

OVERCOMING FRAGILITY

Focus on Africa

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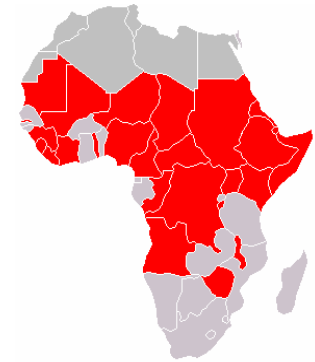


Why a European Report on Development (ERD)?

- Europe is the main donor, a major trade partner for Sub Saharan countries, an important investor, destination of most migrants from Africa
- Still, there is a need to have better defined development policy at the EU level
- In particular:
 - with respect to a group of countries (in situation of fragility) lagging behind in Millennium Development Goals (MDGs)
 - Because of the current economic crisis (given a likely shortage of funds, EU countries may reconsider their priorities)

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Why a Focus on African countries in situation of fragility?



1. They are relevant:

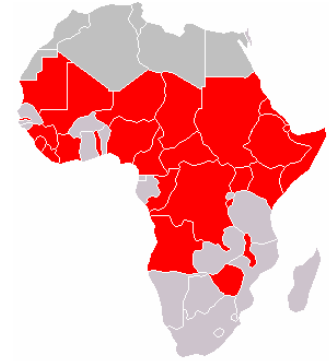
- **One third of the world's poor**
- **Half of the children dying before the age of 5**
- **Over one third of maternal deaths**
- **Over one third of people affected by HIV/AIDS**

2. They lag behind in the progress towards the MDGs

3. Their fragility produces negative effects at the regional and global level

4. The effect of the crisis may push more countries into a situation of fragility

ERD 2009 – Why a Focus on African countries in situation of fragility?



5. They are very vulnerable to shocks (especially because they had been exposed to food and oil price shocks in recent years)
6. Fragility is **highly persistent** over time
7. High need for appropriate development policies, which are extremely hard to design (because of institutional fragility)
8. Only with a deep understanding of fragility & vulnerability, appropriate policies can be designed

Defining Fragility....

Not easy, and controversial

Different definitions, different measurements, some consensus

Most definitions share the idea that state fragility is directly related to **dysfunctional institutional capacities**.

But also, **lack of social trust**; governments do not enhance social trust; on the contrary, tend to worsen it because of:

- ✓ authority failures
- ✓ service entitlements failures
- ✓ legitimacy failures.

Which countries are in a situation of fragility?

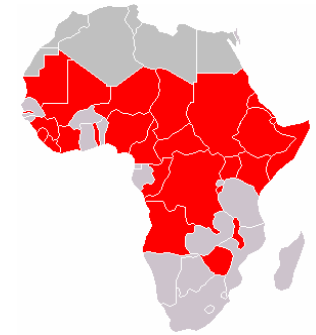
30 SSA countries have been defined as fragile in recent years, according to at least one definition, but a rigorous distinction difficult



For us is very important the issue of persistence

Furthermore, the situation is fluid but asymmetric, new countries can “get in”, but few can “get out”

ERD 2009 – Storyline - 1



- **The current crisis hit fragile countries, which were already under stress because of food and oil price development**
- **Countries are affected (not sheltered)**
- **Transmission channels work differently, i.e. there is a specificity of fragile countries**
- **We highlight the effects of the crisis on GDP, poverty, income distribution, gender, social instability**
- **A drop in income levels increases the likelihood of being pushed in a situation of violent conflict**

ERD 2009 – Storyline- 2



- **Therefore more need for aid and coherent development policies (to help countries out of fragility)**
- **Possible trade-off between short term and longer term policies**
- **A policy “one size fits all” does not work because of underlying heterogeneity of countries (landlock, oil exporters, net food importers)**
- **Policies targeted at solving a single aspect (hunger, conflict) are likely to be ineffective**
- **Aid agencies tend to focus on one factor (e.g. FAO, food) because it is simpler and within institutional duties**
- **There is room and need for EU to implement a coherent set of development policies**

Aid policies

- We need to learn from past mistakes: ineffective implementation (dysfunctional institutions)
- Aid could be channeled through state or non state & informal institutions but proper implementation must be guaranteed
- Fragile countries cannot afford dealing with fragmented (or non systematic) aid nor high transaction costs.
- Engaging in fragile states may call for traditional aid agencies to change the way they work: need for more flexible procedures for aid delivery.

Not only aid, but development policies and a long term framework

- **Support for building/rebuilding state institutions**
- **Enhancing trust and enforcement**
- **Monitoring Stability**
- **Importance of long term contracts**

- **Heterogeneity between (fragile) countries implies that policies have to account for specific factors and cannot be just “intervention at the moment of a crisis”; they should be put into perspective**

While we have to consider a long term framework, we cannot postpone acting (e.g. now it could be waiting after solution of the financial crisis). Situation would worsen if we did.

ERD 2009 - Aims

To build a coherent framework with a deep understanding of the root causes and drivers of fragility in order to provide guidelines for development policy interventions.

Move beyond the concept of fragility.

Providing a “pragmatic” taxonomy of countries in situation of fragility (accounting for ‘new entries’ and exit).

Gather and integrate existing data

ERD 2009 - How?

- **Bringing together experts from academia and policy circles to discuss issues (in international conferences):**
 - **Food security, agric. and raw materials (Cambridge)**
 - **State building, security and regional integration(Florence)**
 - **Natural Resources, conflicts (Barcelona)**
 - **Financial Crisis (Accra)**
 - **Wrapping up (Florence & Brussels)**

ERD 2009 - How?

- **Bridging academic research and policy makers**
- **Learning lessons from the ground through the involvement of national development agencies**
- **Organizing very targeted round tables**
- **Learning from the limits of a narrow focus (e.g. food/conflict)**
- **Networking**
- **Involving African Colleagues**
- **Involving young African Economists, Social Scientists etc (very successful call for papers for a poster session in Accra, over 150 applicants from 38 countries)**

From Cambridge to Florence

- Most fragile SSA states are agricultural-based countries and characterized by persistent levels of food insecurity
- For the performance of Africa's agriculture and food security, the role of agricultural, State and informal institutions is key.
- Scaling-up of safety net program might be inefficient in countries with weak governance

From Cambridge to Florence

- Implementation cannot be overlooked. International experience shows that:
 - External interventions risk to be ineffective or counter-productive if the role and functioning of local institutions is not taken into account.
 - Need for an effective *partnership* between donors, intermediaries and final recipients

Florence workshop

- Aims at suggesting steps to be undertaken to build capacity and/or institutions to overcome fragility
- Security is a central dimension of fragility.
- Development assistance cannot reach recipients, if basic security conditions are not met.
- Development assistance faces the constant risk of fueling renewed violence.
- Fragile context can give rise to considerable threats of regional or (as in the case of piracy) even global dimension.
- The protection of civilians and development workers, as well as careful conflict prevention strategies becomes central components of the design of development policies.

The ERD web page

<http://erd.eui.eu/>