institution-building in the longer-term, as for example in Afghanistan in 2001-03 and to some extent afterward.

*Source: World Bank 2011, section 5.1*

Diverse country experiences, summarized in Table 2, have lessons for the sequencing of governance reform: it is context specific and there is no one-size-fits-all formula; short- to long-term priorities can be established (e.g. Liberia); a hierarchy of tasks may be needed; and even when basic security is most pressing, its sustainability is dependent on concomitant reforms (e.g. Haiti). In conclusion, "while a generic or mechanical sequence is neither feasible nor effective, governance reform can and should be prioritized."

**Table 2: How countries have sequenced governance reform.**

Country	Step 1	Step 2	Step 3	Strengths/Weaknesses
Haiti 1995 - 1998	Efforts to sustain basic security failed. There was no plan of job creation and economic stimulation.	SSR focused on police & military without complementary efforts to reform judicial & penal systems.	Credible elections failed due to lack of security.	Without basic security, subsequent reform efforts failed. Early stages should have attempted to stimulate basic economic improvements.
Mozambique 1992 - 1998	Established basic security	Due to rapid rebound of the private economic sector & interest from foreign investors, economic & rule of law reforms were not delayed.		Experience challenged the feasibility of sequencing discrete reforms.
Cambodia 1991 - 1997	Efforts to establish security failed due to problems with demobilization, factional fighting, & political instability.			Lack of legitimate local governments inhibited International support for reconciliation and human security.

Source: Agborsangaya-Fiteu 2009

### ***Diagnostic Tools for Fragile and Conflict-affected States<sup>8</sup>***

Sound assessment is essential for designing appropriate support for governance reform. One phase of the Post-Conflict Governance Framework Program examined diagnostic tools—defined as “the approach and methodology used in assessing governance”—and their usefulness and challenges in fragile and conflict-affected countries. Changes in the type and scope of assessment tools and methods have mirrored an increased emphasis on country-led, context specific governance reform agenda that rely on an assessment of the local political and social context. The OECD urges external partners to “take context as the starting point” and “adapt international responses to country context, above and beyond quantitative indicators of conflict, governance or institutional strength” (OECD 2005, 2). DfID’s Drivers of Change that looks at the structural and institutional factors likely to drive reform and Sida’s Power Analysis that looks at asymmetries in power, access to resources, and political influence are two examples of political economy analysis. The World Bank has introduced several approaches that involve political economy analysis, including: the Poverty and Social Impact Analysis “that integrates qualitative and quantitative research to determine the distributional impact (intended and unintended consequences) of policy interventions on various stakeholders, with particular attention on the poor and vulnerable” (Haider and Rao 2010, 25) and the new Problem-Driven Governance and Political Economy Analysis (PGPE) (see Box 2).

<sup>8</sup>The key source for this section and, unless otherwise noted, the source of all quotations in this section is: Hyden, Goran and Ozong Agborsangaya-Fiteu. 2010. “Diagnostic Tools for Governance in Fragile States: Lessons, Trends and Suggestions,” World Bank: Washington, DC.

## Box 2: Problem-Driven Governance and Political Economy Analysis (PGPE)

“Integrating governance and political economy analysis more systematically into World Bank operational work is important to enhance development effectiveness, to better address risks, and to respond to client demands for approaches that are tailored to specific situations. The PGPE framework synthesizes the lessons and experiences of diagnostic work on corruption, governance and political economy analyses. The framework seeks to contribute to the development of tools and practices that support smarter, more realistic and gradual reforms in developing countries. It emphasizes a problem-driven approach: i) define what the issue is that teams are grappling with; ii) examine the governance and institutional arrangements; and iii) examine the underlying political economy drivers. While directed primarily at the World Bank’s own teams, the good practice framework can be useful outside the organization.”

Source: Haider and Rao 2010, 32

It is important to develop an in-depth understanding of local context if practitioners are to avoid advancing technical solutions to political problems. Dynamic and interconnected structural<sup>9</sup> factors are correlated with conflict and state fragility and a deeply nuanced understanding of context forms the basis for designing effective policy and programs of governance reform. In specific program interventions, as opposed to broad country strategies, the choice of diagnostic tool is tied to action but it is difficult to match diagnostic tools to purpose. While quantitative measures of institutional capacity and outputs are attractively “objective,” their use alone falls short of the analysis needed in fragile and post-conflict settings and may lead to programs with the form, but not the function, of governance reform. Cross-country indices that measure fragility may have value as early warning indicators or to signal good performers to aid agencies but they are of no use in program design. A number of cross-country fragility indices—including the World Bank’s Country Policy and Institutional Assessment (CPIA) and Worldwide Governance Indicators—that assess large-scale socio-economic factors should not be used in program design because:

*“Fragility indices are highly aggregate and abstract representations of complex social systems, which makes them both hard to interpret and error prone. Furthermore, the indices measure at the national level while important differences and phenomena are not picked up at the sub-national level. All these characteristics make them highly unspecific. Complexity always needs to be reduced to display state fragility in numbers, but that same complexity has to be reconsidered from various angles to inform real action” (Mata and Nahem 2009, 35).*

Quantitative data that assess institutions is insufficient for identifying those underlying and dynamic structural factors that contribute to conflict and fragility. The genocide in Rwanda and the 1990s’ Balkan conflicts have prompted diagnostic approaches intended, with limited success,<sup>10</sup> for preventive purposes. One example is the Dutch Stability Assessment Framework developed by the Clingendael Institute of the Netherlands in 2005. This descriptive and analytical framework includes trend analysis built around twelve different indicators divided into three clusters: (1) governance, (2) security, and (3) socio-economic development. Indicators within in each cluster

<sup>9</sup> *Structure* here refers to “those factors, political, socio-economic, cultural and historical, that constitute the context of which policies and institutions are inevitable parts” (Hyden and Agborsangaya-Fiteu 2010, 13).

<sup>10</sup> “Early response [to prevent mass violence] remains elusive and, of course, driven by political, institutional and operational considerations” (OECD 2009, 36).

assess on a 10-point scale whether the given attribute—say, rule of law or group-based hostilities—is improving or deteriorating.

Knowledge that is both evidence-based and experience-based is essential for identifying opportunities for and drivers of reform. In fragile situations, quantitative indicators increasingly are being complemented and even supplanted by political economy studies that “identify shifting coalitions that contribute to or prevent state collapse, the nature and sources of state capacity, authority and legitimacy, and how and why rent seeking and neo-patrimonial political systems can either contribute to, or undermine, state stability” (Di John 2008<sup>11</sup>). Political economy analysis identifies such factors as the political and economic correlates of conflict; the relative power, exclusion and vulnerability of different groups; and the competition between formal and informal institutions. Box 3 lists features common to political economy analysis.

### **Box 3: Common Features of Political Economy Analyses\***

1. Emphasizing the centrality of politics.
2. Downplaying the normative and instead trying to understand country realities and to ground development strategies in these.
3. Identifying underlying factors that shape the political process (local history, society and geography).
4. Focusing on institutions to determine the incentive frameworks that induce patterns of behaviour.
5. Recognizing that development agencies are political actors.

\*Sida’s power analysis, DFID’s drivers of change, the Dutch SGACA and the World Bank’s PGPE framework

*Source: Duncan and Williams (2010)<sup>12</sup> cited by Haider and Rao 2010*

The choice of diagnostic tools affects how well governance reform strategies are designed and implemented. Table 3 summarizes diverse experiences in several countries where the number and type of diagnostic tool affected outcomes. The best outcomes in these case studies occurred where multiple diagnostic tools, both quantitative and analytical, were used. In its three-year development plan, Nepal included input from poor and marginalized segments of its population that confirmed that the needs of the poor were of a highly localized nature. At the same time, implementation of reforms in Nepal has not kept pace with those expectations raised by this inclusive process, risking further disaffection. None-the-less, careful use of stakeholder analysis and other participatory group methods “have the potential of identifying needs and capacities that regular citizen surveys typically do not reveal.”

<sup>11</sup> Di John, J. 2008. “Conceptualizing the Causes and Consequences of Failed States: A Critical Literature Review.” CSRC Working Papers 2 (2), Crisis States Research Centre, London, cited in Hyden and Agborsangaya-Fiteu, 2010, 8.

<sup>12</sup> Duncan, A., and G. Williams. 2010. ‘Making Development Assistance More Effective by Using Political Economy Analysis: What Has Been Done and What Have We Learned?’ The Policy Practice, Brighton  
<http://www.thepolicypractice.com/papers/16.pdf>

**Table 3: How does the choice of diagnostic tool affect how well governance reform strategies are designed and implemented? Examples from country studies.**

Country/Purpose	Diagnostic Approach	Main Challenges	Lessons Learned
Sierra Leone Design a strategy to improve governance and combat corruption	World Bank Governance and Anti-Corruption Strategy (GAC)	Lack of local capacity to conduct survey; climate of fear and mistrust; respondents did not understand the questions; inadequate coverage; and excessive expense.	The link between design and implementation was lost due to a fragile situation where control of events and processes was limited.
Cambodia Design a program to strengthen the demand for good governance	Multiple assessments and analysis of the political economy, civil society capacity, and institutions susceptible to reform.	Climate of fear, mistrust, and low expectations among citizenry; delicate relationship between host country and World Bank	Understanding underlying structural variables was important. Political analysis identified entry points for engagement, areas of promising institutional development, and a growing middle class likely to demand good government.
Haiti Design an anti-corruption strategy	World Bank Governance and Anti-Corruption Strategy (GAC)	Data collection inhibited by a volatile security situation and suspicion among security services and officials that restricted engagement.	A broad and deep survey involving thousands of respondents was not feasible in an insecure environment. Careful consideration of the extent of coverage is essential.
Nepal Produce a 3-year interim development plan	Data from multiple sources and a participatory governance assessment	Problems of implementing the participatory strategy within agreed timeframe.	Participatory assessment helped to identify the needs and priorities of the poor, but its execution was difficult and showed the risk of overambitious goals.
NEPAD Secretariat, African Union Assess the compliance of AU members with standards of good economic and political governance	African Peer Review Mechanism	Countries may self-censor their responses.	Peer reviews aim to improve governance; “bottom-up” participation builds on local dynamics and institutions; stakeholder analysis increases ownership of the process.

Source: Agborsangaya-Fiteu 2009

The purpose of assessment is not only to understand institutional and capacity deficits in fragile and conflict-affected countries but also to identify local capacities and institutions that reform efforts can build upon.

The Central African Republic phase of this governance project is using mapping techniques and participatory methods, including interviews and focus groups, to identify existing informal, non-state justice systems that may work as transitional vehicles of governance reform. Under the auspices of the African Union, the African Peer Review Mechanism is an instrument for peer review of progress and opportunities in democracy and political governance, economic governance, corporate governance, and socio-economic development. The writing of South Africa's post-apartheid constitution is a successful exercise that generated "massive" public participation and compromise among all sectors of South African society (Agborsangaya-Fiteu 2009). A wide range of diagnostic tools and approaches are useful to understand the political economy and to identify entry points for intervention and innovative programs. In Cambodia, for a program that aimed to increase the demand for good governance, the World Bank used an extensive array of quantitative and qualitative diagnostic tools, such as the Civil Society Assessment Tool<sup>33</sup> (CSAT), and including many tools of a participatory nature (see Box 4).

**Box 4: The diagnostic framework of the World Bank program *A Demand for Good Governance Program in Cambodia* utilized a complementary mix of qualitative and quantitative research methodologies.**

The study adopted a participatory approach in its research which gave ordinary citizens, community leaders, CSOs and other stakeholders the opportunity to express their views, interact with one another and engage in collective reflection and analysis. Diagnostic tools included:

- a literature review, drawing on both published and unpublished works from Cambodian and international sources;
- a stock-taking of current social accountability experiences in Cambodia;
- interviews with key informants;
- focus group discussions conducted in four provinces and Phnom Penh;
- a public opinion poll (which collected responses from a random sample of 900 "ordinary citizens" on a range of social accountability-related issues);
- a postal survey of NGOs involved in governance-oriented activities (which collected responses from 150 individuals representing 113 NGOs);
- 5 in-depth case studies aimed at obtaining a more detailed understanding of the motivations, experiences, successes and challenges of a range of social accountability initiatives.

*Source: Malena and Chhim 2009*

Failure to understand structural factors may impede data collection and on-site assessments. In fragile situations there may be political and administrative constraints to the data collection and analysis required for context-driven assessments. In Haiti, government efforts to use the World Bank's Governance and Anti-Corruption (GAC) diagnostics tool, which relies on extensive surveys of the private sector, civil servants and households, fell short due to resistance from the military and police and lack of security throughout the country (Table 3).

This overview yields two major conclusions and a set of recommendations regarding the use of diagnostic tools for governance reform in fragile and conflict-affected countries. First, in fragile situations it is no longer sufficient to rely on quantitative measurements of institutional deficits; if assessment is to inform effective

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<sup>33</sup> The CSAT assesses the dynamic set of relations present in civil society, its relationship with the government and donor organizations, the prevailing institutional and cultural environment for civic engagement and the potential of civil society for delivering services to the poor and improving the country's governance. <http://go.worldbank.org/SOCP6Go1Ho>

program and policy, it must focus on local context and include participatory self-reporting. Second, governance assessment must include “a menu of different methods” to analyze institutions, their underlying structures, their history and cultural significance, and their dynamic and contextual interaction. The authors recommend:

- A better analysis is likely to come from the use of multiple methods and triangulation rather than a single tool, however robust it may appear on paper.
- Sequencing the use of various tools may be necessary to balance the urgency of intervention with the need for monitoring.
- An adequate diagnosis identifies not only what may be missing in terms of the quality of governance but also what among local institutions can be built upon.
- Tools aimed at providing a credible trajectory may be more valuable than those that merely establish levels of governance.
- Diagnostic tools, when applied, are not independent of reality, but influenced by the factors that caused fragility in the first place.
- The number of tools available easily fills the whole tool kit and there is no need for “reinventing the wheel.”

### ***Entry Points for Governance Reform***

While any governance-related issue can serve as an entry point for programs and projects, effective reform requires an understanding of political realities on the ground. This requires analysis of structures, institutions, and actors that is attuned to such factors as: historical legacies, stakeholder motivations, the sources and distributions of rents, existing governance arrangements and the political process, and the interaction of formal and informal institutions. Without analysis of interlinkages among institutions and stakeholders, programs developed for one sector may be subverted by another. In Liberia, a donor-assisted General Auditing Commission has ably exposed high-level corruption and incompetence, but its reports effect no reform because the judiciary and legislature do not follow-up. Meanwhile its dedicated auditors incur enmity and considerable personal risk, to no effect. (Ingram 2010) The World Bank’s PGPE (see Box 2) provides a framework to identify entry points and design effective reform initiatives around them.

*PRS Process as Entry Point.*<sup>14</sup> For approximately two years, an outside technical consultant provided strategic and organizational advice, facilitation, and staff and management training and coaching to Côte d’Ivoire’s national PRSP team.<sup>15</sup> He facilitated planning sessions, workshops, and multi-stakeholder meetings with a range of internal and external stakeholders, including senior ministry staff, civil service staff (including lawyers, court clerks, prison staff, etc.) and civil society representatives. One focus was on the technical aspects of a PRS, such as preparation of an institutional framework for monitoring and evaluation, sectoral policy matrices and a matrix of outcome indicators. Another equally important focus was strengthening the government’s policy planning and implementation process. This intervention, a model entry point for governance reform, may be adapted to a variety of institutional settings and cultures; it can be replicated at reasonable cost with similar results in transmitting the methodology and the facilitation techniques to local staff. Among the reasons for regarding the PRS as a promising entry point for governance support work are:

- PRS is a national project supported by politicians who may see it as a vehicle for obtaining international aid (and thus rents);

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<sup>14</sup> The key source for this section and, unless otherwise noted, the source of all quotations is: Fruchart, Vincent. 2010. “The PRS as Entry Point for Improving Governance in Fragile States: a Case Study,” Issue Note, Social Development Department, Washington, DC: the World Bank.

<sup>15</sup> The method was earlier tested in Burundi, Central African Republic and Haiti.

- PRS is a planning process requiring technical know-how and interest in the intricacies of policy making, therefore politicians allow civil servants/technocrats to develop the PRSP, and the PRS process bypasses many of the political dysfunctions found in fragile and conflict-affected states;
- Experience has shown that most government staff involved in the preparation of their country's PRS comprise a group of dedicated and visionary civil servants;
- The government often welcomes dialogue on national priorities with the international community.

Institutional economics, with its perspective that processes and institutions foster economic development, shapes Fruchart's focus on process and methodology. The implications are two-fold. First, the country must assume "entirely by itself the content – analyses, objectives, priorities, strategies – of its PRS." For fragile and conflict-affected states, that content should be "initially modest, focused, and manageable"<sup>16</sup> not exceeding the limits of what is possible to achieve. Second, the country needs external support "on ways and means" of developing that content, involving methodological advice and process facilitation.

The working sessions of the PRS process in Côte d'Ivoire provide anecdotal evidence that, although reform is primarily an endogenous process, external actors may reinforce inclusive participation through well-designed and targeted facilitation. In this case, working groups, comprising formerly contentious participants from government ministries, civil society and NGOs, and the private sector, learned the skills of constructive dialogue leading to compromise and policy formulation. This entry from the journal of support activities shows how a working session was typically facilitated:

Work sessions were organized around a flip chart, and, starting from an initial draft, the research work was conducted, or rather prodded, by the technical assistant using a Socratic method of inquiry (which meant that *the facilitator never offered any direct substantive advice, but mostly pointed to possible incoherence, lack of information, etc. and generally played the role of a naïve ignorant*). The PRSP staff, not used to this approach, remained guarded in the first sessions, but slowly warmed up to the method to finally embrace it (particularly in view of the final results, which they said not to have expected) (emphasis added).

"One of the main benefits of this format is that all participants are actively involved in the process and, as a result, the workshops generate a very high level of energy, and trigger creative thinking." Another is "increased ownership of the resultant document by the Government (or at least by some senior civil servants in the Government) as well as some capacity building and knowledge transfer."

A number of tangible outputs (Annex 2) emerged from this governance exercise, including PRS policy matrices, a matrix of outcome indicators, a monitoring and evaluation system, and "ministerial staff trained in workshop facilitation, result indicators identification and monitoring and evaluation techniques and processes." Long-term impacts of governance reform are not readily amenable to measurement and objective evaluation, but based upon case studies, the model is promising. Longer term outcomes may emerge over two or three PRSP cycles, including further improvements to the budgeting and planning processes, closer alignment with donor programs, and better dialogue with external stakeholders. It may also have a positive impact on more traditional "good governance" criteria, including greater transparency and predictability in the budgeting process; a closer center-periphery collaboration on policy; improved ownership of policy and more widely inclusive decision-making; and better monitoring of governance reform.

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<sup>16</sup> Fruchart, Vincent, Per Egil Wam and William Webster. 2009. *Effective Poverty Reduction Strategies in Fragile and Conflict-Affected Countries: Lessons and Suggestions*. Washington, DC: The World Bank. See also: Wam, Per Egil. 2010. *Can Poverty Reduction Strategies Stem Violence and Build Peace? Some Lessons for Conflict-affected Countries*. Washington DC: *Journal of Peacebuilding & Development*, Volume 5, Number 2.

*Local-level Security and Justice.* Even when central authorities and formal mechanisms of governance largely fail, informal systems of governance exist to regulate economic activity and access to justice. The ongoing Central African Republic phase of this project is researching access to justice and dispute resolution at the community level and the resilient coping mechanisms used during fifteen years of conflict and instability. The research will be completed in June 2011 but early phases have yielded intriguing results. Preliminary findings show that rural people rely on non-state mechanisms of justice and conflict resolution that vary regionally and they consider the state system expensive, complex, and corrupt (Kilembe 2011). Customary law in CAR has these strengths: (1) it is adapted to the customs and norms of the people; (2) it aims to satisfy a sense of justice and achieve reconciliation between disputing parties, and to restore community stability; (3) its rulings are culturally accessible, understandable and timely; (3) it effectively grounds its rulings in standards that are acceptable to the community. Customary law has these weaknesses: (1) rulings may be inconsistent and the rights of the accused may not be sufficiently protected; (2) it may discriminate by social status or gender; (3) in some regions, its rulings may be influenced by beliefs in witchcraft and sorcery (Lombard 2011a).

These results, and the methods used to obtain them, hold lessons for those seeking to support governance reform. The research methods rely heavily on qualitative field research including mapping of community practices, interviews and focus group discussions that provide feedback from a wide array of stakeholders including local people, studies of sample customary law cases to track outcomes over time, and collaboration with local partner organizations. This knowledge can serve as the basis for realistic reform proposals that build on or modify as necessary existing institutions in ways that engender the support of Central Africans. One recommendation is to hold conferences for traditional judges where best practices are shared and human rights norms learned about and debated. Another is to empower traditional authorities with administrative tasks to extend the reach of the state into rural areas and improve service delivery. A third is to support local NGOs that monitor customary law practices. (Lombard 2011a, 7-8)

*Forms of Shared Sovereignty.* Governance reform can be promoted through arrangements whereby a fragile state temporarily shares sovereignty over a particular sector with an external partner. Examples include Liberia's Governance and Economic Management Assistance Program, an anti-corruption measure in which a committee that included Liberia's president and United States' ambassador oversaw revenue collection and disbursement. Over four years, external financial controllers were given co-signatory authority over expenditures. Procedures for customs collections, a framework for mineral concessions, and computer systems were introduced. Under GEMAP, staff received classroom and on-the-job training in budgeting, audit and financial management. Courses in financial management and IT provided Liberians with a path toward internationally recognized professional certification.

*Elections.* Formal, democratic elections are widely regarded as fundamental for legitimacy (Agborsangaya-Fiteu 2009). While it is hoped that successful elections will mark a decisive break from fragility to stability, they rarely usher in a smooth transition to peace and, in fact, winner-take-all results may contribute to further instability in the short term. Elections may be mere exercises in voting and lack credibility, in part because they may be rigged and non-inclusive, in part because they yield no tangible benefits for citizens in security, jobs, or justice. The effort and costs involved in preparing for elections may outweigh their potential benefits (Hyden and Agborsangaya-Fiteu 2010, 16). Confidence-building measures and security guarantees that precede elections may reduce the risk of violent conflict among political factions. Holding local elections prior to national elections may build capacity (Agborsangaya-Fiteu 2009). Alternatively, in fragile situations, non-electoral consultative mechanisms that avoid the costs and risks associated with premature elections may provide a "best-fit" solution that serves as a bridge to later reforms. These transitional measures may involve the interim government of a respected, traditional leader or draw on a traditional system of governance (World Bank 2011).

*Public Sector Reform.* Public Service Reform (PSR) aims to improve public financial management, public administration and human resource management, and tax administration, and to control corruption, which subverts efforts at PSR. The World Bank (2008) recommends choosing modest entry points for PSR that focus on basic, politically feasible reforms (such as ensuring that citizens have tax ID numbers) and setting realistic timelines in recognition that reform is slow and incremental. As the Côte d'Ivoire model discussed above shows, the PRS process may serve as an entry point to improve budgeting and strategic planning capabilities. In Sierra Leone, a capacity development project is addressing a critical shortage of professional and technical staff across several public service departments by making pay structures competitive with the private sector, training junior staff, and providing needed technical tools for service delivery (UNDP 2011). In Southern Sudan, civil servants in key ministries have received training in how to effectively manage human resources, information systems, and internal and external communications; a public information center has been established; and email, video-conferencing, and computer-based records systems have been introduced (World Bank 2010).

Corruption—notably resistant to reform—is a major impediment to poverty reduction and equitable economic growth. The problem is compounded in FCS that face particularly complex political and sequencing issues. Direct measures to curb corruption through legislation and oversight commissions have not been successful, in part because they lack the support of judiciaries and political elites. Introducing improved technology alone fails to alter incentives and patterns of behavior conducive to corruption. Introducing financial management systems and training brings some improvements in budget formulation and reporting, but fewer improvements in procurement and auditing. Entry points to combat corruption should be informed by political economy analysis that identifies patronage networks, incentives, and stakeholders and gauges the impact of potential interventions. International engagement and development resources can produce new opportunities for corruption and can entrench existing patronage networks (OECD 2010). The World Bank's recommendations for public sector reform in FCS include: focus on the types of corruption that are most harmful to a country's specific context, and where success may serve as the basis for sustainable reform; share information with citizens because increased transparency may build public demand for reform; strengthen the civil service; and, urgently, establish a payroll.

*Better Service Delivery.* State legitimacy is enhanced when citizens see their government deliver basic public goods and services; civic engagement is also enhanced when channels of accountability for service delivery open between citizens and their government. A state's ability to deliver public goods and services is linked to its resilience to crisis. In post-conflict situations, access to education, employment for youths and ex-combatants, and improvements in healthcare can yield a tangible peace dividend and may reconcile warring factions to the government. Effective public service delivery may undermine popular support for parallel illegal organizations that may have provided those services. Although a state with sufficient capacity is provider of first choice, humanitarian needs may mandate that NGOs and non-state agencies provide essential services. These parallel channels risk undermining state legitimacy. In such cases, "instead of simply bypassing weak or nonexistent government capacity, it is critical to build government capacity in parallel, utilizing temporary arrangements that respond to the immediate needs of the population."<sup>37</sup>

Supporting citizen demands for honest government and effective services through social accountability mechanisms (Box 5) may be one means of promoting demand-side governance reform. Lessons from Nicaragua and Honduras, where the mechanisms are part of a number of Bank projects, suggest that the approach can yield success but is resource intensive, requiring money, expertise, and long-term commitment, especially when working with marginalized groups. A potential problem is "asymmetric empowerment" where citizens are empowered to demand services beyond the capacity of the government to deliver them (OECD 2010, 54).

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<sup>37</sup> World Bank. 2003. "Sierra Leone: Strategic Options for Public Sector Reform." Report, Washington, DC: World Bank, cited in Agborsangaya-Fiteu 2009, 14.

Government capacity may be strengthened through an understanding of local context that reveals innovative informal systems that have emerged to fill gaps in service delivery (e.g. traditional justice systems in CAR). These systems can serve as bottom-up means of reform. The political context in FCS is complex; services may have been delivered through networks of patronage and clientelism; groups may have been marginalized and areas underserved; therefore political economy analysis is essential (Baird 2010).

**Box 5: Social Accountability: a demand-side approach to better governance and service delivery**

“Social accountability is an approach towards building accountability that relies on civic engagement, in which citizens participate directly or indirectly in demanding accountability from service providers and public officials. Social accountability generally combines information on rights and service delivery with collective action for change. Examples of social accountability tools and mechanisms include participatory budgeting, public expenditure tracking, citizen report cards, community score cards, social audits, citizen charters, and right to information acts. After some years of quite extensive piloting, the World Bank is now taking a scaled up approach to social accountability which has received recognition in major corporate and sectoral strategies and is finding growing use in lending and country programs. Lessons from pilots and inclusion in some World Bank projects suggest that social accountability holds considerable promise for achieving better governance and service delivery. However, the Bank needs to pay additional attention to areas such as linking supply and demand sides, upgrading staff skills, improving monitoring and evaluation, increasing the evidence base, and expanding external partnerships with a view to creating coalitions of change.”

*Source: Agarwal et al 2009*

*Security Sector Reform.* As discussed earlier in this paper, delivering security and justice is strategically important to state building and involves many of the same mechanisms of oversight, sound financial management and good public administration as other public goods and services. As such, security is a core governance issue that can be addressed through a country’s PRS. The PRS process invites analysis of the local dynamics of insecurity (e.g. widespread criminal violence, regions of on-going armed conflict, flows of IDPs and refugees) and the links between poverty and inequality, security, and conflict. Mechanisms that are part of the PRS process involve longer-range strategic planning, implementation strategies, and results monitoring that strengthen SSR and avoid *ad hoc*, fragmented programs that exceed state capacity to deliver results. While the World Bank cannot engage in the technical aspects of SSR, the PRS can include strategies for effective financial oversight and management, especially in regard to defense expenditures and government spending priorities. It can also target specific reforms that bring the security sector under the rule of law; that strengthen domestic institutions of law and justice (e.g. courts, prisons, and police); and that provide avenues for redress of human rights abuses. The participatory nature of the PRS process may lead to increased ownership of SSR.

Among the issues specific to PRS in conflict-affected states are: the sensitive timing and sequencing of the PRS and SSR relative to the national peace accord; the legacies of conflict (including DDR, landmines, child soldiers, weapons collection, etc.); the future size, oversight, and professionalism of military forces; transitional justice; and the contested nature of SSR due to the diverse agenda of various actors. The PRS process may provide an opportunity to deal with politically sensitive security issues in a neutral setting. However, if the peace is fragile, a too-early attempt at reforms may risk a renewal of violence.

Appropriate external support in the form of advice, technical assistance and financing can help SSR, but when the involvement of foreign militaries is perceived as an occupation, the legitimacy of both state and SSR are compromised. (Agborsangaya-Fiteu 2009, Garrasi et al 2009).

*Decentralization and Local Governance.* International consensus is lacking concerning whether and how decentralization should be pursued in fragile and post-conflict environments; without careful analysis, planning and preparation, it may further weaken the state (Agborsangaya-Fiteu 2009). Decentralization (1) may avert ethnic or secessionist conflict; (2) when pushed to its lowest capable level, may serve to decrease friction between the center and the periphery; and (3) may increase mechanisms of accountability to the local population. However, decentralization should not be pursued without political economy analysis and careful consideration of capacity constraints. There are risks, principally that local elites may capture power to serve their own interests, thus *decreasing* accountability and *increasing* periphery-center tensions. Decentralization and devolution should be introduced following gradual preparation. New institutions at the local/regional level will require adequate technical support and funding (World Bank 2011).

### 3. Conclusions

The Post-Conflict Governance Reform Framework Program has assessed global experiences in diagnosing and designing effective interventions to improve governance in FCS, and has tried out two very different entry points for engagement in two countries, Côte d'Ivoire (PRSP preparation) and Central African Republic (local justice systems). If not a complete framework for governance reform, the project presents recommendations on how practitioners can orient their efforts away from technocratic approaches based on Western institutions, towards approaches that discover and fortify existing institutional capacities. The key lessons are listed in Annex 1. What follows are general observations.

The CAR phase of this project shows that even under very difficult circumstances, people devise informal institutions to fill the basic need for security and justice. These local, traditional governance systems can serve as the basis for reform that slowly links the central government with outlying regions; the familiarity of customary systems and their alignment with local mores and values make them better vehicles for reform than unfamiliar imports. Existing institutions can be leveraged into long-term reform.

A thorough understanding of the political economy within fragile and conflict-affected states is essential for effective governance reform. In-depth contextual analysis uses multiple quantitative and qualitative diagnostic tools and identifies strengths as well as deficits. Useful tools are political economy analysis, which describes country realities, and trend analyses, which attempt to project the trajectory of change. Inclusive and participatory methods such as interviews and focus groups improve the design of programs and give all stakeholders a real stake in the reform process. There are sufficient diagnostic tools in the tool kit for thorough contextual analysis.

Reform is a slow incremental process and the trajectory of reform is not smooth; successes do build upon successes but not without intervening setbacks that require adjustments in the reform program. Donors should anticipate a lengthy timeframe and commit for the long haul, setting a realistic scope and scale for reform efforts. "Good-enough" governance aims for achievable deliverables.

There is no one-size-fits all formula for the sequencing of reform, but priorities can be set based upon the critical gaps in governance and upon immediate, mid-, and long-term objectives. Establishing basic security is necessary precondition for other reforms; helping states to effectively deliver basic services can serve as a peace dividend that reinforces the legitimacy of the state. Security sector reform and rule of law reinforce peace and set the stage for economic recovery. Because elections do not always reinforce legitimacy and may be destabilizing, it is important not to introduce them too early or with approaches that instead reinforce existing divisions in a country (as in the 2010 elections in Cote d'Ivoire).

Although there are many possible entry points for governance reform, the PRSP process is a potentially powerful one that, if done well, provides the process as well as the outcomes for longer-term improvements to governance. To strengthen processes within FCS, the focus should be more on methodology and process facilitation and less on output; more on the capacity of the state to develop and implement policies and less on democracy and "good governance" norms.

Efforts to improve state and society relations should encompass donors in their purview, who become political actors in the governance reform process.

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## Annex 1: Summary of Key Lessons

- Interventions should build on existing, local, traditional governance systems that can provide the core functions of government, including basic security and justice. Seek to leverage these into long-term reform.
- Not all governance objectives can be achieved at once. Recovery and the creation of resilient institutions take time. “Good enough governance” reflects the realities in settings that are not ideal. External partners must ensure that their interventions do no harm.
- Sustainable progress depends on coalitions that advocate for reform. To be part of such coalitions, the international community must commit for the long-term and thoroughly understand local history, context, and priorities. Civil society actors that reflect the voice of ordinary citizens, not merely urban elites, have a key role in governance reform.
- An adequate diagnosis identifies not only governance deficiencies but also those local institutions that can be built upon.
- Governance reform is context dependent and requires analysis of the political economy of the country in question. A better analysis is likely to come from the use of multiple methods and triangulation rather than a single tool, however robust it may appear on paper.
- Diagnostic tools aimed at providing a credible trajectory for reform may be more valuable than those that merely establish levels of governance.
- Generic sequencing is not feasible. Reform does not take a chronological upward trajectory. To help guide policymakers, prioritize into immediate/early, medium-term, and long-term governance objectives. There is no one-size-fits-all formula for reform. Despite the growing consensus that basic security is required first, security governance should not be addressed independently of other reforms. Sequencing the use of various diagnostic tools may be necessary to balance the urgency of intervention with the need for monitoring.
- Even priorities can be prioritized. While many reforms are urgent, an extensive reform agenda may overwhelm state capacity. The donor community can help governments to identify critical gaps. Prioritize those reforms most critical to establishing stability, strengthening resilience to crisis and providing equitable public goods and services. Where there are high levels of violence or civil war, some reforms may be counterproductive and entrench preexisting patronage networks or other poor governance habits.
- Country development strategies can be entry points. PRSPs can serve as vehicles for enhancing governance capacity through a strategic planning process facilitated by external partners. PRSP preparation and implementation involves teams of dedicated national technocrats whose interests are at variance with those of the political class, which, in this domain, often practices an attitude of benevolent indifference.

- PRSP support will be more effective if it focuses on issues of methodology and process facilitation rather than analytics. Governance support should focus less on democracy and “good governance” issues, and more on the capacity of the state to develop and implement policies.
- Policymakers and practitioners should set realistic goals and expect incremental achievements from PRSPs, and from governance reform programs in general. The notion of a “good enough PRS” is one that is achievable with sustainable deliverables. Scrupulous attention should be paid to conflict factors and to adherence to the guiding principles of realism, transparent prioritization, context specificity, flexibility, and concreteness. These same recommendations apply to governance reform in general.
- It is not possible to transform governance without transforming mindsets and the ways people relate to each other. The PRSP model in this project is one example of how external actors can facilitate constructive state-society relations.
- Sustained improvement in the rule of law is essential for political and economic reforms. The first priority, establishing security and justice, serves as the basis for economic growth and state efforts to deliver social services. Security and justice cannot be delinked and are intimately related to development especially in conflict-affected countries with bloated security sectors but with questionable access to security and justice for the poor.
- Legitimacy, a critical attribute of a functioning state, requires tangible results. The World Bank can promote legitimacy chiefly by supporting economic programs that equitably improve the lives of ordinary citizens.
- With regard to political legitimacy: (1) there is a need to rethink how and when elections are introduced, and to consider using other tools more appropriate than elections in certain situations; (2) good arguments can be made for much longer transitions, with elections only at local levels initially or with programs for leveraging traditional processes geared to increase participation; (3) both input and output legitimacy are interdependent and one may be eroded if not complemented by the other; and (4) while the World Bank does not traditionally work on political processes, legitimacy is a relevant governance dimension for the World Bank. Governments with international legitimacy, may not be considered legitimate by their citizens.
- Governance reform is a political process involving multiple actors with different agendas. Donors are actors in the political process. National governments may incorporate competing interests and opposing agendas. In some cases, the interests of civil society actors may be closely aligned with the government. Practitioners should try to distinguish spoilers from true reformers.
- Diagnostic tools, when applied, are not independent of reality, but influenced by the factors that caused fragility in the first place.
- The number of diagnostic tools available easily fills the whole box and there is no need for “reinventing the wheel.”

- Governance reform is most successful when pressures from domestic and international actors converge. A government's need to cater to its support base may subvert important reforms such as fighting corruption and ending patronage networks.

## Annex 2: Results from “The PRS as Entry Point for Improving Governance in Fragile States”<sup>18</sup>

In terms of governance understood as capacity to develop and implement development policies, a PRS intervention (process and methodologically focused) may bring the following results:

In terms of *products*:

- a restricted set of PRS policy matrices that more or less fit within existing budget and funding constraints, have well defined priorities and are coherent with the government's overall objectives;
- a matrix of outcome indicators that allow for an effective monitoring and evaluation of the PRS implementation;
- a coherent and effective monitoring and evaluation system for PRS activities;
- ministerial staff trained in workshop facilitation, result indicators identification and monitoring and evaluation techniques and processes.

In terms of *outcomes* (within a variable time frame that may extend over two or three PRSP cycles):

- a budget process that is becoming increasingly more PRS focused;
- a greater transparency in policy implementation and budget execution, particularly at the local level;
- a more effective policy planning process at the ministerial level, with a more effective setting of priorities;
- a greater alignment of donor interventions with government's poverty reduction priorities;
- a more effective coordination of donor interventions in terms of development and poverty reduction;
- a more open dialog between national stakeholders, including the population at large;
- a better articulated vision for government action, and, ultimately, a greater commitment of the political class to development.

However, PRS support may have results that go further than simply enhancing the state's capacity to elaborate and implement policies – it may also have an impact on some features of governance as understood in its more traditional acceptance, notably:

- greater transparency and, ultimately, greater predictability of budget execution;
- a greater connection between the center and the regions on issues of policy implementation;
- a greater ownership by local authorities of development activities;
- a civil society more aware of, and better included in the policy making process;
- better articulated and laid-out governance reform (justice, security, etc.) in the context of PRS policy matrices;
- more effective monitoring process of governance reform efforts.

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<sup>18</sup> Fruchart 2010, 22-23