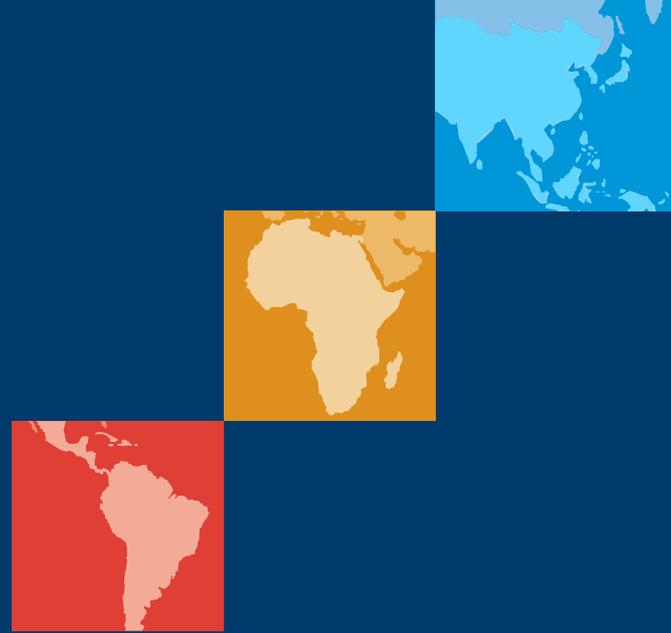


DISCUSSION PAPER / 2006.06



Civil Society Participation in Fragile States:

Critical Thoughts on the New Development Paradigm and its Implementation

Heidy **Rombouts**



University
of Antwerp



INSTITUTE OF DEVELOPMENT
POLICY AND MANAGEMENT

**Comments on this Discussion Paper are invited.
Please contact the author at <heidy.rombouts@ua.ac.be>**

***Instituut voor Ontwikkelingsbeleid en -Beheer
Institute of Development Policy and Management
Institut de Politique et de Gestion du Développement
Instituto de Política y Gestión del Desarrollo***

***Venusstraat 35, B-2000 Antwerpen
België - Belgium - Belgique - Bélgica***

***Tel: +32 (0)3 220 49 98
Fax: +32 (0)3 220 44 81
e-mail: dev@ua.ac.be***

<http://www.ua.ac.be/dev>



Civil Society Participation in Fragile States: Critical Thoughts on the New Development Paradigm and its Implementation

Heidy **Rombouts***

March 2006

* Heidy Rombouts is a post-doctoral researcher at the Institute of Development Policy and Management (IOB), University of Antwerp.

Funding for this paper was received through a special research fund of the Institute of Development Policy and Management on the basis of a project supported by Professors Nadia Molenaers, Robrecht Renard and Filip Reyntjens, for which many thanks. At the same time it became an integrated part of the PRSP policy supporting research effectuated at the same institute under the guidance of Professor Robrecht Renard and with the financial support of the VLIR. I like to thank, in particular, Professors Nadia Molenaers and Robrecht Renard for their critical reading, useful remarks and stimulating suggestions. This paper is highly indebted to their work on PRSP and the role of civil society in particular. Evidently, the author takes responsibility for the final paper as well as for remaining errors.



INSTITUTE OF DEVELOPMENT
POLICY AND MANAGEMENT



University
of Antwerp

CONTENTS

Abstract	4
Résumé	5
1. Introduction	7
2. Donors' conceptual approaches to fragile states	9
2.1. Donors' confusing use of terminology	9
2.1.1. Moving from subjective to objective aspects and back	10
2.1.2. Illustrating differences	13
2.1.3. Proposal to further unravel 'willingness' and 'effectiveness'	15
2.2. Donor policies	17
2.2.1. PRSP as the right tool?	18
2.2.2. Overload of instruments?	20
2.2.3. Too many donor planning formats?	22
2.2.4. Quick pay-offs or institutional reform?	23
2.2.5. The higher the need for harmonisation, the more difficult it becomes?	24
2.2.6. Principles for good international engagement in fragile states: a way forward?	25
3. Implications for civil society participation	26
3.1. Civil society participation: the dogma of the 21st Century?	26
3.1.1. Participation as a response to aid failure	27
3.1.2. Merits of Participation	27
3.1.3. Background assumptions	29
3.1.4. Full support of the international donor community	30
3.2. Participation in fragile states	32
3.2.1. Participation in LICUS: even more important	32
3.2.2. Risks in the spotlight and at the same time neglected	33
3.2.3. Only a problem of capacity and security?	35
3.2.4. Participation not necessarily good	38
3.2.5. Lowering the threshold as a proper response?	38
4. Conclusion	40
Bibliography	42

ABSTRACT

A new approach to development co-operation since the late nineties has substantially broadened the scope of civil society engagement in development. This approach has emerged in a setting where a growing number of aid recipient countries are facing conflict or the severe aftermath of conflict, or have governments that lack commitment and / or capacity to poverty reduction. This paper scrutinises the important role ascribed to civil society participation in these particular situations. The increased donor attention for these countries has not led to a shared and coherent classification or terminology. It is argued that this may well jeopardise efforts of harmonisation. The paper questions the validity of the assumptions underscoring the donor insistence on civil society participation in fragile states. Despite a questionable validity, the donor community sticks largely to an aid paradigm conceived for committed and capable development states, with budget support as the preferred modality. The paper highlights the problematic character of upholding a one size-fits-all paradigm in these specific, yet numerous situations. Capacity and security cannot be considered the sole problems to deal with in these countries; participation may not necessarily be good and lowering the threshold deserves to be questioned as the proper donor response. The recent initiative taken by the OECD-DAC to lay down a set of principles for good international engagement in fragile states is an expression of the honourable willingness to move forward. Yet, these principles should not block the process of critical thought, or the constructively questioning of the applicability of the new development paradigm and its instruments in these environments. Exploring alternative routes, including increased diversification of instruments and paradigms, seem very helpful to further the knowledge of working with fragile states.

RÉSUMÉ

La nouvelle approche à la coopération au développement a élargi de manière substantielle le rôle de la société civile. Cette approche est apparue sur l'arrière-plan d'un grand nombre de pays qui font face aux conflits ou à l'héritage d'un conflit récent ou qui ont des gouvernements non-engagés dans la réduction de la pauvreté ou qui manquent de capacité. Cet article examine ce rôle important attribué à la société civile. L'attention des donateurs pour ces pays a fortement augmenté, néanmoins une terminologie et une compréhension uniforme font encore défaut, ce qui complique l'harmonisation. Nous identifions et mettons en même temps en question, les postulats qui forment la base de l'enthousiasme pour la société civile, la croyance en elle ainsi que sa participation au développement. En dépit de cette mise en question, les donateurs adhèrent à l'approche conçue pour des gouvernements engagés et capables, avec l'aide non ciblée comme modalité préférée. Ce texte souligne le caractère problématique d'une approche unique pour des situations et des pays fort différents. La capacité et la sécurité ne sont pas les seules questions à résoudre dans ces pays ; dans certaines situations la participation peut être non-constructive et baisser le seuil ne peut être la bonne réponse des donateurs. Les principes internationaux de l'OCDE-CAD pour améliorer l'engagement des états donateurs dans des états fragiles incarnent l'esprit de la bonne volonté de faire du progrès. Néanmoins, ces principes ne devraient pas inhiber le processus de réflexion critique ou de mise en question – de manière constructive – de l'applicabilité du nouveau paradigme et de ces instruments dans ces environnements. L'exploration des pistes alternatives, y compris une diversification plus avancée d'instruments et de modèles, pourrait élargir le savoir de "comment mieux opérer dans des états fragiles".

1. INTRODUCTION

In the late nineties a new approach to development co-operation was launched of which the Poverty Reduction Strategy Papers (PRSP) are a key element. A change in terminology reveals the route development co-operation is supposed to take from now onwards. Developing countries are no longer referred to as recipient countries, but as partner countries. Heavy-handed conditionalities are banned from the developmental agenda and replaced by country ownership of development initiatives and policy dialogue. Participation of civil society (or more generally non-state actors) has become a defining characteristic of full country 'ownership'. In that way civil society becomes a central actor in development co-operation and donor engagement concurrently changes fundamentally. Working with civil society is not new. For a long time civil society organisations have played a role in aid implementation. However, from now onwards the scope of their engagement has substantially broadened and many positive outcomes are expected from this design change.

This paper uses PRS (Poverty Reduction Strategy) as an umbrella notion for the contemporary approach to ODA (Official Development Assistance). This new approach is not only related to the PRSP *sensu strictu* (i.e. the policy document for development and poverty reduction to be produced by the country that will serve as the framework for ODA), but also to some other initiatives such as CDF and HIPC-II. PRSP (*sensu strictu*) is largely inspired by the Comprehensive Development Framework (CDF), launched by the World Bank (WB). PRSP and CDF largely share the same goals of long-term vision of country ownership, country-led partnership and focus on results.¹ PRSP is also linked to the debt relief programme under the enhanced HIPC (Highly Indebted Poor Countries) initiative. Although formally not connected, PRSP (*sensu strictu*) has to be considered in light of the Millennium Development Goals, underwritten by the international donor community. All these evolutions mark a period in the history of Official Development Assistance in which Programme Based Approaches (PBAS) and in particular general budget support (GBS) have become preferential aid instruments. The role of donors, recipient countries and civil society has changed and this has many implications, not only for the actor in question, but also for its counterparts.

¹ These principles are interrelated.

The new development approach has emerged in a setting where a growing number of aid recipient countries are facing conflict or the severe aftermath of conflict, or have gov-

ernments that lack commitment and / or capacity to poverty reduction. Therefore the new aid paradigm, and in particular the important role ascribed to civil society participation, deserves to be scrutinized in these particular situations. There is an increasing donor attention for these problematic countries referred to as 'conflict countries', 'failed states', 'fragile states', 'low income countries under stress' (LICUS) and so on. This paper reviews the increased attention to these problematic situations and the way in which it impacts upon the general development approach in these countries. It finds that the donor community largely sticks to a new aid paradigm that was devised with very different countries in mind and reiterates the desirability of significant civil society involvement, often with additional urgency. The paper highlights the problematic character of upholding a one size-fits-all paradigm in these specific, yet numerous situations.

2. DONORS' CONCEPTUAL APPROACHES TO FRAGILE STATES

While conflict-affected countries are the clearest examples of problematic countries, donors do not necessarily define their approaches in terms of conflict (post-conflict, conflict-affected, conflict-prone) or limit their particular concerns to conflict-prone countries. Other terminologies are being used: fragile states, low income countries under stress (LICUS), difficult environments, difficult partnerships, poorly performing countries,.... These various descriptions share the concern over governance issues – at both the technocratic and political level – in a partner country. Donors feel that they cannot but engage with these countries. Disengagement from these countries is considered too costly, not only to the country's citizens, but also to its neighbours and the international community and therefore not an option.

Before exploring the way in which donors see their engagement in these countries, the lack of a clear typology deserves to be highlighted and analysed: what type of countries are we actually talking about? Are they homogenous enough to be classified under one denominator? And if not so, does this not suggest that a plurality of donor responses is in order?

2.1. Donors' confusing use of terminology

The lack of uniform terminology or shared understanding when discussing or dealing with 'problematic countries' is well illustrated by the Joint Workshop on Working for Development in Difficult Partnerships (October 2002) and the follow-up Senior Level Forum on Development Effectiveness in Fragile States (January 2005) that were held by OECD-DAC, EC, UNDP and WB. Although donors present shared the same concerns demonstrated by this joint initiative, there was a lack of joint terminology, a fact reflected in the papers presented. Various notions used include difficult partnership, fragile states, poor performers, LICUS (Low Income Countries Under Stress), post-conflict states, difficult environments,

2.1.1. Moving from subjective to objective aspects and back

When analysing the aspects that the various notions take into account, an evolution over time can be discerned. It seems as if - over time - a process of moving away from politically subjective and difficult to grasp aspects such as 'willingness' towards more objectively measurable concepts, such as 'effectiveness' has taken place. The notion of willingness is not only a subjective notion, it can even be said to be a rather woolly concept (does it refer to pro-poor commitment, or willingness to reinforce state function or to solve ongoing conflicts - or all of this together?). Effectiveness is a more technical and therefore more objective concept, yet it is not always clear what types of effectiveness donors want to take into account when referring to poor performers, difficult partnerships, LICUS or fragile states (effectiveness in fighting poverty, in fighting the continuation of the conflict?). The woolliness of concepts, especially that of 'willingness', may of course be instrumental to donor agencies as it leaves more room for subjective definitions and labelling. Whereas OECD-DAC firstly identified willingness and commitment as the key problem when taking up the issue of difficult partnerships (2001), the more technical aspects of effectiveness have later gained importance. According to the OECD-DAC definition difficult partnerships arise where development objectives play a limited role compared to the prolongation of power, with the result that partner governments do not have credible commitment to effective policies and their implementation.² Although clear enough, the problem with such a definition is that it does not readily lend itself to a unique classification of countries. Ask five knowledgeable political observers and you probably end up with five different lists. The shift towards more objective elements may also be related to the involvement of the World Bank with this issue (with the LICUS initiative and their partnering with OECD-DAC). After all the World Bank has no mandate to link its assistance to political judgements. In order for the WB to be able to take into account these aspects of developing countries the concepts need to be made more technical and less political. The concept of difficult partnership (OECD-DAC) was non-technical and highly dependent upon political understandings and judgements. The LICUS notion takes in fact both willingness and effectiveness of a state into account. The WB Task Force Report distinguishes six subcategories of LICUS: countries that are resource-rich but 'policy poor'; countries with exceptionally weak government capacity; countries with a serious misalignment between

² OECD-DAC, *Poor performers: basic approaches for supporting development in difficult partnerships*, Paris, DCD/DAC (2001) 26/REV1, 2001, 8. It is added that these countries often also face weak capacity. For these reasons the DAC partnership model of full government-to-government relationship as reflected in the PRSPs becomes problematic.

government objectives and poverty reduction; countries where Bank engagement is circumscribed; countries recently emerging from conflict and countries that are in the early stages of domestically generated reform processes.³ Other organisations such as UNDP plead for a clear results effectiveness approach when defining fragile states. The UNDP approach is outcome-oriented and the focus lies on the persistence and stagnation or decline of poverty, low levels of human development and little progress towards the MDGs (the Millennium Development Goals). The 2003 UNDP report *Why some countries do better than others*, argues – with regard to the LICUS initiative – for making the MDGs the default test for country performance.⁴ A critical note has to be put to this particular outcome-oriented focus in terms of the MDGs. The major problem is that the MDG targets are not country-specific. They are based on historical data and are an extrapolation for the average of developing countries. These targets were thus based on averages masking very divergent evolutions in various countries. Such targets may thus be realistic and appropriate for developing countries taken as a whole, for individual countries they may be either too ambitious or not ambitious enough. Stating that a given country that is not achieving ‘average’ targets is underperforming is ignoring the particular constraints facing that particular country. It is clear that especially for the countries scoring badly this is both unrealistic and unfair.⁵ This means that even when governments are willing and are strengthening their capacity, they may not perform well in terms of the MDGs. Therefore we estimate that linking MDGs to state fragility is not really contributing to the analysis.

A short overview of other notions used is provided. In terms of subjective versus objective aspects they lie in between the early OECD-DAC difficult partnership notion and the UNDP MDG effectiveness interpretation of state fragility.

Recently, the OECD-DAC increasingly uses the notion of ‘fragile states’ instead of ‘difficult partnership’. The understanding of ‘fragile states’ incorporates both willingness and aspects of effectiveness / capacity. Other donors have also used the notion of fragile states, such as DFID and USAID. DFID’s working definition of fragile states parallels very much the OECD understanding of it and refers to governments that cannot or will not deliver core functions to the majority of its people, including the poor.⁶ Apart from willingness, effectiveness of the state has also become important in the DFID/OECD-DAC definition, namely through the delivery of core functions and the issue of capacity.⁷ USAID adopts a different notion of

³ WORLD BANK, *World Bank Group Work in Low-Income Countries under Stress: a Task Force Report*, Washington, World Bank, September 2002, 4.

⁴ UNDP, *Why some countries do better than others*, New York, UNDP, 2003, 53. This is in line with the UNDP viewpoint on MDG-based PRSPs. See the joint memo of UNDP and the WB on MDG’s and PRSP’s of May 2003 on www.undp.org/content.cfm?id=533.

⁵ See R. RENARD, *The Cracks in the New Aid Paradigm*, Discussion Paper 2006-01, IDPM, University of Antwerp, January 2006. Another major problem of the MDGs, identified by this author, is their incompatibility with the PRSP, especially in terms of ownership.

⁶ For DFID the most important functions of the state for poverty reduction are territorial control, safety and security, capacity to manage public resources, delivery of basic services, and the ability to protect and support the ways in which the poorest people sustain themselves. DFID does not limit its definition of fragile states to those affected by conflict. DFID, *Why we need to work more effectively in fragile states*, London, DFID, January 2005, 7.

⁷ For the DFID definition see also Torres and Anderson: ‘Fragile states are states that are unable or unwilling to harness domestic and international resources effectively for poverty reduction.’ M. TORRES and M. ANDERSON, *Fragile States: Defining Difficult Environments for Poverty Reduction*, London, DFID-PRDE (Poverty Reduction in Difficult Environments Team / Aid Effectiveness Team) Working Paper 1, August 2004, 3. N. LEADER and P. COLENZO, *Aid Instruments in Fragile States. Draft for consultation*, PRDE Working Paper 5, January 2005, 4. Notions such as ‘difficult environments’ are at times used to supplement or replace that of fragile states, the added value of which is not always clear. See e.g. M. TORRES and M. ANDERSON, *o.c.*

fragile states; their strengthening being one of the core goals of US foreign assistance since 2004. For USAID fragile states include failing, failed and recovering states.⁸ In the USAID conceptualisation of fragile states (through failing, failed and recovering states) effectiveness and legitimacy are the two core elements. Further, the issue of security is more present in USAID's understanding of fragile states than in earlier notions.⁹

Donors also use the notion of post-conflict or conflict-prone countries. The WB unit (CPRU) endeavours to design development programmes to the specific characteristics of post-conflict countries. In that way, through aid allocation, the World Bank aims to contribute to peace-building and conflict prevention. Other donors, such as the bilateral members of the OECD-DAC and the EC also target countries vulnerable to conflict.¹⁰ Although donors agree relatively easily on what are conflict and immediate post-conflict countries, it is unclear how long a country bears its post-conflict status. For example: how long after the 1994 genocide does Rwanda remain a post-conflict country? Countries that fall in the category of conflict-prone or post-conflict often also figure in other categories such as fragile states, poor performers, difficult partners, LICUS.¹¹

When donors use such a confusing array of overlapping notions and concepts, academics and policy advisers are often forced to use the same or similar notions, albeit tuning them to their own understanding or introducing their own indicators. Some researchers plead in favour of a clarification of the notion of poorly performing countries and, not surprisingly, argue that this can only be done on the basis of objective indicators. Macrae and others observe that some existing data sets (e.g. LICUS) heavily rely on what they identify as highly subjective indicators.¹² In line with the UNDP focus on results, they adopt a narrow and objective set of indicators to identify poor performers, namely economic growth and infant mortality. In second instance a correlation between economic structure and growth, governance and infant mortality was sought for and they found that no neat category of 'poor performers' is statistically demonstrable. The eagerness for conceptual clarification leads on the one hand to focus on 'results' or 'effectiveness' in terms of outcome, leaving aside more subjective and volatile notions of government willingness and commitment. On the other hand, Macrae and others found that such 'objective' understanding¹³ does not respond to the main concerns of donors (as demonstrated by the lack of correlation between governance indicators and objective notions of poor performers). Therefore they conclude that a new conceptual framework

⁸ Failing states are characterised by a growing inability or unwillingness to assure provision of even basic services and security to their population. Failed states are those in which the central government does not exert effective control over and is unable or unwilling to assure provision of vital services to significant parts of its own territory. Recovering states are those that are still weak but on an upward trajectory in terms of stability and basic governance. USAID, *US Foreign Aid. Meeting the Challenges of the Twenty First Century*, Washington, USAID White paper, January 2004, 19. The USAID document states that they have found a high correlation between ratings of commitment and indicators of fragility (the ratings and indicators are however not made explicit). USAID, o.c., 26

⁹ This is in line with the general foreign policy concerns of the United States.

¹⁰ OECD-DAC, *Guidelines Helping Prevent Violent Conflict*, Paris, OECD, 2001. Among bi-lateral donors, Belgium has a special strategy for peace building and conflict prevention.

¹¹ However they do not always. E.g. Rwanda is in many programs considered as a post-conflict country, but it does not figure on the list of LICUS countries. On the other hand, Burundi is both a conflict country and a LICUS country.

¹² They also consider the 'snapshot' character of these indicators, rather than reviewing trends over time, problematic. Further the value of statistical exercises in which objective and subjective indicators are combined is questioned. J. MACRAE, A. SHEPARD, O. MORRISSEY, A. HARMER, E. ANDERSON, L. PIRON, A. MCKAY, D. CAMMACK and N. KYEGOMBE, *Aid to 'Poorly Performing' Countries: a critical review of Debates and Issues*, London, Overseas Development Institute (ODI), July 2004.

¹³ With the inclusion of ('objective') governance indicators

should be put in place moving away from the concept of ‘poor performers’ to ‘countries that are difficult to assist’. In fact, this means a return to a ‘relational’, ‘subjective’ understanding of the problem (as opposed to an objective one).¹⁴ Yet, the researchers omit to properly define indicators for these relational aspects. One cannot but observe that such a relational understanding brings us close to one of the earliest notions introduced by the OECD-DAC, namely that of ‘difficult partnership’.¹⁵

2.1.2. Illustrating differences

OECD-DAC has never produced a definite list neatly dividing difficult and strong partnerships or fragile states and non-fragile states. The prevalence of difficult partnership and fragile states are best understood as a question of degree. There is thus no straightforward method according to which countries are classified. All the more so, when strictly applying the fragile states’ definition, namely states that cannot or will not deliver core functions to the majority of its people, this may well include most of the low-income developing states. The WB adopts the same policy of not naming names of LICUS. There is no definitive list of LICUS, in some documents lists of LICUS do however appear.¹⁶ At the same time one can observe quite some variation within the group of LICUS countries. This lack of straightforwardness adds confusion to the fluidity in terminology among and even within donor organisations and departments. This leads to unsure and different outcomes for certain countries. Let us illustrate this on the basis of the notions of LICUS (WB), fragile states (OECD-DAC) and post-conflict (WB).

The notion of LICUS has gained a lot of popularity among donors,¹⁷ yet its understanding is far from transparent. The LICUS countries are identified on the basis of low CPIA ratings. First, LICUS countries are countries that scored in the bottom one-third on either policy management or service delivery and on responsiveness to its citizens. In addition to these countries, and this adds more obscurity to the notion of LICUS, some countries with a low CPIA score are ‘added’ to the LICUS pool. The LICUS classification lacks transparency because it is not clear on what basis countries are ‘added’ and because the CPIA scores are not fully disclosed. Therefore it is impossible to determine when a country ‘scores in the bottom one-third’. The only information made available is the aggregated performance rating per policy cluster (economic management, structural policies, social inclusion and public sector) relative

¹⁴ The labelling of a country is then in part a reflection of the political, security and aid relations between that country and the international community. J. MACRAE et al., o.c.

¹⁵ The OECD-DAC used ‘difficult partnership’ and ‘poor performers’ interchangeably. See above.

¹⁶ See C. WESCOTT (Asian Development Bank), *Reforming Governance in East Asia to Promote Economic Growth with Equity*, <http://www.adb.org/Governance/wescotto2.pdf> and N. THORNTON and M. COX, *Developing Poverty Reduction Strategies in Low-Income Countries Under Stress (LICUS). Final Report*, London, Aghulhas Development Consultants, 6 January 2005 and the list of fragile states in OECD, *Piloting the principles for good international engagement in fragile states*, Paris, DCD2005 11/Rev2, 2005. According to the CPIA quintiles of 2001 and the 2001 LICUS Azerbaijan and the Kyrgyz Republic are countries from the 3rd CPIA quintile that are considered LICUS, Cambodia figures in the fourth quintile.

¹⁷ The notion of fragile states is in practice linked to that of LICUS. OECD-DAC tends to consider the CPIA scores for determining fragile states. However, LICUS and fragile states do not fully correspond (see below).

to one another. This information is presented through the categorisation of the countries into quintiles. Comparing a list of LICUS¹⁸ with the countries in the bottom quintiles indicates that all countries in the fifth quintile are considered LICUS, the majority of the fourth quintile and exceptionally some countries of the third quintile. It is however not clear on which basis the countries in the third and fourth quintiles are selected. For CPIA and LICUS 2003, the LICUS countries that do not figure in the fifth CPIA quintile are Georgia (third), Uzbekistan, Chad, Congo (Rep.), Congo (Dem. Rep.), Eritrea, Gambia, Guinea, Niger, Sierra Leone, Cambodia (all in fourth quintile). On the other hand not all countries of the fourth quintile are considered LICUS, for example Djibouti.

Secondly, the different notions used by donors do not lead to one common list of 'problematic' countries; depending upon the notions countries can be on or off list.¹⁹ Often countries considered as fragile states are also considered LICUS, but this is not always true. For example a 2005 paper commissioned by DFID considers Ethiopia and Rwanda as fragile states, while these countries do not figure among the LICUS. Another example is that of Nepal, Yemen and Palestine considered fragile states by the OECD-DAC, but not as LICUS countries.

¹⁸ See C. WESCOTT (Asian Development Bank), *Reforming Governance in East Asia to Promote Economic Growth with Equity*, <http://www.adb.org/Governance/wescotto2.pdf> and N. THORNTON and M. COX, *Developing Poverty Reduction Strategies in Low-Income Countries Under Stress (LICUS). Final Report*, London, Aghulhas Development Consultants, 6 January 2005

¹⁹ Even worse, the same notions are not always interpreted in the same way. For example, USAID adopts a different definition of fragile states than DFID. Further, USAID's understanding of fragile states is distinguished from that of 'poor performers' as according to USAID a country may be a fragile state and simultaneously have a fairly good policy performance (reference is made to Sri Lanka, Indonesia, Nepal, Uganda and Pakistan)

Box 1. Country classification according to some donor documents

	Pilot Fragile State Countries (OECD-DAC) ²⁰	LICUS ²¹ WB	WB study on PRSP in Post-conflict countries - countries involved
Burundi		* (Fifth percentile CPIA)	*
Cambodia			*
Chad		* (Fourth Percentile CPIA)	*
Democratic Republic of Congo	*	* (Fourth percentile CPIA)	
Georgia		* (Third percentile CPIA)	*
Guinea Bissau	*	* (Fifth percentile CPIA)	
Haiti	*	* (Fifth percentile CPIA)	
Nepal	*		*
Palestine	*		
Rwanda			*
Sierra Leone		* (Fourth percentile CPIA)	*
Somalia	*	*	
Solomon Islands	*	* (Fifth percentile CPIA)	
Sudan	*	* (Fifth percentile CPIA)	
Yemen	Pilot		
Zimbabwe	Pilot	LICUS (Fifth percentile CPIA)	

²⁰ List of fragile states in OECD, *Piloting the Principles for Good International Engagement*, o.c., 2005. As there is no list of fragile states available, the examples given are merely indicative.

²¹ Comparison between the list of LICUS in N. THORNTON and M. COX, o.c. and the list of fragile states in OECD, *Piloting the Principles for Good International Engagement*. o.c., 2005.

Legend: (1) the empty boxes indicate that the countries are not involved in the OECD-DAC pilot or WB study and that no information is available on whether they are regarded as fragile states or post-conflict countries by the respective institutions. (2) the grey cells indicate inconsistencies.

Remark: the list of LICUS is not the full list. It is limited to the countries either involved in the OECD-DAC pilot or the mentioned WB study.

2.1.3. Proposal to further unravel 'willingness' and 'effectiveness'

All the notions discussed above refer to a certain extent to two key dimensions, namely 'willingness' and 'effectiveness'. As mentioned above, these notions are not as clear-cut as they may seem at first sight; yet combining these two dimensions offers some interesting insight in types of governments. On the basis of these two dimensions four types of governments can be distinguished: governments with a strong willingness and capacity (the ideal situation); governments with weak willingness and stronger effectiveness; governments with strong willingness; and weak effectiveness and governments with both weak willingness and effectiveness.

Scheme 1. Typology of states according to willingness and effectiveness

Willingness		
+	State with little/no effectiveness but strong willingness	State with strong willingness and effectiveness (= ideal)
-	State with little/no effectiveness and little willingness	State with strong effectiveness but little willingness
		Effectiveness

Source: based on M. Torres and M. Anderson, *Fragile states: defining difficult environments for poverty reduction*, London, DFID – PRDE, August 2004.

This typology seems useful and a first step in the further differentiation of problematic countries. It is advocated by Torres and Anderson,²² but other authors have launched similar attempts to structure states and governments in order to differentiate aid policies. Radelet for example uses the country’s quality of governance on the one hand and the commitment to development on the other hand to distinguish strong-governance countries, weak-governance countries and average-governance countries.²³ With regard to the two-dimensional approach of willingness and effectiveness, it needs to be said that these two key dimensions are unlikely to fully grasp the various situations and problems. Further specifications on the basis of sub-dimensions seem required since there is still an enormous variation within the group of countries involved. In terms of willingness it needs to be further specified what the government in question is committed to. For example, in a post-conflict country, a government can be very committed to economic growth, but little willing to deal with the conflict and the social cleavages in society. For a post-conflict country it seems however crucial to deal with the conflict issues at stake, especially when long term peace and development is aimed at. What governments are committed to or willing to seems thus a crucial question in these cases. The same goes for the effectiveness dimension; in which domains can the government be effective given the legacy of the conflict? The importance for aid policies of such further specifications is demonstrated by Collier and Hoeffler when they compare post-conflict countries and non post-conflict countries with similar CPIA scores. With regard to the impact of several types of policies they conclude that the differential impact of social policy in post-conflict countries on growth is higher than in non post-conflict countries.²⁴ Further specification may unravel differential impacts as it is unlikely that one set of policy measures will work in all LICUS or fragile state countries.

²² M. TORRES and M. ANDERSON, *o.c.*, 19. A similar classification is made in DFID, *o.c.*, January 2005, 8.

²³ S. RADELET, *From Pushing Reforms to Pulling Reforms: the Role of Challenge Programs in Foreign Aid Policy*, Center for Global Development, Working Paper Number 53, February 2005, 30p.

²⁴ P. COLLIER and A. HOEFFLER, *Aid, Policy and Growth in Post-Conflict Societies*, Washington, WB Policy Research Working Papers 2902, 2002, 12.

2.2. Donor policies

Donors have devised some specific policies for the country categories described above. A good example is the WB unit on conflict prevention and reconstruction. This unit assesses the causes, consequences and characteristics of conflict. Through the post-conflict fund the WB provides financing for physical and social reconstruction initiatives in war-torn societies. The Bank has for example financed such initiatives in Afghanistan, Africa's Great Lakes Region, Liberia, Sierra Leone, East Timor and Nepal. Bilateral donors undertake similar actions within their development policy framework. Belgium for example has a specific budget for conflict prevention and peace building. Within the terms of this budget line initiatives in Africa's Great Lakes Region were financed. Policies specifically designed to respond to the legacies of the violent past differ somewhat from general development policies in these post-conflict societies. Apart from dealing with the conflict, these countries have to face the general challenges of development (such as education and health) albeit in a specific post-conflict or fragile context.

As demonstrated above, donors dealing with general development issues in conflict, difficult or fragile situations use a wider terminology that recently tends to converge around the notions of fragile states and LICUS. Although there is a complete lack of harmonisation of notions and understandings of them, there is an increased effort among donors to think about the specificities of these situations and their implications for the development agenda and approach. The increased attention and various studies on the topic unveil many problematic aspects for drafting a development policy in these countries. However, when analysing the findings of recent research and discourse we identify some inconsistencies and leaps which seem largely due to an overall eagerness to uphold the PRSP framework as the unquestioned development paradigm. So far, few donors have adopted a characteristic development approach in these countries (i.e. apart from the targeted policies such as conflict prevention and reconstruction). Despite the lack of clear policies, donors have now agreed to harmonise their engagement in fragile states. Following the discussion at the January Senior Level Forum on Development Effectiveness in Fragile states a list of Principles for Good International Engagement in Fragile States was put together at the OECD level. These twelve principles are a first step in harmonising donors' actions in these problematic environments. The background

material of the January 2005 Senior Forum and related publications, however, display sometimes contradictory views on donor activities and interventions.

2.2.1. PRSP as the right tool?

A study prepared for the LICUS Team in the WB (with financial support from DFID), commissioned for the January 2005 Senior Level Forum on Development Effectiveness in Fragile States, presents a list of 34 LICUS countries (on the basis of the CPIA scores of 2003).²⁵ The study of Thornton and Cox indicates that of the list of 34 LICUS, 7 had approved PRSPs and 8 I-PRSPs at the end of 2004. Updated for August 2005, 7 LICUS countries have an I-PRSP (Burundi, Central African Republic, Republic of Congo, Democratic Republic of Congo, Côte D'Ivoire, Guinea Bissau and Uzbekistan) and 11 LICUS countries have a PRSP (Cambodia, Chad, Gambia, Georgia, Guinea, Lao PDR, Niger, Sao Tome and Principe, Sierra Leone, Tajikistan, and East Timor). This update is based upon the information available on the website of the World Bank (August 2005). East Timor developed a PRSP in 2002 but the Joint Staff Advisory Note (JSAN) dates from 2005, this is probably the reason why it was not included in the report of Thornton and Cox. For Sao Tome and Principe no JSAN is currently available. Sierra Leone, Lao PDR have full PRSPs only recently. The IPRSPs of Uzbekistan and the Republic of Congo did neither figure in the Thornton and Cox report. The latter report mentions (in January 2005) for East Timor that PRS is seen as overambitious, the recent JSAN of April 2005 illustrates the eagerness to adhere to the PRSP framework for LICUS. Similarly PRSPs are developed in post-conflict countries. A recent WB report discusses PRSPs adopted in post-conflict countries. The report studies PRSP processes in nine conflict affected countries: Burundi, Chad, Rwanda, Sierra Leone, Cambodia, Bosnia and Herzegovina, Georgia, Nepal and Sri Lanka.²⁶

This rapid increase of PRSPs demonstrates that LICUS countries are fully drawn into the new aid paradigm. This comes as a surprise on the basis of the LICUS Task Force Report. One of the main principles of PRSP is country ownership; PRSP is par excellence a model of country-led partnership. The LICUS Task Force Report stresses though that while country-led partnership is typically the right model, it is difficult to apply in LICUS.²⁷ Because of the lack of capacity and willingness of political decision makers LICUS countries fail to meet the most basic governance requirements for this development model. Partnership in general is considered problematic by the

²⁵ N. THORNTON and M. COX, o.c.

²⁶ WORLD BANK, *Toward a conflict-sensitive poverty reduction strategy. Lessons from a retrospective analysis*, Washington, World Bank, June 2005, 21.

²⁷ WORLD BANK, o.c., September 2002, 8.

Task Force Report because the government can neither lead reform nor deploy aid resources effectively. Even more it says: *'If large resources are channelled to the government using existing modalities, the likely effect may be to worsen governance, exacerbating the core problem.'*²⁸ The same critical considerations were made by the OECD-DAC in its early report on difficult partnerships (or poor performers); the DAC partnership model cannot function properly when the key elements of ownership and commitment are lacking. The 2001 note on difficult partnerships explicitly states *'thus, for example, 'difficult partnership' countries would generally not qualify for donor-supported PRSPs'*.²⁹ The rapid increase and relatively high number of LICUS countries (almost 1/2) engaging in the PRSP process seem inconsistent with these findings. PRSP processes are going ahead in countries even before the end of conflict or without effective control over territory or institutions.³⁰ Contrary to the critical voices of OECD-DAC in 2001 and in the Task Force Report, Thornton and Cox consider PRSP the right tool for LICUS countries: *'Preparing a PRSP should remain the preferred option., wherever there is a government willing and able to lead the process. There need be no other institutional prerequisites, as the PRS approach itself is the best means of developing the required institutional capacity.'*³¹ The statement is somewhat self-defeating as LICUS are almost by definition not 'able and willing'. The enthusiasm aired is not really underscored by practice as in many LICUS the preparation of I-PRSPs or PRSPs or implementation timetables undergo lengthy delays and are threatened by political instability, institutional fragmentation or security problems.³² Similarly, the World Bank Report on the conflict-sensitiveness of poverty reduction strategies in conflict-affected countries asserts that there is a real need for a PRS framework in such countries. The way in which conflict elements are integrated in the PRS process and documents should be improved according to the report. But suitability of the new PRS paradigm in conflict-affected or conflict-prone countries is not fundamentally questioned.³³ This belief in the wholesale applicability of the new development paradigm simply overlooks the fact that the partnership model incorporated in that paradigm is at odds with the lack of capacity and willingness of the governments of fragile states, LICUS countries and conflict affected countries. Donor disagreement over the approach to be taken in these countries illustrates the tensions and leads to situations where certain donors provide budgetary support to the PRSP and others continue to support projects that are at times not even within the priority areas identified in the PRSP.³⁴

²⁸ Ibidem, 9.

²⁹ OECD-DAC, Poor Performers. o.c., 2001, 4. See also ODI, *National Poverty Reduction Strategies (PRSPs) in Conflict-Affected Countries in Africa*, London, ODI Briefing note 6, 2003. See also *'... it's not helpful to pretend that we are in the world of partnership in LICUS countries'*, P. COLLIER, *Policy-Based Lending in LICUS countries*, Presentation at the WB workshop Conditionality Revisited, Development Policy Forum, 21 August 2005, www.siteresources.worldbank.org/projects/resources/session2PaulCollierPC.pdf.

³⁰ ODI, o.c.

³¹ N. THORNTON and M. COX, o.c., 1.

³² 'Off track' of IPRSPs, PRSPs or timetables for example in Central African Republic, Democratic Republic of Congo, Guinea, Guinea Bissau. Security problems in e.g. Sierra Leone. Political instability e.g. in Georgia. Different views of donors concerning the process in e.g. Chad. See Annex A, N. THORNTON and M. COX, o.c.

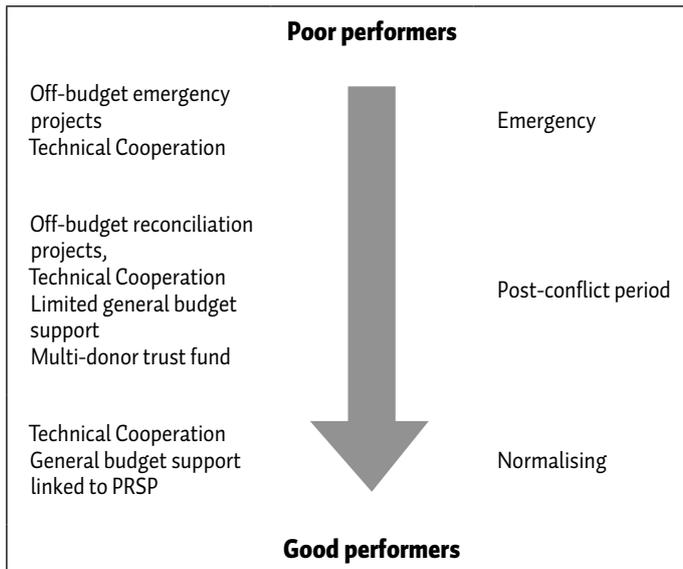
³³ WORLD BANK, o.c., June 2005.

³⁴ Ibidem, 54.

2.2.2. Overload of instruments?

The new development paradigm has risen out of the ashes of the two preceding, but now largely discredited aid instruments i.e. projects and structural adjustment programs. Budget support responds more to the new framework as it implies a full alignment with a country's PRSP. General budget support implies a financial support to the government and its development plans (e.g. the priority settings) as a whole. With sector budget support, the support of the national policy is limited to the sector in question (e.g. education). Projects can be seen as the opposite of general budget support. Unlike GBS, projects imply a high level of donor visibility and a stringent follow-up of funds and project outcomes. With GBS donors cannot knit their input to a specific outcome, they lose donor ownership and control over specific activities. The loss of donor control over activities may be somewhat tempered by certain modalities such as earmarking of budgets awarded to the recipient governments. Among donors budget support is the new code word and lack of engagement in this new approach may mean the loss of an important diplomatic / negotiating position in the partner country. The eagerness of some donors to engage in this new aid instrument stands, again, in stark contrast with the lack of capacity or will of certain partner countries. This leads to the situation where some donors engage in budget support, while others feel they can only engage in projects. An internal DFID document from 2002 proposes a gradual approach in which projects remain a valid option, depending upon the performance of a country. Budget support in combination with a PRPS is however the approach DFID strives for when the situation in a country has normalised; when governments have improved their performance.

Box 2: DFID aid instruments along country performance



Source: N. Leader and P. Colenso³⁵

Leader and Colenso estimate that this flow guides the aid instrument choices, not only of DFID, but also of other donors such as the WB and the OECD. The general tendency towards PRSPs and the rapid increase of PRSPs in LICUS described above, indicate that this may be in contradiction with current donor practice. DFID policy indeed reflects this contradiction between discourse and practice. The Poverty Reduction Budget Support Strategy of DFID reiterates the transitional approach in formal terms: *'In poor policy environments (where the policy framework or its implementation and/or financial managements systems are weak), if we are able to give financial assistance, we will use projects to support the development of PRS processes...'*³⁶ Budget support will only be considered when the country circumstances are judged favourable. However, DFID has given Poverty Reduction Budget Support to Sierra Leone, Afghanistan and East Timor which are all three LICUS countries.³⁷ This illustrates that donors tend to downsize the number of aid instruments to work with, all in favour of the new instrument of budget support. There is little reflection, at least in documents accessible by outsiders, on what the comparative advantage of the different aid instruments may be. It is surprising to what extent variety is being shunned, as if it creates confusion or overload. Old instruments are bad, the new ones are unquestioned. This black and white reasoning is to our mind needlessly oversimplifying and cuts out past experiences. It may be interesting to disaggregate the usefulness of various instruments according to the specific country circumstances, as is done at times in donor discourse, but forgotten in donor

³⁵ N. LEADER and P. COLENZO, o.c.. The information is based on an internal DFID document from 2002 (as used in the cited paper, details unknown). This scheme parallels the one developed by Radelet. He proposes various instruments depending upon the country's governance and commitment. See S. RADELET, o.c.

³⁶ DFID, *Poverty Reduction Budget Support*, London, DFID, May 2004, 5. Poverty Reduction Budget Support is defined as Direct (or general) Budget Support.

³⁷ *Ibidem*, 6.

practice. Leader and Colenso conclude that in fragile states a broad mix of aid instruments will be appropriate, which seems indeed preferable to throwing away the old in favour of the new. In composing this mix, the place of a country on the performance continuum seems less important for Leader and Colenso; about anything may work in a fragile state (as in a good performer state) if enough safeguards are built in.³⁸ In stark contrast with this, stands the finding that building in safeguards and conditionalities are least effective in fragile states.³⁹ Up to date it remains unclear how to effectively build in safeguards in fragile states. Therefore adopting general budget support as the best approach in fragile states seems a risky enterprise. A mix of instruments along the continuum of performance – as is also proposed by Radelet⁴⁰ – may avoid the problem of ‘aid orphans’ – the bad performers receiving little donor support because the partnership model that donors wish to adhere to does not apply. Selectivity is implicit in the new development paradigm and partnership model. Strict selectivity results in some countries receiving little aid. As discussed above, donors have agreed that – given the downward spiral and the negative effects upon poverty and stability (both national and regional) – opting out is unacceptable. Allowing a wider variety of instruments can avoid the dichotomic dilemma. A continuum of aid instruments is also more likely to respond to the development reality.

2.2.3. Too many donor planning formats?

Donor engagement is linked to specific planning formats that guide or clarify donor interventions. Many donors had (or still have) different formats. The PRSP is only a partial response to the overload of donor formats. There is a tendency among donor agencies to see the PRSP as the sole and all-embracing framework for engagement – even in fragile states, LICUS, conflict-affected countries, as illustrated above.⁴¹ However, PRSP does not really solve the issue of too many planning formats as the same donors seem to feel that many particular country situations require as many specific frameworks and different ‘helpful’ ones are proposed. Post-conflict countries are for example advised (or forced) to make a coherent peace agreement (often including governance and development issues), a post-conflict needs assessment,⁴² a transitional results matrix (instrument of the WB),⁴³ a transitional consolidated action plan (instrument of the UN Office for the Coordination of Humanitarian Affairs – UN OCHA), a demobilisation and reintegration action plan, needs assessments in preparation

³⁸ N. LEADER and P. COLENSO, *o.c.*, 50-51. Keywords are alignment and harmonisation.

³⁹ DFID, *Partnerships for poverty reduction: rethinking conditionality*, London, DFID, March 2005.

⁴⁰ See also S. RADELET, *From Pushing to Pulling Reforms: The Role of Challenge Programs in Foreign Aid Policy*, Washington, Centre for Global Development Working Paper No 53, 2005. Radelet proposes to differentiate instruments according to governance performance. He distinguishes between good governance, average governance and weak governance.

⁴¹ ODI, *o.c.*, 12.

⁴² U. KIEVELITZ, T. SCHAEF, M. LEONHARDT, H. HAHN and S. VORWERK, *Practical guide to multilateral needs assessments in post-conflict situations. A joint UNDG, UNDP and WB Guide*, prepared by GTZ, s.l., s.d.

⁴³ WB and UNITED NATIONS DEVELOPMENT GROUP, *An operational note on Transitional Results Matrices. Using results-based frameworks in fragile states*, Washington, World Bank, January 2005.

of a PRSP and a PRSP or an interim PRSP. Different planning formats are applied concurrently, but they are little coordinated, let alone mutually integrated. The recent WB report on post-conflict countries confirms that PRSPs gain relatively little from in-country processes such as peace agreements, joint needs assessments and transitional results frameworks.⁴⁴ The available analyses are not informing program decisions of the national government, or for that matter of the donors. There is no cross-reading between the various instruments even if they might all furnish valuable input for the country specificity of a PRSP.⁴⁵ The JSA or JSAN have so far not given specific advice or guidelines for PRS in conflict-affected countries, fragile states, poor performers or LICUS. However, donors have started to reflect on the issue as the very recent increased attention for these countries demonstrates. PRSPs should not wipe away all other valuable formats; it should rather integrate in a better way the findings of these instruments. Their development is demanding. An unbridled production of formats (or requests for it by donors) may be very burdensome for a country and in case there is no proper cross-reading between them, the added value may be too limited.

2.2.4. Quick pay-offs or institutional reform?

In terms of developing a practical policy implying priority setting, another tension rises in donor discourse. On the one hand quick pay-offs are advocated in fragile states. The situation the local population is living in requires a quick response, mainly in terms of service delivery. Further reforms can then be built on the basis of these quick pay-offs. Quick and tangible results have to feed the process, dynamics and trust for reform.⁴⁶ Since the state is often unable to deliver social services, civil society is viewed as an important actor in the initial phase of service delivery. On the other hand institutional reforms are prioritised when engaging in fragile states or difficult environments. Since the main problem of these countries lies with the government and its institutions, institutional reform is a key policy element donors should focus on. To what extent are quick pay-offs and institutional reform compatible? First, institutional reform inherently is a slow process – no quick fixes can be expected, neither will quick pay-offs spring from it. Second, when delivering to the poor is done by civil society, by default of a capable state, it risks seriously undermining any sort of institution building efforts because of the bypassing of the government in place. In this case, civil society is encouraged to take over government tasks. Quick pay-offs, service deliv-

⁴⁴ WB, o.c., June 2005, 59.

⁴⁵ Picciotto et al. recommend that poverty reduction strategy papers and public expenditure reviews should be informed by conflict assessments. R. PICCIOTTO, C. ALAO, E. IKPE, M. KIMANI and R. SLADE, *Striking a new balance. Donor policy coherence and development cooperation in difficult environments*, London, International Policy Institute – University of London, January 2005, 9.

⁴⁶ WORLD BANK, o.c., September 2002, 25.

ery and institutional reform risk to be competing processes on which more reflection seems needed.

In April 2005, OECD-DAC launched Principles for Good International Engagement in Fragile States. The principle incorporating the most important shift is principle 3: ‘Focus on state-building as the central objective’, as state-building has so far never been the central objective.⁴⁷ The principles underscore at the same time that a vibrant civil society is important and may even play a critical role in providing services when the government lacks will and/or capacity to do so (principle 9). Interesting suggestions – albeit mainly in theory – are made on the organisation of service delivery in such a way that it does not necessarily undermine the state in the long term, for example through ‘independent service authorities’. They imply a minimum initial government involvement, but allow for a gradual increase.⁴⁸ Nevertheless the objectives deserve to be clarified and set out against a time line: what are the main objectives or goals that donors want to stimulate and what is the corresponding time frame. Further a distinction between ‘state building’ and ‘institutional capacity building’ may be useful when setting priorities and timetables.⁴⁹

2.2.5. The higher the need for harmonisation, the more difficult it becomes?

In order to achieve some progress in fragile states the need for harmonisation among donors becomes even more important than in other countries. By default of coherent donor positioning, strategic alliances of partner governments risk to undermine sustainable progress. All donors agree, as is demonstrated by the adoption of the OECD-DAC Principles for good international engagement in fragile states together with the Paris Declaration on Harmonisation, on the importance to harmonise in fragile states.⁵⁰ The unequivocal call for harmonisation risks however to be undermined because of the lack of agreement on the fragility of states. Deciding whether a particular state lacks the capacity and especially the will to engage properly in the development exercise is essentially a political decision. The fragility of the state is interpreted in a somewhat technocratic fashion through the notion of capacity, but the core dilemma rests with politics. This gives rise to situations where donors interpret government commitment very differently; some donors may perceive progress while others find the situation deteriorating. This is not only due to a different assessment of events, but also to the political implications linked to decisions made, e.g. at the level of general foreign policy.

⁴⁷ Thornton and Cox also recommend that PRSPs in LICUS should focus more on governance reforms and the institutional requirements for poverty reduction. Monitoring and reporting in the first PRSP cycle around institutional change. T. THORNTON and M. COX, o.c., 11-12.

⁴⁸ WB, o.c., September 2002, 25.

⁴⁹ According to us state building regards a larger project of organising the relationship between national authorities and the population.

⁵⁰ OECD-DAC, *Paris Declaration on Aid Effectiveness. Ownership, Harmonisation, Alignment, Results and Mutual Accountability*, Paris, OECD-DAC, March 2005 (37-39).

Some donors, such as the WB, are not even supposed to make political assessments of the countries they are involved with. However, the EC can, but its positions do not always seem inspired by thorough consultation of its member states, but neither do they seem to be the outcome of a coherent policy line of the EC itself. The lack of uniform terminology and country lists discussed above is indicative of the more fundamental problem of (dis)agreement over fundamentally political decisions.

2.2.6. Principles for good international engagement in fragile states: a way forward?

Despite the fundamental lack of donor agreement on which partner countries are not willing or not committed enough, they agree on the need for a particular development approach adapted to these environments of weak ownership and capacity. Following this shared conviction, principles for good international engagement in fragile states have been agreed upon. The OECD-DAC principles lay out twelve rules: (1) Take context as the starting point; (2) move from reaction to prevention; (3) focus on state-building as the central objective; (4) align with local priorities and/or systems; (5) recognise the political-security-development nexus; (6) Promote coherence between donor government agencies; (7) agree on practical co-ordination mechanisms between international actors; (8) do no harm; (9) mix and sequence aid instruments to fit the context; (10) act fast; (11) but stay engaged long enough to give success a chance; (12) avoid pockets of exclusion. These principles, together with the specific section of the Paris Declaration on aid effectiveness, are the first of its kind focussing on fragile states. This in itself is laudable and embodies the good intentions of donors to take the fragile state problem seriously. However, these principles cover up some fundamental oppositions instead of airing shared convictions about how to determine development engagement in these countries. Donors do not only disagree on which countries are to be considered fragile states and which are not, but they do not share a common development approach to these countries – despite their shared conviction that a specific approach is required. Even worse, most donors have no coherent set of principles within their own development agencies. The majority of the OECD-DAC principles focus on donor behaviour rather than on concrete development approaches or instruments. Principle (3) ‘Focus on state-building as the central objective’ and principle (9) ‘Mix and sequence aid instruments to fit the context’ are the most directive principles in this regard. However, as discussed, state-building as a

central objective is not as clear-cut for donors as it may seem from the principles, neither is the issue of mixing and sequencing instruments. As mentioned above, some donors adhere to general budget support and others to project support. This situation is unlikely to constitute the adequate response to the concern of both harmonisation and proper mixing and sequencing of aid instruments. The endeavour to harmonise the approach in fragile states is laudable,⁵¹ yet it risks being undermined by fundamental disagreements even if they are hidden from view by donors' outward agreement on the principles. These thorny issues need to be tackled with some urgency. Donors should be in particular aware of the fact that the harmonisation effort risks becoming a superficial exercise amongst themselves without clear strategy for and involvement of the partner country. The risk is that donors' successful harmonisation along vague principles does not produce an effective development policy in the fields.⁵²

3. IMPLICATIONS FOR CIVIL SOCIETY PARTICIPATION

Within the new aid paradigm civil society has been ascribed a central role through participation in the policy process. Such participation is even a prior condition before a PRSP is endorsed by the donor community. Given the fact that, as discussed above, the new aid paradigm is judged to be largely applicable in fragile states, LICUS or (post-)conflict countries, the implications for participation and the participation conditionality deserves to be studied. First the role of participation in the new aid framework will be discussed.

3.1. Civil society participation: the dogma of the 21st Century?

The PRSP Sourcebook defines participation as '*the process by which stakeholders influence and share control over priority setting, policymaking, resource allocations and/or program implementation*'. It is stressed that there is no blueprint for participation processes as every context differs; nevertheless this definition indicates that participation goes beyond information sharing and consultation.⁵³ The function for civil society in development policies has shifted from implementation to a crucial actor in policy making. This move away from a technical approach to a political approach reflects the explicit recognition

⁵¹ Harmonization should go beyond many of the current so-called harmonisation efforts in the field which are often limited to co-ordination or even information meetings among donor agents.

⁵² The OECD-DAC principles will be piloted in 9 countries: DRC, Guinea Bissau, Haiti, Nepal, Palestine, Somalia, Solomon Islands, Sudan, Yemen, Zimbabwe. In each country one or a group of donors volunteered to lead the piloting. For example DRC is piloted by Belgium, together with the United States and the European Commission; Sudan is facilitated by Norway, Zimbabwe by the European Commission. The first experiences in DRC indicate a lot of good will with the donor community, but not necessarily with the partner government.

⁵³ Pretty distinguishes various levels of participation. What the sourcebook defines as participation (namely influencing and sharing control over) goes beyond what is described by this author as consultation. See J. PRETTY, 'Participatory learning for sustainable agriculture', *World Development*, 1995, Vol. 28, N°8, 1251-1253, pp. 1247-1263.

of the political character of aid policies by the donor community when it conceived the new aid paradigm. This fairly fundamental shift in donor thinking has not come overnight; it is based on a very particular reading of the past failure of development assistance and is grounded in high expectations about what civil society participation could bring about.

3.1.1. Participation as a response to aid failure

Just before the turn of the century, consensus emerged over the failure of some aspects of ODA. Agreement grew over the failure of the principle of aid conditionality. In particular, the lack of local ownership of policy reforms imposed from the outside was considered a main cause for the ineffectiveness of aid. Both donors and governments of recipient countries were considered responsible for these failures. Recipient countries were mainly blamed for their failure in maintaining good governance (corruption, malfunctioning of public services, lack of transparency, lack of accountability, lack of commitment). Donors were criticised for undermining institution building and ownership at the governmental level. In response to these “political” rather than “technical” flaws, new aid modalities were devised, among which civil society participation is one of the more striking features.

3.1.2 Merits of Participation

Participation is given central attention because many good things are believed to spring from it. Key feature of the new aid paradigm is that policies have to be internally driven and not donor driven. Such home-grown policies are more durable and effective. Ownership can be achieved through broad participation processes. According to this reasoning, locally owned policies will lead to a country-specific anti-poverty priority setting and in particular will be more likely to be implemented. Further, participation will increase the accountability of the national government towards its own citizens. Increased accountability will in turn contribute to good governance. Within this framework and discourse, civil society participation is thus expected to contribute to three interconnected results: ownership, pro-poor effectiveness and accountability.⁵⁴ On top of all these good things that are expected to spring from participation, civil society participation is considered a high democratic value in itself.

⁵⁴ These three concepts are taken from R. RENARD and N. MOLENAERS, *Civil society participation in Rwanda's poverty reduction strategy*, Antwerp, IDPM Discussion Paper, 2003.

(a) Ownership

Local ownership is central to the renewed anti-poverty commitment. The aim of local ownership is rather ambitious in the sense that it does not only imply the government but all stakeholders. PRS processes should outline national policies on which the government and local populations agree. Such agreement (consensus) implies broad participation in decision-making and priority setting.⁵⁵ It is believed that involvement of civil society organisations furthers such broad ownership as they are seen to represent or defend the interests of the local poor.

⁵⁵ N. van de WALLE argues that government ownership and broad based ownership are not necessarily complementary. Yet, the current discourse pays little attention to potential tensions between these two types of ownership. N. van de WALLE, *Overcoming Stagnation in Aid-Dependent Countries*, Washington, Centre for Global Development, March 2005, 49-50, 66.

(b) Pro-poor effectiveness

The ultimate goal of development policies is poverty reduction, thus PRSPs have to be pro-poor effective. Participation of civil society can contribute to such pro-poor effectiveness of policies by bringing out the poverty issues and concerns of local poor. The concept of poverty has evolved and it is now generally accepted that poverty is not limited to socio-economic deprivation. Fighting poverty implies encompassing the multiple dimensions of general well-being and creating space for the poor people's ideas of it.⁵⁶ Civil society participation will bring about poor people's view (voices) and is therefore crucial to pro-poor effectiveness.

⁵⁶ D. NARAYAN, *Voices of the poor. Crying out for change*, New York, Oxford University Press, 2000, 264.

(c) Accountability

Civil society participation is expected to increase the accountability of the government. Civil society is not only awarded a role in the design stage of the PRSP, but also in monitoring and evaluation. Following up the implementation of the PRSP as well as assessing its successes and failures provides it with the means to demonstrate the gaps between reality and policy as promised by the government. In that way, civil society watches government and exerts pressure towards good governance and transparency; state institutions can thus be made more responsive to the poor people through participation of civil society.⁵⁷ The idea that participation increases accountability is strongly related to its instrumental contribution to democratic practices. The 'automatic' contribution of participation to democratic values is not the key issue in this paper and the controversy surrounding it reaches far beyond the new aid paradigm, yet the conclusions drawn in this paper may well put this automatic relationship between participation and democracy into question.

⁵⁷ WORLD BANK, *World Development Report 2000-2001*, Washington, World Bank, 2001, 100.

(d) Participation as a value in itself

Apart from contributing to democracy and a more democratic culture, participation is believed to be good in itself. It provides citizens with a constructive experience. This intrinsic value is seldom put into question; it is a moral postulate and thus not subject to testing. It elevates participation from a method to increase ownership, pro-poor effectiveness and accountability, to a goal in itself. This might be interpreted to mean that, even in cases where its contributions to the first three elements are negligible, it remains worthwhile engaging in.⁵⁸ The postulated intrinsic value assumes that all participation is to some extent good participation, an assumption that will not remain unchallenged in this paper.

⁵⁸ On the intrinsic and extrinsic values of participation see N. MOLENAERS and R. RENARD, *Participation in PRSP processes: Conditions for Pro-Poor Effectiveness*, IDPM-UA Paper presented at the 11th EADI General Conference, Bonn, 21-24 September 2005.

3.1.3. Background assumptions

The new orthodoxy of civil society participation relies largely on four key assumptions. These assumptions are manifestations of a consensus model as opposed to a conflict model of participation.

First, it implies the *assumption of overall representation*. The pro-poor effectiveness of a policy will only increase when the interests of the poor are truly defended/represented. This supposes that the voices of *all* different categories of poor or marginalized groups find their way to the debate. Access to the dialogue or participation should not be discriminatory or exclusive.

Second, *peaceful agreement* is assumed. Broad ownership implies that all stakeholders in the process agree on the priority settings of the policy. This agreement is at times presented as a natural outcome of participation; differences are expected either not to arise or to be peacefully resolved. Within such consensus approach little attention is given to conflicts that may rise between governments and civil society and even among civil society organisations. It implies that participation results in a set of undisputed priorities.

The third assumption is that of *equal arms*. Civil society organisations can only make the claims of the poor heard when they have the skills to do so. In addition to basic technical skills, a balanced dialogue requires sufficient (and ideally even equal) means for all stakeholders to participate in the debate. Transparency of arguments of stakeholders is required to ensure equality of arms and strength at the participation table.

Lack of capacity hampers all positive offspring of the participation effort.

Finally, *power neutrality* is key to the consensus model of participation. The assumption of power neutrality implies that differences in power which are bound to exist, somehow have no effect on the participation process. Power politics are not to play a role. The political opportunity structure is not supposed to jeopardise the participation process in any major way.⁵⁹

To put the foregoing more critically, participation is conceived of as a largely apolitical process. Elements of disagreement, conflict, power relations, restraining legal frameworks, and social dynamics are either ignored or it is assumed that they do not constitute a major stumbling block and that they can be overcome. This approach seems based on a “by default” reasoning, rather than on the basis of actual merits and achievements of civil society participation.

3.1.4. Full support of the international donor community

The international donor community has rallied behind the PRS framework in which participation is central, to the point of imposing it as a condition. The World Bank, together with the IMF, fully adheres to it the new aid framework and promotes it. The OECD-DAC guidelines on poverty reduction suggest that the broad donor community not only abides by the national strategies for poverty reduction (PRSP), but by the entire new paradigm, in which participation is a crucial element alongside other elements such as multidimensionality of poverty, good governance, ownership, partnership, selectivity of ODA⁶⁰ and donor harmonisation. The EC, for instance, as well as some important donors, especially the so-called like-minded countries, have become explicit defenders of the new paradigm, a fact reflected in their development strategies.

Commitment to the new approach and the importance of participation is reflected in sourcebooks or background papers on how to deal with participation. The World Bank PRSP Sourcebook devotes for example a specific chapter to participation. The participation approach is substantiated by several background World Bank papers, one particularly important contribution being D. Narayan's *Voices of the Poor*. Similarly the EC produced a document on the participation of non-state ac-

⁵⁹ The four key assumptions are derived from various sources of literature on participation models and interest groups. Parallel notions are discerned in both consensus and conflict models of participation and studies in both Western and non-Western societies. Main sources are: J. Mc CARTHY and M. ZALD, 'Resource mobilization and social movements: a partial theory', *American Journal of Sociology*, 1977, 1212-1241; D. Mc ADAM, C. TILLY and S. TARROW, 'To map contentious politics', *Mobilization*, 1996, 17-34; D. MEYER and S. STAGGENBORG, 'Movements, counter-movements and the structure of political opportunity', *American Journal of Sociology*, 1996, 1628-1660; J. STIGLITZ, 'Participation and development', *Review of Development Economics*, 2002, 6/2, 163-182; F. CLEAVER, 'Paradoxes of participation: questioning participatory approaches to development', *Journal of International Development*, 1999, 597-612; V. CHOTRAY, 'The negation of politics in participatory development projects, Andhra Pradesh', *Development and Change*, 2004, 327-352; B. FLYVBJERG, 'Empowering civil society: Habermas, Foucault and the question of conflict', in M. DOUGLASS and J. FRIEDMANN, *Cities for citizens*, Chichester, John Wiley & Sons, 1998, 187-211; J. HABERMAS, *The theory of communicative action*, Cambridge, Polity Press, 1997, II volumes; J. HABERMAS, *Justifications and applications: remarks on the discourse ethics*, Cambridge, MIT Press, 1993, 197p. Habermas described a consensus driven ideal speech situation based on the following five principles: autonomy, generality, transparency, power neutrality and ideal role taking. These principles are reflected in the four assumptions described above.

⁶⁰ The idea of selectivity is launched in a somewhat hesitant way in the OECD Guidelines on poverty reduction as the principle is immediately followed by 'At the same time, it is important to support the poor in countries with severe governance problems, including conflict-prone countries' OECD, *OECD Guidelines on poverty reduction*, Paris, OECD, 2001, 73p.

tors in EC development policy.⁶¹ UNDP's sourcebook on building partnership with civil society reflects the organisation's ambitions to take participation seriously.⁶² Important bilateral donors, such as DFID, invest in similar efforts of reflection on the new development framework and participation in particular.⁶³ Two elements are striking in these documents. First, all share the conviction that civil society needs to be strengthened to take up its important role. Capacity building of civil society is therefore a recurrent issue. This element is also taken up in the official donor policies and many donors consider strengthening civil society (capacity building) as their main contribution to the participation process. Second, although not always in a consistent way, concerns regularly surface over the assumed over-all positive impact of participation. Many documents express legitimate concerns over the consensus model of participation. The problems identified can be brought back to the three assumptions of power neutrality, peaceful consensus and full representation. These concerns, although identified in donor background papers and documents, have however not entered donors' official policy discourses. They have neither led to donor reflections on how to address the 'political' problems. Donor rhetoric downplays the complexity of civil society and its role in participation. There exists a considerable gap between the resource documents identifying problems and the enthusiastic donor discourse on the positive contributions of civil society. Donors recognise the problem of equal arms by identifying the lack of capacity as an issue. Yet, the more political dimensions and assumptions of the participation model are left aside as if they stand. Hereby a purely technical approach is taken to participation; lack of capacity - and only this - seems to hamper the fruitful harvesting of all expected outcomes. However participation is a political process and this entails specific consequences for failures and successes. The situation is worse for the IFIs who, because of their mandate, are forbidden to openly address political issues. This situation unveils a fundamental contradiction between the technocratic character of the IFIs and the inherent political character of the new aid paradigm.

The next section will illustrate some specific potential pitfalls of civil society participation. This is not to demonstrate that participation of civil society is negative. It need not be. It is rather the aim to demonstrate that the assumed positive outcomes are not as self-evident as the official donor discourse would let us believe. Civil society participation may find itself on a slippery slope. The potential pitfalls and negative consequences are especially likely to arise in fragile states,

⁶¹ EUROPEAN COMMISSION, *Participation of non-state actors in EC development policy*, Brussels, EC, 2002.

⁶² UNDP, *Sourcebook on building partnership with civil society organisations*, New York, UNDP, 2002, 30p.

⁶³ SGRT & Associates, *Civil society participation in poverty reduction strategy papers (PRSPs). Report to the Department for International Development*, London, 2005.

LICUS, post-conflict or conflict-prone societies. These situations deserve specific attention given the large number of countries receiving ODA that are affected by conflict.

3.2. Participation in fragile states

3.2.1 Participation in LICUS: even more important

Engaging with the governments of LICUS or fragile states is problematic. In these environments, it seems difficult to fully validate the principle of state centrality of aid. Alternatively, donors tend to turn to civil society for remedying this flawed situation. By default of a strong state, civil society is awarded an important role.⁶⁴ As discussed above, civil society is not only engaged in implementation, but also in planning and priority setting. In fragile states civil society is viewed as being able to respond to the government's lack of capacity and willingness. Civil society organisations are considered representatives or defenders of the interests of the poor or more generally of the people; in that capacity they are believed to be able to set priorities correctly, even when the governments does not do so. In that way 'ownership' by civil society can make up to some extent for the lack of ownership of the government. As civil society organisations act in the interests of the people, they know their development needs and will develop policies responding to these needs and concerns. At times civil society is even considered a potential driver for change for the poorly performing government. Donor countries try to identify reform-oriented interlocutors; when they cannot be found within the government they are searched for outside it, such as within civil society.⁶⁵ When advocating an increased role for civil society, civil society is often broadly defined to include the private profit sector. When the state lacks capacity and/or willingness private sector activities should be prioritized according to some donors.⁶⁶ One of the propositions of the WB LICUS Task Force Report is to prioritize policies that matter for private economic activity. The Report finds that in LICUS, where it is too difficult to work with the state, there should be an atypical reliance on the private sector. In post-conflict countries civil society organisations are for example often awarded crucial roles in re-establishing peaceful co-habitation and even reconciliation. They are, more than the state, considered as important catalysts for social reconstruction processes. Civil society participation in the policy debate is considered significant because of its bridging potential: *'Donors could usefully help to develop government exper-*

⁶⁴ For example: 'Where leadership is weak in a fragile state, we will step up our efforts to coordinate with other donors. We will also look for ways to support the policies of civil society and local government'. DFID, o.c., January 2005, 26. See also OECD-DAC, *Poor Performers*, o.c., 2001, 4, 11 and 15.

⁶⁵ R. PICCIOTTO et al., o.c., 8.

⁶⁶ WORLD BANK, o.c., September 2002, 12.

tise in pursuing approaches to consultation that are sensitive to the impact of conflict and the fault lines of tension within society. A key strategic issue is to identify institutions within civil society that can build bridges between hostile groups.⁶⁷ In that way, the PRSP is considered to be a vehicle for social cohesion in Bosnia-Herzegovina, Georgia or Rwanda.⁶⁸ Despite the potentially constructive contributions of civil society, one has to observe that the overwhelming reliance to civil society in LICUS or fragile states seems more the result of the lack of a good government than of the demonstrated and well-established contributions of civil society in these states. In this regard it parallels Bratton's general finding for Africa (harbouring the majority of LICUS and fragile states) where the positive reputation of civil society has arisen by default of a strong and effective state, rather than on the basis of its own accomplishments.⁶⁹ The many risks of civil society participation identified by various donor studies underscore this further.

3.2.2. Risks in the spotlight and at the same time neglected

The reliance of donors on civil society in fragile states is somewhat at odds with many findings in donors' studies and commissioned reports. Donors should be aware of the many risks that civil society participation in these environments may bring about. Yet there is a gap between the studies highlighting the risks and donor practices that largely deny the problematic aspects of civil society involvement.

First of all, effective participation of civil society requires a government that is willing and able to bring it about. Participation in the context of PRSP for example, has to be organised and coordinated, this means it requires an agent doing so. Given the failures of both willingness and effectiveness of the governments of fragile states, this prerequisite is - by definition - problematic.⁷⁰ Unorganised activities of civil society organisations are very unlikely to contribute to priority setting and policy debates. Apart from this organisational aspect on the side of the government, civil society itself is likely to face more fundamental problems hampering constructive participation.

The World Bank LICUS Task Force Report recognises that working with or through civil society is not a panacea as many LICUS societies display high levels of opportunism in which powerful groups may block reforms.⁷¹ The recent WB report on PRSPs in conflict-affected countries recognises that the interrelationship between conflict and poverty is mostly re-

⁶⁷ ODI, o.c., 11.

⁶⁸ According to the WB, it has done so effectively. WORLD BANK, o.c., June 2005, 9. Many reports are very positive about the participation process in Rwanda, see a.o. WORLD BANK, o.c., June 2005. For a more critical approach to participation in Rwanda see R. RENARD and N. MOLENAERS, (2003), o.c.

⁶⁹ M. BRATTON, 'The politics of government-NGO relations in Africa', *World Development*, 1989, 569-587.

⁷⁰ For an analytic framework of conditions for constructive participation to PRS processes see R. RENARD and N. MOLENAERS, (2005), o.c.

⁷¹ WORLD BANK, o.c., September 2002, 14 and 18.

lated to group-based inequalities or differences such as on the basis of ethnic, social, geographic, religious or other characteristics.⁷² Access to land and resources exacerbate social divides and cleavages. These observations contrast with the advocated role of participation, whereby inclusive participation is the guiding principle. Contrary to such inclusive approach stands a civil society that reflects the social constellation, including its social cleavages. Even when civil society organisations do not present themselves as formally linked to a specific social group but more as an organisation with general aims and objectives (e.g. social development), organisations are most often related to the social divisions and cleavages. Especially in post-conflict countries or in fragile states, characterised by exclusive policies, civil society organisations are not necessarily bridging various groups in society, on the contrary, they may very well reinforce the exclusiveness in society.⁷³ Further, participatory processes may be constrained by continuing violence, insecurity and lack of control over the territory. It is also highly unlikely that there is freedom of expression and room for meaningful participation in an environment characterised by weak state effectiveness and lack of governmental willingness.⁷⁴ Government vetted organisations and organisations manipulated by the government or ruling elite are more likely to be able to present their interests.⁷⁵ In line with the fact that policies in fragile or conflict states have mostly been exclusive, the WB report on PRSPs in post-conflict countries proposes that service delivery should be prioritized to groups that are excluded.⁷⁶ Yet, such specific agendas or priority settings may fuel future conflicts⁷⁷ and are especially unlikely to be proposed by civil society itself. Poverty Reduction Processes and participatory processes may themselves be inflammable.

These problems are not only passively acknowledged but actively identified in donor documents; however in donor practice they are largely ignored. The flaws of civil society participation in fragile states are known but what this implies for the participation paradigm is not seriously considered. The participation model is upheld in post-conflict countries, fragile states and LICUS countries as, despite all problems, participation is believed to contribute to the national development policy. For donors, only issues of capacity and security need to be solved before civil society can play its role.

⁷² WORLD BANK, o.c., June 2005, 7 and 32.

⁷³ *Ibidem*, 31.

⁷⁴ N. THORNTON and M. COX, o.c., 25; ODI, o.c., 13; OECD-DAC, *Poor Performers*, o.c., 2001, 15.

⁷⁵ 'If a reform – no matter how desirable – is sufficiently detrimental to the true interests of powerful groups that they are likely to block it, there is little point in donors investing much effort in promoting it'. WORLD BANK, o.c., September 2002, 18.

⁷⁶ WORLD BANK, o.c., June 2005, 33.

⁷⁷ ODI, o.c., 5.

3.2.3. Only a problem of capacity and security?

Donors' eagerness to adhere to the participation paradigm seems to prevent them from taking thorny civil society issues seriously and explore in sufficient depth the operational consequences. Only two issues are retained as problematic: capacity and security. When civil society participation is not successful, it is blamed either on a deficit of capacity or of security. Donors' capacity to influence security issues is not straightforward, especially not in the short term. It requires long-time political involvement and persuasion. When security issues concern the lack of political freedom, donors will support demands for fundamental freedoms of association and speech, without being able or willing to secure adequate outcomes.⁷⁸ Technical donor assistance can in a more direct way remedy the capacity gap. Donors dispose of a wide range of opportunities for training and assistance: IFI documents can be translated and distributed on a large scale, general information can be made known, capacity support –e.g. in understanding technical documents and discussions – can be directly provided to civil society groupings etcetera. Although useful, this approach is also reductionist: the lack of capacity of civil society is reduced to a mere technical issue to which donors can and do contribute. More fundamental problems regarding the core of civil society are not dealt with. However, on the basis of the four background assumptions underlying the participation model, we argue that capacity and security are not the only problems to be addressed when advocating or supporting civil society participation.

⁷⁸ See for example OECD-DAC, *Poor Performers*, o.c., 2001, 15.

All four basic assumptions (overall representation, peaceful consensus, equal arms and power neutrality) are likely to be problematic in fragile states because of the exclusive policies that are prevalent there. Let us take conflict countries or post-conflict countries, one of the most obvious cases of state fragility,⁷⁹ to illustrate the unlikelihood of the basic assumptions being fulfilled.

⁷⁹ Given the variety of terminologies discussed above, it should be noted that not all conflict or post-conflict countries are necessarily labelled as fragile states. Nevertheless the notion of fragile states mostly includes conflict-prone countries.

First, the assumption of overall representation is seldom fulfilled in societies with a tradition of exclusive policies. Overall representation implies that civil society organisations defend the interests of all the poor and marginalised groups in society. Given the high diversity among the poor because of for example religious, ethnic or regional differences, the voices of all the poor are seldom defended by one organisation or by the whole array of civil society organisations. Many weak and marginal groups have no capacity to organise or are not allowed by

the authorities to set up organisations. For example in a conflict society, political opponents are often not allowed to organise or associate and civil society may not be strong enough to act to the contrary.⁸⁰ Consequently it will be impossible for opponents to raise their voice in any sort of policy debate. Further the principle of overall representation assumes that civil society is able to truly advocate, defend or represent the interests of the poor. It has to be observed that this is not always the case as the interests of those heading civil society may not always coincide with the interests of the very poor. Another observation in this regard is that civil society organisations are not always driven by in-country and in-society dynamics. Setting up organisations is a means of accessing funds, a way to apply for donor support. This is particularly true in post-conflict societies where donors are at times desperate to spend their funds. Assuming that such organisations are the most genuine defenders of the interests of the poor seems rather optimistic. Civil society organisations are often more driven by a redistributive logic than by a representative logic.

⁸⁰ There are however significant exceptions. Sometimes civil society is strong as witnessed by the human rights movements and NGOs in South Africa and Latin America under the autocratic regimes.

The second underlying assumption of the participation paradigm is that consensus will be reached peacefully. The need to reach consensus presupposes the existence of an array of different opinions. Such differences naturally arise because of the social diversity within society (different groups and classes), but also within a specific group priority setting and consensus reaching may not be evident. Poverty complicates consensus reaching as the means are always limited while the needs are huge. A tradition of exclusive policies adds to the complexity and by the same token reduces the likelihood of peaceful agreement. In a fragmented society strenuous differences will rise within civil society and consequently between civil society organisations and the government, as the government can impossibly respond to all conflicting requests. In post-conflict countries, the line of differences will often run parallel to the conflict dynamics and cleavages, especially because conflict has so much impacted upon the poverty of the country and its citizens. Tensions within society do not disappear with the signing of a peace agreement. The harm done by the conflict (or exclusive policies) and the losses suffered make peaceful consensus very unlikely as the priorities are not necessarily the same for everybody.

The participation paradigm further presupposes equality of arms of all stakeholders. Severe imbalances in capacity, skills and transparency may jeopardise any postulated positive offspring of participation. Such imbalances will favour

one or another group, one or another civil society organisation to make its claims more heard at the detriment of the claims or voices of others. A civil society that has to face or has faced exclusive policies will not have an equal distribution of arms. Established organisations and especially those favoured by the government will typically be stronger than those who are still in the stages of getting established within the framework of national politics. National civil society organisations defending the interests of the excluded have less tradition to build on, let alone established capacity to deal with other national stakeholders. Equal arms also means full transparency of the dialogue (e.g. no misleading arguments), especially on the side of the government. The latter is almost by definition excluded in fragile states as they lack not only capacity but also commitment to effective poverty reduction. The lack of equal kick off positions of all stakeholders involved will undoubtedly bend the dialogue and the outcome of the participation process in a certain direction. In that way, participation does not guarantee at all that the voices of the poor or excluded are heard.

The final key element of the consensus model of participation is power neutrality. Every political atmosphere is impregnated by power relations, all the more in fragile states, LICUS countries or post-conflict societies. In these circumstances, political balances are fragile and those in power are inclined to defend their power position vehemently if anti-poverty policy is perceived as a threat to their position. Staying in power for instance clearly outweighs any sort of participation process. This means that the relations between the state and civil society are by definition not power neutral. Even among civil society organisations power relations exist, especially in typical situations of favoured civil society organisations and excluded ones. The mere fact of being favoured by the current regime puts organisations in a totally different participation position than the marginalised groups. These groups know they better watch their steps at the risk of being rebuked, which may lead to self-censorship.

When the basic assumptions of the participation model are in many ways lacking or invalid, it becomes questionable whether participation stands a chance to be as constructive as it is believed to be.

3.2.4. Participation not necessarily good

The participation paradigm seems justified by the reasoning that, despite all difficulties that may occur, participation remains a valuable effort to make, as participation is not only instrumental for democracy, but is a good thing in itself. The problematic fulfilment of the basic assumptions hints at the flawed character of this assertion. When the environment is not favourable – and in fragile states it stands a high chance of not being so – participation may cause harm. In fragmented societies, civil society participation may open the door for conflicts. A forum for varying and competing interests is created through dialogue and silent disagreements are all of a sudden aired. This may give rise to increased tensions or open conflicts. Given the lack of capacity and commitment of the government, it may not be able to diplomatically ease heated debates among various groups of society. In that way, participation may lead to a downward spiral of frustration, intolerance and even conflict. Instead of contributing to democracy or democratic practice, flawed participation may undermine the support for these processes. The organisation of participation in itself creates expectations on the side of civil society; it embodies a promise that what they say is relevant and can make a difference. When these expectations are bluntly frustrated by a mere window-dressing procedure or by a process in which the powerful simply rule out the marginalized groups, it may negatively impact upon support for democracy or any sort of participation.⁸¹ In that regard, bad participation can be worse than no participation at all. No participation at all does at least not involve a sham procedure of promises and dedicated energy without gains; at least it is more honest towards the stakeholders involved and to the outside world.

3.2.5. Lowering the threshold as a proper response?

Official findings on participatory processes, for example in the context of PRSP, in LICUS countries are often relatively positive. Donors perceive them as positive developments, despite closed environments and formal restrictions⁸² and despite the fact that the Joint Staff Assessments (JSAs) do not really assess the quality of the participatory processes. Nevertheless, it seems as if donors, in order to uphold the PRS and participation approach, are extremely lenient on participatory processes, their effects and outcomes. Conceding the glaring obstacles to participation in fragile states or LICUS (such as freedom of expression, violence and insecurity), they

⁸¹ The WB report on PRSPs in post-conflict countries identifies risks of opening up policymaking: ‘... most obviously that the government will be unable to manage multiple demands effectively, and that expectations will be unmet, causing disillusionment, withdrawal from the political process, and damage to the credibility of representative institutions.’ WORLD BANK, o.c., June 2005, 37.

⁸² WORLD BANK, o.c., September 2002, 10.

may propose a more flexible approach to participation for such countries. This flexibility mainly aims to rescue the positive aspects of participation while postponing issues that are too complicated to handle. This may mean a more limited and restrained approach to participation, for example with only a limited group of organisations. Donors aim to support 'drivers for change' and elect to support handpicked civil society organisations that may in the future play an important role; they look for 'drivers of change' or 'reform oriented interlocutors'. However, it is unlikely that such 'selections' will address problems linked to the composition of civil society. Identifying and selecting for support certain organisations and not others is a highly laden process and entails a lot of risks. Donors indicate the need for a more thorough socio-political analysis to guide such processes.⁸³ But such analysis is in itself unlikely to avoid political assessments and arbitrations, made all the more delicate by the complexities of socio-cultural variations and the related sensitivities. This type of donor interference impacts upon the national dynamics of civil society participation and donors may get involved in a risky enterprise with potential negative spin offs. Minimising or even ignoring the problems related to the four basic assumptions may catapult donors far away from what they aim to reach. Although some reports claim that suggestions made about a limited approach to PRS practices do not aim to lower the bar for LICUS or to install a *laissez-faire* approach,⁸⁴ restricted and simplified participation processes do suggest that the threshold is further lowered for fragile states and LICUS – and this from a standard that is not high in the best of cases given the lack of thorough evaluation by the JSAs. Standards risk to be lowered under the banner of 'realistic expectations for fragile states'. However, 'simplifying measures' such as handpicking participants for the PRS process may trap both international donors and national agents into local politics, leading to increased tensions, inequalities or divisions. It seems to us that, instead of being more flexible towards participation processes in fragile states, post-conflict countries or LICUS, it may be more constructive to be more demanding. Instead of loosening the participation process, it may on the contrary be advisable to install additional safeguards and stricter procedural requirements. Setting out minimum criteria could partially avoid negative effects of participation processes, whereas increased flexibility is unlikely to do so.

⁸³ *Ibidem*, 18 and 35. One of the suggestions made by the WB is to identify and select diaspora talent. Evidently this is a highly political enterprise, more than a technical one.

⁸⁴ WORLD BANK, o.c., June 2005, 17; N. THORNTON and M. COX, o.c., 7. Leader and Colenso even suggest that in post-conflict countries it may be possible to lessen the conditions for accessing budget support. N. LEADER and P. COLENZO, o.c., 24

4. CONCLUSION

The recent initiative taken by the OECD-DAC to lay down a set of principles for good international engagement in fragile states is an expression of the honourable willingness to move forward. Yet, the effort risks being overshadowed by the overall eagerness to adhere to the new aid paradigm with its concomitant aid instruments. In reality, the agreed common donor principles cover up fundamental disagreements and skirt problematic issues.

It may be asked how far donor harmonisation extends when there is not even an agreed list of fragile states or LICUS. It is not always clear which countries are talked about; donor interpretations of state fragility clearly differ. The accuracy of the notions of effectiveness and willingness, two key notions applied by donors, may also need some reconsidering. Especially the notion of willingness is a rather woolly concept that invites large differences in interpretation. It may be advisable to replace the notion with more concrete notions such as pro-poor commitment in which for example inclusive policies play an important role. In general it is difficult to see how concepts can be used in a clear manner when the WB and OECD-DAC oppose drawing lists of LICUS and fragile states. They prefer to refer to a vague continuum, rather than to a list of countries. Does this mean that all developing countries are to some extent fragile states, lacking some effectiveness or willingness? If so, then specific measures or frameworks for fragile states may be applicable to many more countries if not, to a certain extent, all partner countries. At the same time this would mean that the critical remarks made in this paper about the sustainability of the new paradigm in fragile states, would apply to many more countries.

Donors are still in the process of learning how to work effectively in fragile states, LICUS or post-conflict countries. The joint OECD-DAC principles should not block the process of critical thought, nor the constructively questioning of the applicability of the new development paradigm and its instruments in these environments. Exploring alternative routes, including increased diversification of instruments and paradigms, seem very helpful to further the knowledge of working with fragile states.

Our observations with regard to participation processes in these countries parallel the concern that one approach may not fit all. Participation in fragile states may do harm, even

fuel conflict. Therefore, instead of applying a looser model than the already not too demanding participation requirements, a more stringent approach to participation processes may be instrumental to avoid the many potential negative effects of it. Not only PRS outcomes have to be put in perspective of the fragile state situation, but also the very process has to be considered in the same specific context.

The willingness of the donor community to deal with fragile states and to take political problems seriously is laudable. But when donor pace is not adjusted to the progress made it may eventually lead to a painful nose dive.

BIBLIOGRAPHY

- N. ALEXANDER, 'Judge and Jury: the World Bank's scorecard for borrowing governments', **Social watch**, 2004, 17-23, see <http://www.socwatch.org/en/in-formesTematicos/78.html>.
- M. BRATTON, 'The politics of government-NGO relations in Africa', **World Development**, 1989, 569-587.
- V. CHOTRAY, 'The negation of politics in participatory development projects, Andhra Pradesh', **Development and Change**, 2004, 327-352.
- F. CLEAVER, 'Paradoxes of participation: questioning participatory approaches to development', **Journal of International Development**, 1999, 597-6112.
- P. COLLIER and A. HOEFFLER, **Aid, Policy and Growth in Post-Conflict Societies**, Washington, WB Policy Research Working Papers 2902, 2002.
- P. COLLIER, **Policy-Based Lending in LICUS countries**, Presentation at the WB workshop Conditionality Revisited, Development Policy Forum, 21 August 2005, www.siteresources.worldbank.org/projects/resources/session2PaulCollierPC.pdf.
- DFID, **Poverty Reduction Budget Support**, London, DFID, May 2004.
- DFID, **Why we need to work more effectively in fragile states**, London, DFID, January 2005.
- DFID, **Partnerships for poverty reduction: rethinking conditionality**, London, DFID, March 2005.
- EUROPEAN COMMISSION, **Participation of non-state actors in EC development policy**, Brussels, EC, 2002.
- B. FLYVBJERG, 'Empowering civil society: Habermas, Foucault and the question of conflict', in M. DOUGLASS and J. FRIEDMANN, **Cities for citizens**, Chichester, John Wiley & Sons, 1998, 187-211.
- J. HABERMAS, **Justifications and applications: remarks on the discourse ethics**, Cambridge, MIT press, 1993.
- J. HABERMAS, **The theory of communicative action**, Cambridge, Polity Press, 1997, II volumes.
- U. KIEVELITZ, T. SCHAEF, M. LEONHARDT, H. HAHN and S. VORWERK, **Practical guide to multilateral needs assessments in post-conflict situations. A joint UNDG, UNDP and WB Guide, prepared by GTZ**, s.l., s.d.
- N. LEADER and P. COLENSO, **Aid Instruments in Fragile States. Draft for consultation**, London, DFID-PRDE Working Paper 5, January 2005.
- J. MACRAE, A. SHEPARD, O. MORRISSEY, A. HARMER, E. ANDERSON, L. PIRON, A. MCKAY, D. CAMMACK and N. KYEGOMBE, **Aid to 'Poorly Performing' Countries: a critical review of Debates and Issues**, London, Overseas Development Institute (ODI), July 2004.
- D. Mc ADAM, C. TILLY and S. TARROW, 'To map contentious politics', **Mobilization**, 1996, 17-34.
- J. Mc CARTHY and M. ZALD, 'Resource mobilization and social movements: a partial theory', **American Journal of Sociology**, 1977, 1212-1241.
- D. MEYER and S. STAGGENBORG, 'Movements, counter-movements and the structure of political opportunity', **American Journal of Sociology**, 1996, 1628-1660.
- N. MOLENAERS and R. RENARD, **Participation in PRSP processes: Conditions for Pro-Poor Effectiveness**, IDPM-UA Paper presented at the 11th EADI General Conference, Bonn, 21-24 September 2005.
- D. NARAYAN, **Voices of the poor. Crying out for change**, New York, Oxford University Press, 2000.

ODI, **National Poverty Reduction Strategies (PRSPs) in Conflict-Affected Countries in Africa**, London, ODI Briefing note 6, 2003.

OECD-DAC, **Guidelines Helping Prevent Violent Conflict**, Paris, OECD, 2001.

OECD, **OECD Guidelines on poverty reduction**, Paris, OECD, 2001.

OECD-DAC, **Poor Performers: Basic Approaches for Supporting Development in Difficult Partnerships**, Paris, DCD/DAC (2001)26/REV1, 2001.

OECD-DAC, **Paris Declaration on Aid Effectiveness. Ownership, Harmonisation, Alignment, Results and Mutual Accountability**, Paris, OECD-DAC, March 2005.

OECD-DAC, **Piloting the principles for good international engagement in fragile states**, Paris, DCD2005 11/Rev2, 2005.

R. PICCIOTTO, C. ALAO, E. IKPE, M. KIMANI and R. SLADE, **Striking a new balance. Donor policy coherence and development cooperation in difficult environments**, London, International Policy Institute – University of London, January 2005.

J. PRETTY, 'Participatory learning for sustainable agriculture', **World Development**, 1995, Vol. 28, N°8, 1251-1253, pp. 1247-1263.

S. RADELET, **From Pushing to Pulling Reforms: The Role of Challenge Programs in Foreign Aid Policy**, Washington, Centre for Global Development Working Paper No 53, 2005.

R. RENARD and N. MOLENAERS, **Civil society participation in Rwanda's poverty reduction strategy**, Antwerp, IDPM Discussion Paper, 2003

R. RENARD, **The Cracks in the New Aid Paradigm**, Antwerp, IDPM Discussion Paper 2006.01, 2006.

SGRT & Associates, **Civil society participation in poverty reduction strategy papers (PRSPs). Report to the Department for International Development**, London, 2005.

J. STIGLITZ, 'Participation and development', **Review of Development Economics**, 2002, 6/2, 163-182.

N. THORNTON and M. COX, **Developing Poverty Reduction Strategies in Low-Income Countries Under Stress (LICUS). Final Report**, London, Aghulhas Development Consultants, 6 January 2005.

M. TORRES and M. ANDERSON, **Fragile States: Defining Difficult Environments for Poverty Reduction**, London, PRDE (Poverty Reduction in Difficult Environments Team / Aid Effectiveness Team, DFID) Working Paper 1, August 2004.

UNDP, **Sourcebook on building partnership with civil society organisations**, New York, UNDP, 2002.

UNDP, **Why some countries do better than others**, New York, UNDP, 2003.

USAID, **US Foreign Aid. Meeting the Challenges of the Twenty First Century**, Washington, USAID White paper, January 2004.

N. VAN DE WALLE, **Overcoming Stagnation in Aid-Dependent Countries**, Washington, Centre for Global Development, March 2005.

C. WESCOTT (Asian Development Bank), **Reforming Governance in East Asia to Promote Economic Growth with Equity**, <http://www.adb.org/Governance/wescotto2.pdf>

WORLD BANK, **World Development Report 2000-2001**, Washington, World Bank, 2001.

WORLD BANK, **World Bank Group Work in Low-Income Countries under Stress: a Task Force Report**, Washington, World Bank, September 2002.

WORLD BANK, **Country Policy and Institutional Assessment 2004, Assessment Questionnaire** Washington, World Bank, 2004, see <http://siteresources.worldbank.org/IDA/Resources/CPI-A2004questionnaire.pdf>.

WORLD BANK and UNITED NATIONS DEVELOPMENT GROUP, **An operational note on Transitional Results Matrices. Using results-based frameworks in fragile states**, Washington, World Bank, January 2005.

WORLD BANK, **Toward a conflict-sensitive poverty reduction strategy. Lessons from a retrospective analysis**, Washington, World Bank, June 2005.



University
of Antwerp



INSTITUTE OF DEVELOPMENT
POLICY AND MANAGEMENT