



# WORTH EVERY CENT: SMARTER APPROACHES TO ADDRESSING FRAGILITY

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## V. WORTH EVERY CENT: SMARTER APPROACHES TO ADDRESSING FRAGILITY

BY SARA BATMANGLICH (OECD)

80 per cent of the world's poorest could be living in fragile contexts by 2030, making fragility one of the capital challenges to achieving sustainable development. Fragility is multidimensional and complex, and progress in fragile contexts is not easy. But instead of shying away from this task, the ambition of the international community must be stepped up. Foreign policy can help increase the efficacy of investments to tackle fragility.

Nearly five years into Agenda 2030, 82 per cent of contexts affected by fragility are not on track to meet the development targets set by the SDGs.<sup>1</sup> On current trajectories, 80 per cent of the world's poorest could be living in fragile contexts by 2030, already making fragility one of the greatest barriers to the ambition of sustainable development.

For many years, the term “fragility” was used to denote a niche area of development cooperation that dealt with countries many people outside of that niche would have difficulty locating on a map. Unfortunately, that is no longer the case. These days, fragility no longer matters only for people living in fragile contexts, or specialists working on the topic. Fragility has now moved into the mainstream lexicon and matters for everyone.

***Fragility no longer matters only for people living in fragile contexts, or specialists working on the topic. It has now moved into the mainstream lexicon and matters for everyone.***

Why? Because newspapers everywhere are filled with headlines describing the worst manifestations of fragility: conflict, terrorism, forced displacement, homicidal violence, pandemics, extreme poverty, disasters and famine. A few stark statistics illustrating these manifestations: in 2017, the equivalent of an average of 80,000 people each day were forced to flee their homes due to conflict, violence or disasters; in 2016, global homicide rates increased for the first time since 2004 and accounted for 68 per cent of all victims of lethal violence; and the world faced the threat of four concurrent famines in South Sudan, Nigeria, Syria and Yemen.<sup>2</sup> But despite their visibility, it is not just these extreme expressions of fragility that should concern us, because beyond the shocking headlines there are many, more subtle manifestations of fragility. These are countries and contexts that may not be in crisis but lag behind on delivering equitable and sustainable development, and where there are unacceptable levels of human suffering – for instance in places such as Chad, Bangladesh, Guatemala and Burkina Faso.



Internally displaced people in Bol, in Sahelian Chad located on the coast of Lake Chad. It is projected that by 2030 more than half of the people living in poverty will be found in countries affected by high levels of violence.

Fragility has already demonstrated, with worrying and convincing force, why it has the potential to be the single biggest spoiler to the ambitions behind not just the SDGs, but also to sustaining peace, efforts to adapt to climate change, as well as other key geopolitical priorities. Addressing it must therefore be a collective priority for the development, diplomatic as well as defence communities. Smarter approaches to engaging in contexts affected by fragility, including through foreign policy channels, could help ensure that investments in tackling fragility are maximised, and worth every cent.

## WHY IS FRAGILITY SO COMPLEX AND SO IMPORTANT?

Wider awareness of the danger that fragility poses to humanity has been fostered by a wider conceptualisation of the phenomenon itself. Initial policy discussions of fragility framed it primarily as a development challenge only afflicting low-income countries, which meant an effective response was framed in terms of economic growth. This is one reason fragility initially became so grounded in development discourse alone. Indeed, it has been difficult to dispel the false notion that countries can “develop” their way out of fragility, and thus a fixation on poverty reduction as a solution to fragility remains. However, the prevalence of middle-income countries



Fragile contexts consistently rank in the bottom third of the 157 countries for which data on SDG progress is available.

which are also fragile – in fact, over half of the 58 contexts on the OECD’s 2018 Fragility Framework are middle-income – supports the notion that there is more to fragility than economic growth and poverty,<sup>3</sup> as has the rising incidence of middle-income countries experiencing conflict.<sup>4</sup> Moreover, many countries have considerable variation of fragility within their borders, and these “pockets of fragility” – whether due to poverty, conflict, or both – demonstrate why fragility continues to confound simplistic and mono-dimensional categorisation.

***Over half of the 58 contexts on the OECD’s 2018 Fragility Framework are middle-income.***

At the same time, the popularity of the state-building agenda in the early 2000s led to a similar fixation that building state institutions would simultaneously address fragility. While formal institutions are obviously important to the effective and legitimate functioning of a state, in fragile contexts there are numerous additional forms of governance such as traditional, customary or religious governance structures that exist beyond the realm of the formal state, many of which have a profound effect on fragility. This has led to increased acceptance of the need to at the very least acknowledge, if not engage directly with, alternate sources of power in a given context, beyond central governments.

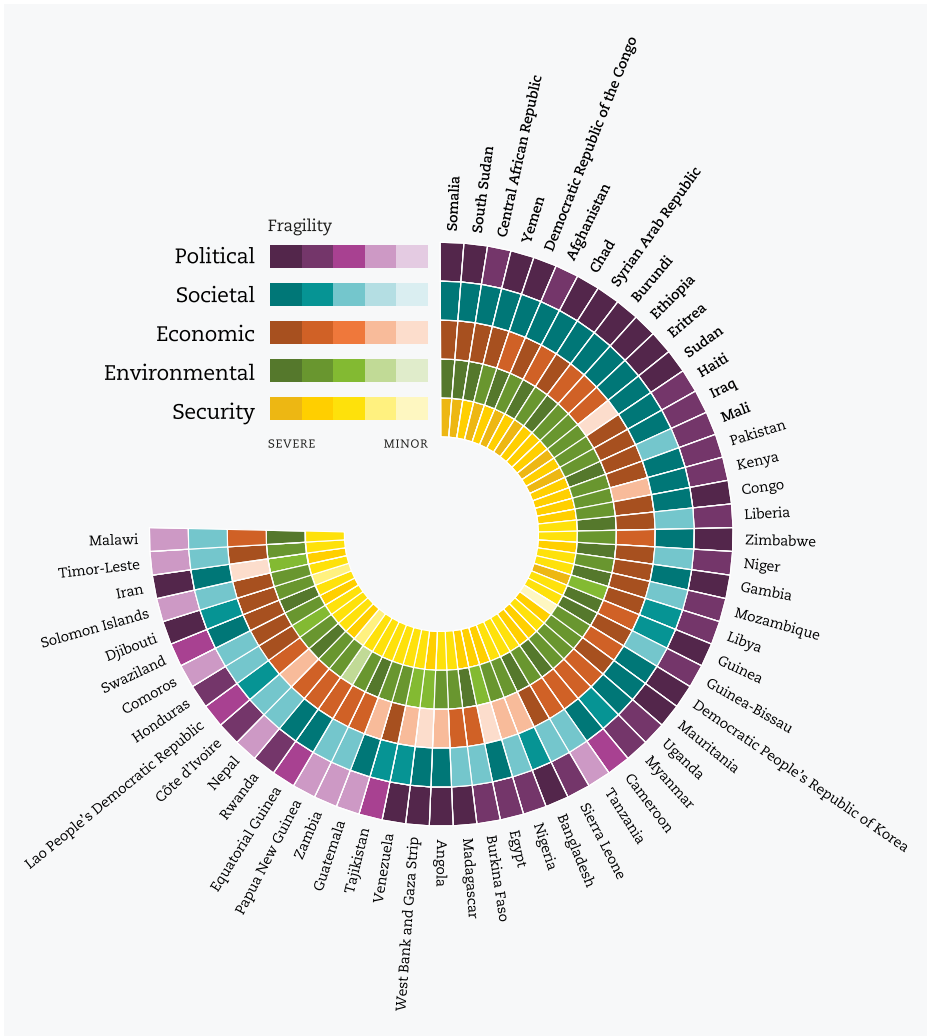
***Fragility cannot be perceived solely as an issue that development alone can address. Its multidimensionality requires equally multidimensional approaches.***

It is also important to note that while all countries experiencing conflict are certainly fragile, not all countries experiencing fragility are in conflict. And this has been yet another advancement in our understanding of fragility: that it is not synonymous with conflict. Thus, there are also contexts stuck in a fragility trap, in other words chronically fragile, with conflict no longer or perhaps never even having played a role in driving their fragility, for example, Pakistan, Guinea-Bissau, Niger and Haiti. While these places might not garner the same attention or headlines that conflict contexts do, they are still important. Not only because of the distress and hardship that people living in these places experience, but also because countries with high fragility are more vulnerable to eventually tipping into conflict or crisis, especially those that exist in tumultuous regions.

This change in understanding, and the expansion of what it means to be fragile, has resulted in the realisation of several things. First, that fragility is inherently complex and multidimensional. For instance, it cannot be assessed based on things like income-level or formal institutions alone. This is why in 2016, the OECD made the decision to stop using a Fragile States List – which in its binary format was unable to capture this complexity – and introduced instead a multidimensional fragility framework.<sup>5</sup> This framework takes into account the fact that fragility is “the combination of exposure to risk and insufficient coping capacity of the state, system and/or communities to manage, absorb or mitigate those risks.” The relationship between risks and coping capacities plays out across five dimensions: economic, environmental, political, security and societal.

Secondly, this means that fragility can no longer be perceived solely as an issue which can be addressed through development alone. Its multidimensionality requires equally multidimensional approaches, bringing in a multitude of actors. And finally, this multidimensionality means that isolated and technocratic approaches will be ineffective – the politics, the role and relevance of foreign policy, in addition to geopolitical considerations in dealing with fragility are absolutely mandatory.

**Figure** **OECD FRAGILITY FRAMEWORK 2018**



Source: OECD (2018), States of Fragility 2018, OECD Publishing, Paris.  
<https://doi.org/10.1787/9789264302075-en>

## SUSTAINABLE DEVELOPMENT, DEVELOPMENT ASSISTANCE AND FRAGILE CONTEXTS

A lot of money is being spent in fragile contexts and on the fallout from fragility. In 2016, donors spent USD 68.2 billion in fragile contexts compared to the USD 35.8 billion they spent in other developing countries.<sup>6</sup> Growth in official development assistance (ODA) in fragile contexts is far outstripping growth in non-fragile contexts; ODA to fragile contexts has grown 26 per cent in real terms since the end of the global financial crisis.<sup>7</sup> Yet, the majority of this growth has been due to a surge of humanitarian assistance, which increased 38 per cent from 2015 to 2016 alone. This means that a lot of the money going to fragile contexts is not actually financing sustainable development, or even being channelled to address the structural aspects of fragility, but is instead serving as a temporary sticking plaster. While keeping people alive is clearly a moral priority, unless more sustained actions are taken to shift the actual dynamics that enabled dire conditions to develop in the first place, many places will not only be caught in a fragility trap, but also a crisis trap.

***Re-evaluating risk aversion through a foreign policy framing, where risk is weighed against the interests of regional stability, is one way to push back on the disincentives of working in fragile contexts.***

It is no secret that fragile contexts face unique challenges in meeting the global development ambitions. Their poor performance on the Millennium Development Goals (MDGs) means that the SDG ethos of “leave no-one behind” holds particular significance for fragile contexts, which had been left behind by the MDGs. However, unfortunately several years into this new agenda and, as a group, fragile contexts are already lagging behind again. In fact, fragile contexts consistently rank in the bottom third of the 157 countries for which data on SDG progress is available.<sup>8</sup>

Achieving progress in fragile contexts is not easy. They remain the most challenging environments in which to operate. In general, programmes take longer to set up, cost more to run, and also take longer to achieve even modest results. None of this makes working in fragile contexts a very attractive business proposition. Nor does the fact that fragile contexts are by nature high-risk environments where projects have a greater likelihood of stalling or failing. This reality does not align well or incentivise engagement from increasingly risk-averse and results-oriented development actors.<sup>9</sup> However, despite these disincentives, the international community has no choice – it must not only engage in these places, but explicitly pivot towards them and adjust approaches to make them more holistic and effective. Re-evaluating risk aversion through a foreign policy framing, where risk is weighed against the interests of regional stability, for instance, is one way to push back on these disincentives and galvanise the greater action needed.<sup>10</sup>



And, despite all the aforementioned challenges, some fragile contexts indeed managed to make laudable progress on individual goals. For instance, fragile contexts such as Ethiopia and Malawi were both able to surpass their commitments on several core development areas – showing that fragility does not necessarily imply an unsurmountable barrier to progress.<sup>11</sup> But it does show that governments must truly prioritise sustainable development, and international support must encourage and provide support to this prioritisation. The additional weight of having foreign policy discourse focus on the importance of development sends a more powerful message to governments than if this message came from the development community alone. Political actors can motivate greater prioritisation of these issues, especially within countries facing competing interests, or where development might not appear as politically palatable as shorter-term priorities.

## HOW CAN FRAGILITY BE MORE EFFECTIVELY ADDRESSED?

It sounds simple, but the first step to more effectively addressing fragility is appreciating the relationship between humanitarian, development, security and governance challenges and the linkages between all layers of the global system – from the very local to the international. The SDGs provide a roadmap for collective action because they “recognise the deep complexity and interconnectedness on the path to peace and progress”.<sup>12</sup>



Accepting the prominence of fragility means also accepting that it cannot be ignored, allowed to fester or to unfold unchecked. Both development and foreign policy actors, and their counterparts and partners in fragile contexts, must be more explicit about the risks of leaving fragility unaddressed. We know for instance that when fragility tips into conflict, it does not only lead to unacceptable human costs but also severe economic ones. This means the net savings of effective conflict prevention can equal almost USD 70 billion per year.<sup>13</sup> Highlighting these potential scenarios, many of which are frightening, shines a light on the imperative for being proactive in dealing with drivers of fragility.

Part of being proactive will also be about shifting the way that financing in fragile contexts is currently structured. It is not a lack of money, per se. Afghanistan and Iraq, both received substantial development assistance from 2006-2016 (approx-

***The foundations for peaceful and stable societies can be gradually strengthened by bringing the balance back from short-term humanitarian „firefighting“ aid into longer-term assistance.***

mately USD 53 billion and USD 43 billion respectively) and both remain extremely fragile. This proves financing must be smarter. In practice it means getting four things right: (i) the amount of financing; (ii) the right financing tools; (iii) deploying finance over the right timeframe; and (iv) ensuring that it delivers the right incentives for stability.<sup>14</sup> It also means ensuring more coherence and complementarity of interventions, and

that the right financing is supported by other aspects of engagement. Thus it is mandatory that foreign and security policies, in addition to development priorities and trade policies, all work in concert and are mutually reinforcing.

Additionally, bringing the balance back from short-term humanitarian “fire-fighting” aid to longer-term assistance will allow the foundations for peaceful and stable societies to be gradually strengthened. Investments in fragile contexts also need to be better tailored to the multidimensional drivers of fragility. For instance, as of now only 2 per cent of total ODA to extremely fragile contexts, nine of which are experiencing violent conflict, was directed towards the security dimension of fragility. This contrasts directly the logic of the commonly repeated refrain, “no peace without development, no development without peace”. Likewise, only 2 per cent of the total gross ODA to fragile contexts – or about USD 1.7 billion – was dedicated to conflict prevention activities. Again, this is in direct contrast to the acknowledgment from the highest echelons of the international community that more must be done to prevent conflicts and sustain peace.

The business case for addressing fragility is clear, but the incentives to do so are still lacking. The fact remains that the sensitive and political activities, which go to the heart of the dynamics that feed fragility will not be easiest to address. It is far easier to implement traditional development programming that is considered to be

“apolitical” and solely technical in nature. But foreign policy actors have an important role to play in broadening the incentives to take on and encourage action on the more delicate issues as well. Without a focus on these, progress on stability and sustainable development will falter.

## PRINCIPLES FOR PROGRESS

Fragility is a multidimensional and complex challenge. But instead of shying away from the sheer scale of that challenge – or relegating it to something that only development can counter – the ambition of the entire international community must be stepped up. Foreign policy has a critical role to play in increasing the efficacy of investments to tackle fragility, and several principles can guide this engagement.

- 1. Pivot to prevention:** foreign policy can help incentivise the move to prevention. This is already happening in some contexts, for example in Germany where leadership comes from the Foreign Ministry. As mentioned above, prioritising prevention will not always be the most attractive or obvious choice for either international actors or governments in fragile contexts – in fact, often it will require making difficult and politically sensitive decisions that might not be popular in the short-term despite being vital in the long-term. More direct financing for preventive activities is important, but will only have limited impact if it is not accompanied by a collective political voice that firmly and consistently communicates that the 21<sup>st</sup> century has already experienced too much conflict and violence. There is a clear role for multilateralism here – to back the UN Secretary General’s prevention agenda and incentivise prevention as a common global public good – one which benefits everyone, not just the specific context at risk of conflict.
- 2. Operationalising the “nexus”:** the call for strengthened policy and operational coherence amongst international humanitarian, development and peace actors is reflected across multiple global frameworks. At the centre of strengthening coherence between these efforts is the aim of effectively reducing people’s needs, risks and vulnerabilities, and shifting from delivering aid to ending need. The OECD’s Development Assistance Committee (DAC) recently adopted a seminal Recommendation on the Humanitarian-Development-Peace Nexus, which recognises the importance of strengthening collaboration, coherence and complementarity across the respective mandates of actors within the nexus at all levels.<sup>15</sup> This requires an approach that prioritises “prevention always, development wherever possible, humanitarian action when necessary.” Foreign policy actors are crucial stakeholders in this endeavour. The centrality of sustained political dialogue, engagement and, critically, leadership will be a key feature of successful operationalisation of the nexus.

- 3. Prioritising creativity, adaptability and flexibility:** the unique needs of fragile contexts require throwing off the constraints of traditional business as usual thinking and starting with a fresh perspective. That does not mean that the wheel needs to be reinvented. But it does mean that each context, and its particular type of fragility, needs to be approached differently and on the basis of its fragility dynamics, not on what has worked elsewhere. This will mean working with the best constellation of actors based on their legitimacy and ability to positively impact the trajectory of a given place. In some contexts this might mean working more closely with non-state actors, in others it will mean focusing on municipalities and local authorities, in still others it will mean greater engagement with regional organisations and neighbours. The diplomatic toolbox will be essential to strengthen working relationships across the range of partners required for addressing fragility. In all places it will mean engaging in more flexible portfolio management based on a longer-term strategic vision, but which is adaptable to the changing needs of volatile situations.

Development cooperation has always been political to a certain extent, but it was further politicised in recent years as fragility became of greater interest to a broader spectrum of actors. This has come about due to the realisation that a stable and prosperous world is in everyone's interest – from economic, environmental, political, social and security perspectives – and thus all actors, at all levels of the international system must work together to make that vision a reality. If they do not, this current surge of crises and the existence of powerful threats call into question the future that people expect and that people deserve.<sup>16</sup> As Federal Chancellor Angela Merkel noted on the commemoration of the centenary to mark the end of World



A road in Mukono, Uganda. Shortages of water and arable land can worsen existing ethnic and political tensions or cause old animosities to flare up.

War I, “If isolationism did not provide a solution 100 years ago, then how could it today, in a world as intricately interconnected as ours.”<sup>17</sup>

The SDGs provide a clear path forward, one built on the premise of universality and shared values for people, planet, prosperity, peace and partnerships. This framework provides “the what”, but success will be determined by the “the how”, and this will necessarily look very different in fragile contexts. The principles above provide some guidance on how international engagements in contexts of fragility can be more ambitious and proactive. This is in recognition that fragility is one of the most profound challenges of the 21<sup>st</sup> century, and that the best defence against tomorrow’s conflicts and crises is to address today’s fragility.

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