Focusing on Fragility
The Future of US Assistance to Fragile States

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Global development is increasingly intertwined with state fragility. Poverty is becoming concentrated in fragile states, and conflict, violent extremism, and environmental stresses can emerge from and be exacerbated by fragility. As a result, many donors, including the United States, are reflecting on lessons of the past to rethink how they can better help fragile states address the underlying causes of fragility, build peace and stability, and cope with complex risks.

To contribute to this conversation, the Center for Global Development convened a working group of more than 20 experts, including former officials from the State Department, the United States Agency for International Development (USAID), the Department of Defense (DOD), and the US intelligence community, along with noted academics and policy experts to identify ideas for how the US government can more effectively use its development assistance—in conjunction with diplomatic and security assistance tools—in fragile states. The working group's recommendations focus on five themes.

GRAPPLING WITH ELITE INCENTIVES AND POWER DYNAMICS

While donor approaches in fragile states often focus on narrow, programmatic objectives, fragility is fundamentally a political problem. Central to any

strategy that seeks to address fragility must be a firm understanding of the incentive structures of government and nongovernment actors either to work toward more inclusive and effective governance or to maintain the exclusionary and predatory systems that drive fragility. While various US government agencies conduct political analyses, they are rarely cohesive and coordinated across agencies. Furthermore, institutionalizing a mindset around using this analysis to "think and work politically" remains a work in progress.

Despite the centrality of governance and human rights, these issues have not always been sufficiently elevated or integrated into US approaches to fragile states. Governance tends to exist as a stand-alone priority, siloed—and often sidelined—within agencies with relatively small staff and limited funding focused largely on programmatic solutions to discrete governance challenges. Promoting more inclusive political systems and fostering social cohesion have rarely been significant US priorities. Pressure to demonstrate quick wins, short planning and budgeting cycles, and bureaucratic emphasis on measurability and accountability have been barriers to supporting long-term, hard-to-measure progress toward greater inclusion. Furthermore, while foreign assistance and diplomatic engagement should reinforce one another to influence elite incentives and support inclusive governance, they have not always been well coordinated in practice.

Recommendations

- Interagency actors should conduct frequent, high-quality, intelligence-informed political economy analyses that are actionable and systematically shared among agencies.

- USAID should support social cohesion objectives, with attention to learning from and generating evidence about what works.

- The State Department and USAID should ensure diplomacy and foreign assistance reinforce one another in pursuit of governance objectives.

- As part of its reorganization, USAID should ensure strong linkages between its governance unit and its work on violence prevention, countering violent extremism, and stabilization.

- Congress should support efforts like the Global Fragility Act to create fragile-state assistance strategies that are better coordinated across agencies and with more realistic, longer-term time horizons that allow strategic investment in longer-term efforts, like supporting good governance.

STRENGTHENING INTERAGENCY POLICY COHERENCE

The State Department, USAID, and DOD each formulate objectives and strategies based on their individual mandates, but their efforts do not always sum to a collective goal, and the actions of one can sometimes undermine those of another. Furthermore, the political imperative to couch foreign aid as tied to US self-interest—often focused on security—has sometimes affected the prioritization of other objectives that might be equally or more relevant to helping countries address fragility. But because longer-term US self-interest depends on growing state legitimacy, stability, and resilience in fragile states, security-focused investments must be well coordinated with diplomatic and development strategies.

Interagency collaboration has improved over the last decade, but continued efforts are necessary to ensure strategic coherence, jointly identify risks and mitigation strategies, and evaluate trade-offs between short- and long-term priorities. For specific fragile state issues, the appropriate level of coordination depends on country context and the nature of the problem to be solved. Washington-based processes can help set direction and locate resources, but they can also interfere when strong field-level processes are underway.

Beyond interagency processes, in-country aid coordination mechanisms between governments, civil society, donors, and implementers can help orient different US government agencies—along with other donors and actors—around a common set of priorities. The multisector scope of such mechanisms can also bring donors into a state-building mindset rather than one based narrowly on sector-based programming.

Recommendations

- The White House should develop a government-wide fragile-states strategy to elevate fragility as a national policy priority. Agency-level fragility strategies are helpful but not always unified, and each on its own does not elevate fragility as a national priority. A government-wide fragile states strategy should center on the recognition that tolerating or supporting malign elites in pursuit of near-term objectives exacerbates fragility and compromises long-term US interests. It should also encourage unity in response to democratic declines and promote alignment between diplomatic and aid interventions.

- Because intra-agency arm wrestling—between regional and functional bureaus or across functional areas—can sometimes prevent agencies from optimizing their engagement in interagency structures, for each interagency process, each agency should designate a single individual responsible for forming a unified agency voice to bring to the table.

- Embassy country teams should support the development of robust, host government-led country coordination mechanisms. They should also support the generation and dissemination of lessons learned on the effectiveness of these types of structures and how donors can best support them.

UPDATING THE MECHANICS OF US ASSISTANCE TO FRAGILE STATES

Many of the US government's development tools are

not well-adapted for addressing fragility, preventing escalation to crisis, and bridging crisis response and development. The mismatch starts with funding. Because congressional directives and administrative priorities largely drive aid allocations, most funding lacks the nimbleness required to address quick-to-evolve needs associated with fragility and conflict prevention. In addition, siloed funding in combination with unintegrated workstreams narrow how agencies identify the nature of the challenges they address. The act of choosing which funds and which team will conduct a situational analysis shapes how the problem is defined. Once defined a certain way, it can be challenging to introduce other types of funding, attention, or complementary efforts to address broader factors related to fragility. Growing attention, especially in Congress, to the types of resources needed to prevent conflict and address drivers of fragility is welcome.

In addition to its bilateral aid, the United States contributes to multilateral institutions, many of which are increasingly fragility focused. But while multilaterals can sometimes mobilize resources faster, help facilitate coordination, allow longer-term, more consistent investment patterns, and spread risk and responsibility among multiple donors—all critical for investments in fragile states—they have not been a US budgetary priority.

Staffing must also evolve to address the changing nature of development and rising prominence of fragile states. Again, flexibility is critical. But beyond the priority crises that its conflict and humanitarian rapid response teams typically tackle, USAID is often challenged to quickly reallocate appropriately skilled staff to help missions address pressing crisis prevention efforts or plan medium-term efforts to bridge between crisis response and longer-term development.

Procurement matters, too. USAID's standard timeframe for procurement and program design can take over a year to get from idea to implementation—far too long to address quick-to-evolve needs associated with fragility and take advantage of narrow windows of opportunity. In addition, USAID's awards have become increasingly prescriptive, even though allowing field-based actors to adapt their approaches to shifting realities—especially in less predictable environments like fragile states—has been shown to yield better outcomes. USAID deserves credit for encouraging more adaptive programming, but risk aversion and time pressure may continue to motivate preference for "tried-and-true" program types.

As fragility becomes increasingly intertwined with development, aid tools must adapt to this intersectionality. USAID interventions in sectors like health, education, and agriculture often interact with drivers of fragility, but are not always designed with a good understanding of these interactions, nor linked explicitly to fragility-conscious objectives. In addition, where fragile situations escalate to require crisis response, early planning for a transition from crisis through recovery and beyond is critical to avoid losing momentum—including community trust, early recovery gains, and talented staff—during the gap period.

Recommendations

Funding

- The administration, Congress, and the development community should support efforts to create longer-term, more agile funding for violence prevention objectives, including those proposed in the Global Fragility Act.

- The administration should allocate a greater portion of aid funds through multilateral channels, including the multilateral development banks.

Staffing

- To better address emergent crisis prevention needs, USAID should build its fast-response surge staffing capabilities.

- USAID should invest in developing a cadre of staff who understand fragility and can work at the intersection of humanitarian, development, and governance needs.

Procurement and programming

- USAID should structure more awards for adaptive management, while thinking through how this shift will affect interagency and cross-donor coordination, the use of other learning tools like impact evaluation, and staff skillset requirements.

- To program more responsively to pressing needs and narrow windows of opportunity in fragile states, USAID should selectively allow greater use of competition waivers for new awards.

- USAID should establish a home within its new Bureau for Conflict Prevention and Stabilization to support bridging between crisis response and a return to longer-term development programming.

- USAID should develop fragility-adapted sector frameworks to help USAID staff understand how sectoral interventions interact with fragility and design programs accordingly.

LINKING SECURITY ASSISTANCE AND STATE LEGITIMACY

Effective security provision is a key component of state legitimacy, but strengthening security alone is insufficient for addressing the root causes of violence in fragile states. Understanding and addressing how security forces operate within the ecosystem of governance and politics is critical. The United States provides substantial security assistance to fragile state partners to build the capacity of their security forces, but there is little evidence about whether and under what conditions US security assistance is successful. Programs have rarely been rigorously evaluated, limiting opportunities for accountability and learning. There are also questions about how to measure success with a need for new thinking about how to meaningfully measure security.

Evidence shows that investments in the professionalization and oversight of the security sector are critical accompaniments to security sector assistance. However, the US has often focused on building technical capacity first, and tackling institution-building later, if at all, and often in a limited fashion.

One type of capacity that has typically received little US support is civil engineering. Military civil engineering units can enhance security through activities like repairing roads, removing mines, and engaging in disaster relief. They can also, in certain fragile states with opening democratic processes, complement political transition by helping shift perceptions of the state and the role of the military. In countries recovering from conflict, where combat forces may be oversized, such units may also provide a productive channel for former fighters.

Recommendations

- DOD should fully implement its congressionally mandated assessment, monitoring, and evaluation requirements, including dedicating adequate funding for these activities, establishing an independent office of evaluation, and implementing guidance on developing programs with articulated objectives and theories of change.

- Congress, the State Department, DOD, and USAID should increase investments in defense institution building—including adequately resourcing the Security Governance Initiative—and ensure appropriate sequencing with technical and material support.

- DOD and the State Department should support the development of military civil engineering units in select countries recovering from conflict with opening democratic processes.

- The State Department should explore better ways to measure security that reflect different groups' perceptions of security.

IDENTIFYING AND BUILDING UPON LOCAL CAPACITIES

The traditional model of institution strengthening in fragile states has often focused on shoring up the central government and working to extend its reach. This has a poor track record of success. A bottom-up approach recognizes that capacity is uneven across sectors, domains within sectors, and geographic space, and that even in fragile states there can be islands of good governance with strong service delivery. Top-down and bottom-up approaches must intersect. Working locally without a concurrent focus on state-building can unhelpfully circumvent national authority and exacerbate central-local political contests, while exclusively bottom-up approaches ignore broader factors that contribute to local conditions.

At the programming level, local ownership over the design and delivery of foreign assistance is considered critical for achieving and sustaining program results, building local capacity, and strengthening the citizen-

state compact by shifting accountability for results to the partner government. USAID has made efforts to increase direct funding to local actors but has faced challenges in doing so, especially in fragile states. The agency has had to grapple with things like balancing country priorities with agency or interagency requirements; weighing the benefits of ownership against programmatic and fiduciary risk; assessing trade-offs between disbursing funds speedily and taking the time to assess and mitigate risk and/or build local implementation capacity; and adjusting staffing to manage more, smaller grants.

Leadership development is another important angle. In the past, USAID provided substantial support for graduate training for future developing country leaders, both to build technical skills and to impart democratic values. In shifting away from that model over the last 20 years, the United States may be forgoing—and yielding to China—opportunities to build values and relationships with future fragile-state leaders who will shape their countries' trajectory.

Recommendations

- USAID and the State Department should conduct capacity mapping to help identify and measure local groups' capacities to perform particular tasks of governance, identify elements of what is working, and build upon them.

- USAID should continue to pursue local ownership, but should expand its focus from local implementation to incorporate more local input into priority setting, program design, choice of implementer, and co-financing arrangements. In fragile states, robust political economy analyses must inform how donors think about whose priorities to pursue.

- USAID should invest in the professional development—and democratic values—of the next generation of fragile state leaders by expanding graduate education training.

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All members of the working group participated as individuals and their participation does not imply endorsement of every finding or recommendation contained in this report. Any errors or omissions of fact remain the responsibility of the author.

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