Recent Experiences in Linking Diplomatic Peacemaking with Development Efforts

The Institute for State Effectiveness

Executive Summary

This paper provides background for the OECD-DAC thematic meeting on Diplomacy, Development and Integrated Planning in February 2008. A central finding is that diplomatic and development efforts cannot be better integrated, or brought into alignment, without systemic change in the business practices of international actors that allows for alignment behind a common goal in a focus country, with the time-commitment, resources and mechanisms in place to support positive movement towards this goal. Diplomatic and development personnel work through distinctive patterns, in organizational silos with disparate business practices, skills, organizational cultures, tools, mental models and modalities, and according to sequential phases that often lack synchronization. This prevents joint approaches and often undermines rather than supports peace and stability in fragile contexts. Development is often misunderstood by donors as a series of procedures at the bureaucratic, and headquarters, level, rather than as a host country-driven process with specific outcomes on the ground, and as a result overall coherence of actions on the ground in any particular instance is often very low.

This paper seeks to explore these issues in the first instance by analyzing the phases, roles and themes of both diplomatic and development actors in post-conflict countries as they currently exist (Sections III and IV). It then analyzes the linkages between diplomacy and development (Section V) and provides closer evaluation of diplomatic and development efforts on the ground through six selected country case studies, representative in terms of geography, type of fragility and international intervention (Section VI). These case studies illustrate how the processes, actions and modalities adopted by the international community manifest themselves at the operational level, to draw lessons and to illustrate best and worst practices:

- *In Liberia*, excellent diplomatic-development coordination on the ground, embodied in the success of the GEMAP, has to some degree been undermined by a lack of selectivity of labor among donors, the absence of harmonized funding and mechanisms, the chasm between desirable outcomes and feasible actions, and an inability on the part of diplomatic and development actors to cohere around the goal of state-building.

- *In Haiti*, the international community has been honest in its assessment of past failures, but this has not produced a change in implementation mechanisms, which remain uncoordinated and used in sequence rather than simultaneously, and which suffer from measurement in terms of outputs rather than outcomes.

- *In Kosovo*, diplomatic negotiations have stalled developmental actions, and the international presence has prevented the emergence of Kosovar institutions and processes of governance. Diplomatic and development activities have been uncoordinated, unplanned, and not focused towards a European destination.

- *In Nepal*, diplomatic engagement has been low-key and constructive but has not created the room for development processes to support the transition to peace. A lack of analysis on both the diplomatic and development sides has prevented the use of instruments calibrated to the Nepalese context.

- *In South Sudan*, diplomatic attention that precipitated the peace agreement was not sustained, and was not matched by the ability of development actors to deliver on the provisions of that agreement- the desirable was not matched by the feasible. Development efforts also failed to mobilize the relevant assets that could have supported positive forward momentum.

- *In Afghanistan*, a successful transitional process on a political and diplomatic level has been undermined by a focus on security issues rather than underlying concerns of stability. A failure of

analysis, competition for funding and an inability to coordinate actions has also prevented coherent international efforts.

The final section of the paper (Section VII) returns to the central question of when and how to better integrate diplomacy and development planning processes, and provides specific recommendations as to how the international community can support agreement and alignment behind the goal of functioning systems, ensure the necessary duration of international engagement in post-conflict countries, marshal the necessary resources to create effective states and develop tools for coherent international action:

In support of agreement and alignment behind the goal of functioning systems:

1) *Adopt state-building as the overarching framework*, because it is only through the creation of capable, legitimate states that stability and prosperity can become ensured over the longer-term;

2) *Delineate roles appropriate to context, while ensuring Whole-of-Government approaches*, because coordination is necessary both across donor governments and within those governments to ensure effective interventions: it is more important that the process and outcomes on the ground are coherent than if processes in a particular capital city are coherent across government;

3) *Consider affordability and feasibility versus desirability*, because desirable outcomes are not possible if they are conceived of without attention to the cost and mechanisms to support them.

In support of the necessary duration of international engagement:

1) *Backward map from the goal and prioritize tasks*, because it is only through this process that the actions to be taken in the present can be coherently planned and implemented;

2) *Prevent disengagement*, because continual engagement makes it significantly easier to predict, influence and respond to changes in the diplomatic and development environment.

In support of the necessary resources for effective states:

1) *Map existing assets*, because resources remain, even in fragile contexts, that can be used as the basis for strategy development and poverty reduction;

2) *Use innovative resources*, which can provide the basis for sustainable growth and move beyond the artificial distinction between traditional diplomatic and development mechanisms;

3) *Develop the requisite skills to improve joint planning and implementation*, to enable diplomatic and development staff to delineate options and ensure inter-linkages between actions and processes;

4) *Consider the role of emerging powers*, such as Brazil, Russia, India and China, which can play a highly constructive role if mobilized in the correct way using the appropriate mechanisms.

In support of effective mechanisms for coherent international actions:

1) *Focus on implementation of peace agreements*, through long-term considerations despite short-term imperatives;

2) *Do not freeze transitional arrangements*, and harness time to a sequence of decisions that increasingly empowers stakeholders to support the creation of formal and representative institutions;

3) *Ensure implementation keeps up with analytical innovation*, because changes in thinking are of little use without sustained changes in policy and implementation.

The international community- both on the diplomatic and development sides- collectively lacks understanding of how to operate in fragile contexts and of its own role in perpetuating the inefficiencies it seeks to resolve. Coordination within a donor government does not translate into coherence on the ground in developing countries- 'whole of system' rather than 'whole of government' efforts should be the aspiration, based upon a shared goal and the timeframes, resources and mechanisms to support it. Current practices, ways of thinking and implementation mechanisms can only change through a fundamental system realignment. Until inputs to the system are subordinated to outcomes in fragile contexts these

changes cannot take place. There has been important movement towards recognition of this fact, and some successful efforts to improve behavior, but a great deal of further discussion and action is needed if diplomatic and development actors are to truly operate within a holistic, effective and shared framework for progress in the most difficult contexts.

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I. Introduction

Although high on the research and operational agenda, whole-of-government approaches have generated a limited amount of studies and data, particularly on the interface between developmental planning and political diplomacy. The studies that do exist have emphasized that there 'is little common understanding among agencies…much less a common government-wide strategic vision'[1] and that there remain 'considerable gaps between what has been agreed in principle and ministerial and agency practice.'[2] Ahead of the OECD-DAC thematic meeting on Diplomacy, Development and Integrated Planning in February 2008, this paper seeks to develop a better understanding of when and how to better integrate diplomacy and development planning efforts. One common issue that cuts across all fragile contexts and types of international intervention is the inability of multilateral and bilateral diplomatic and development actors to coherently address development issues through aligning behind a common aim and ensuring that the time-commitment, resources and mechanisms are in place to support this goal. Diplomacy and development tend to be treated sequentially, with diplomacy giving way to development, rather than simultaneously, with development fully supporting diplomatic efforts from the outset. Moreover, diplomatic and development processes, and the efforts that can be made to improve them, tend to be equated with bureaucratic thought and mechanisms at a policy, or headquarters level rather than more specifically as they relate to the process of supporting peace and stability on the ground. The parameters for actions and responsibilities are taken as fixed, which creates a distinct disconnect between the international system and the actors within it, and the problems this system is trying to solve. The results of intervention therefore fall far short of expressed intention in many cases. Development is an outcome, not an input, and realignment of diplomatic-development actions must take place within the larger context of the international system as a whole if it is to have positive effect in catalyzing the process of peace-building and promotion of stability and development.

II. Context

The relationship between diplomatic and development actors is particularly complex and varies over time and according to context. As agreed at the DAC High Level Meeting in April 2007, fragile situations require close collaboration between diplomatic, security, economic and development actors.[3] Inter-connected challenges of governance, economic performance, insecurity and poverty are acute in the world's most unstable countries and regions, and these issues and concerns have prompted more integrated and coherent responses from governments involving an increasingly complex range of actors, instruments, and interventions. As a result, more coherent inter-ministerial approaches between and within OECD governments and international organizations are necessary. Recent efforts to integrate development programming with diplomacy and peace building objectives include the involvement of development agencies in peace negotiations; and mainstreaming conflict sensitivity and peace building objectives in development programming.[4]

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[1] Patrick, S. and Brown, K., *More than the Sum of its Parts: Assessing 'Whole of Government' Approaches to Fragile States*. IPA 2007. p. 6

[2] van der Goor, L. and van Beijnum, M., *Whole of Government Approaches in Fragile States*, Clingendael Institute/OECD 2006, p. 39

[3] DAC *Principles for Good International Engagement in Fragile States and Situations*, DCD/DAC (2007) 29.

[4] OECD-DAC, *Paper on Recent Experiences in Linking Diplomatic Peacemaking and Development*, RFP, 27th November, 2007

These steps forward are necessary but not sufficient if the international community truly seeks to improve its behavior and results in fragile states. International actors in many cases still do not have an understanding of underlying causes of conflict, and their well-meaning recommendations and actions on the diplomatic and development sides, derived from more stable environments, can exacerbate tensions and undermine the pursuit of stability. Whether marked by a political settlement or transition, or a peace agreement, the cessation of hostilities is only the beginning of a series of simultaneous transitions, and the international community cannot operate through the tools and processes as currently conceived, with diplomatic and development personnel working in organizational silos and failing to understand the nature of their environment, the objective of their intervention, its time horizon, and the resources mobilized for its realization. These are critical concerns and determine whether the outcome of international intervention is support for a virtuous circle of stability and prosperity or a vicious circle of instability and entrenched poverty. A logical place to begin a systematic analysis of diplomatic-development linkages and understand how and why they are failing is a brief review of the phases and problems with interventions in fragile contexts as they currently exist.

III. Current Diplomatic Interventions

A distinctive pattern of diplomatic activity emerges when reviewing approaches to fragile states, defined by a series of critical tasks in support of peacemaking, in which steps towards negotiating peace are made; and peace-building, which typically begins when an interim or transitional government is agreed, and diplomatic and development support allows for progress that sets the country on a footing towards legitimate political representation and peaceful negotiation of issues of contention. For the sake of analysis here, the peace-making and peace-building pattern can be characterized as follows:

1) *Early and sustained engagement*. Engaging constructively in a situation of conflict and/or state fragility/failure is extremely difficult. Indeed it may be that for many years diplomatic efforts cannot facilitate an end to the conflict or achieve a turnaround. Nevertheless, diplomatic engagement can keep the issue alive, maintaining current knowledge and ensuring dialogue with protagonists. This kind of diplomatic engagement and monitoring can then provide a strong basis for rapid mobilisation in response to abrupt change in the situation. The aim of diplomatic activity at this stage is to reach an agreement to start talks- that is, to facilitate the shift from conflict to willingness among conflicting parties to mediate conflict though discussion.

2) *Conflict mediation*. Mediation involves establishing discussion on the need for further dialogue, and can begin when actual conflict has ceased, or in tandem with ongoing fighting. The intensity and length of conflict mediation efforts can vary, depending on specific contextual dynamics. In certain cases, parties may not be negotiating in good faith, thus actually perpetuating rather than reducing conflict, and diplomatic actors must seek to discern and distil intentions and information, generate real compromise, create a movement away from zero sum thinking, and develop mechanisms for moving forward. Once parties prove willing to move to the discussion table, intense diplomatic efforts will be needed to encourage listening and dialogue, build understanding and classification of issues, mediate between the parties, create ground for negotiation and allow for a compromise settlement. This involves both empathy and objectivity, and above all an ability to listen to competing perspectives.[5]

3) *The peace agreement and deployment of forces*. Peace agreements are highly sensitive documents with words that carry tremendous weight. The agreement binds antagonists to a common purpose and must provide them with a common direction for the future.[6] Diplomatic work is likely to be vital in creating the context in which agreement is possible, supporting the framing of the agreement itself, and ensuring that the peace agreement offers a mechanism for laying the foundation for a state-building process and political benchmarks that can provide markers of progress. Diplomatic efforts must be tailored to the specific peace agreement under consideration and must generate consideration of a wide

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[5] Interview with Petter Skauen, January 2008.
[6] See Ashraf Ghani and Clare Lockhart, "Writing the History of the Future: Securing Stability through Peace Agreements", *Journal of Intervention and Statebuilding* Vol. 1 Issue 3 November 2007.

range of issues which may include issues of exclusion and inclusiveness, decentralization, defining the new rules of the game, and constituting a legitimate centre. A key problem with the explicitly political approach to many peace agreements in the past has been the absence of the International Financial Institutions. All agreements contain clauses for seeking financial resources from the international community as well as mobilization of domestic resources but most of the time these calls lack specificity. Post-peace agreement, facilitation of the deployment of international forces is often key characteristic of diplomatic activity, given that in stopping the conflict 'peace-keeping is the ultimate humanitarian action'.[7] The key issues for consideration by the diplomatic community in such situations are the mechanism, mandate, funding, control and type of deployment.

4) *The transitional period.* A transitional period is geared towards peace and stability, and may involve the use of a transitional government. As such it is the first part of the peace-building phase. The transition must be constructed in such a way as to actively begin a process of outreach and broadening of the political process. While this process must necessarily be heavily contextualised, the Afghan example, in which the transitional phase was carefully delineated into five stages is instructive (See the *Afghanistan Case Study* below). The political transition shifts the focus of diplomacy from preparing for and brokering the peace to building the peace. A carefully sequenced, series of time-bound benchmarks to the process are important in order to establish trust between protagonists, and to give the process momentum from transitional arrangements to broader and deeper representative processes that endow the government with legitimacy. A further feature of diplomatic activity during the transitional phase entails accession to a number of international treaties- such as those on human rights, anti-corruption, landmines and so on.

5) *Defining the rules of the game*. This process entails changes in the basic rules that arrange how the country is to be governed. This issue runs through all the phases from peace-making to peace-building, and is a major feature in all cases, through legal restructuring of the institutions of state, particularly with regard to issues such as the security sector and gender relations. It may involve the creation of an entirely new constitution or the adaption of a previous constitution[8] and the transformation of one party to the conflict from rebels to legitimate political actors. Indeed, the constitution is a new suit of provisions in which the old, decrepit body of laws must be regenerated. These processes should be closely linked to peace agreements, must not be rushed, and should be carefully aligned with existing legal provisions. This is a distinctive domain that falls into the remit of diplomatic actors, who must demonstrate a deep contextual understanding to ensure that formal changes to rules are substantive and can be implemented on the ground to provide the framework for positive movement forward.

While it is possible to discern the emergence of this general pattern of diplomatic phases from a review of the cases, in practice events do not tend to unfold in such a uni-linear manner. Rather, the process of moving from conflict to peace tends to involve multiple, complex transitions, human agency, and enormous structural difficulties all of which make reversals, deterioration in the situation, and even reversion to conflict highly likely. Each phase is risky and requires a risk management strategy to rectify any deviation from the critical path to peace, as well as careful consideration of time-horizons. The intensity of diplomatic effort and time constraints vary- in Afghanistan the process was incredibly intense and rapid, as Coalition forces moved to remove the Taliban without having a prepared political replacement, while in Sudan, the process of delineating the transition took six years. The levels of diplomacy are also varied- political issues can be elevated from track two, informal diplomacy carried out by non-state actors to the diplomatic attention of catalytic groups such as a group of friends of the country[9], then to regional organizations and ultimately to the Permanent Five of the UN Security Council or other significant powers. When an OECD country member lends its offices, peace processes have also

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[7] Interview with Carolyn McAskie, January 2008

[8] In Latin American constitutional processes for example, parties often found previous Constitutions acceptable and focused their energies on striking a balance between the branches of government, or addressing specific issues such as indigenous rights.

[9] A Group of Friends is highly useful in forgotten crises because they can keep issues alive, develop knowledge and provide a convening mechanism, so that when a significant shift occurs in the political situation the relevant resources can be brought to the table. Interview with Petter Skauen, January 2008.

often been endowed with more vigour. Analysis of international efforts in these contexts indicates that beyond the skills and approaches outlined above that can fall within each specific phase of diplomatic interventions, there are six key themes and issues that warrant attention:

1) *Security.* An emphasis on human security, as propounded by Kofi Annan and now understood by the international community, is hugely important. However, security is very different from longer-term structural stability. Stability results from agreement among key political forces on the definition of a citizen-oriented system of governance and adherence to newly agreed-upon rules of the game. These rules of the game are bound by the rule of law, which allows a radical restructuring of the institutions of the state in which the role of different state institutions is transformed and the relationship between states and citizens is prescribed. This process allows power to be reconfigured from a repressive force, often used against citizens, into an instrument for the realization of citizenship rights, central to the formulation of a new state. However, the handling of the security sector is critical, and this stems directly from diplomatic efforts, which must yield international forces of the scale and capability necessary to prevent conflict. The international community must support this process and build local mechanisms for security. A very distinctive domain has evolved in this regard that involves a compartmentalized approach through SSR, DDR and other security programs which prevent holistic engagement that supports state-building.

2) *Political parties.* Diplomacy is inherently political, but the political party aspect of peace-making and peace-building has not received enough, or sustained thought and analysis in many post-conflict contexts. The central question in these places is how to orient the competition for power from violent to peaceful means through political processes.[10] Diplomatic attention tends to be focused on prominent individuals- the 'picking a winner' syndrome'- which can fundamentally undermine long-term stability when these winners turn into losers or cheats. Rather, diplomatic attention must be focused on the need to build moderate institutions and parties that are capable of representing political interests through systems and structures rather than through personal agency and rhetoric.

3) *Regional relations.* A key diplomatic task is creation of a regional agreement at all stages of peace-making and peace-building. Conflicts can be reinforced and perpetuated by neighbouring countries, with regional players also acting as 'spoilers'[11] to the peace process and to the prospects for successful transitional arrangements and the emergence of a peaceful, stable state. The diplomatic community can work to ensure efforts are made to avoid the spillover effects of regional and related conflicts, and to bring surrounding countries together behind a regional approach to political, developmental and economic state and market building. The region can also play a highly constructive role and provide enormous assets for nascent post-conflict governments and their international partners, such as border, trade, economic and governance agreements, negotiations for accession to regional organizations and bodies, and facilitation of meetings on issues of common concern.[12]

4) *The United Nations.* Given the moral authority embodied in the United Nations, its presence in these contexts on peace and security issues is both essential and unrivalled. UN intervention requires an intricate consensus-making process, both at the level of implementation, and initially at headquarters, where binding resolutions which require agreement between the five permanent members of the Security Council are put forward. In this phase, there are critical players that are not part of the permanent five, who are very important to building consensus and acting as catalysts, especially when international attention is diverted or concerned with fire-fighting. There is also the question of the Special Representative of the Secretary General (SRSG) or High Representative in these contexts, as the responsibilities and mandate of such a diplomat require careful calibration to avoid overstretch, duplication or confusion of tasks with other international actors; and the issue of reporting

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[10] Interview with James Dobbins, January 2008
[11] See Stedman, Stephen John. "Spoiler Problems in Peace Processes," in Stern, Paul C. and Daniel Druckman, eds. *International Conflict Resolution After the Cold War*. Washington, DC: National Academies Press, 2000.
[12] Spain is instructive as an example of the impact that the region can have on political and economic dynamics. In the 1930s, Spain reflected the authoritarianism of Europe, while in the 1970s the democratic and market oriented policies of its European neighbors helped to precipitate the rupture with the fascist regime and the movement to democracy.

arrangements, which should be formalized with regard to the Security Council to act as a mechanism for consensus around activities on the ground.

5) *Resource mobilization and commitment of funds*. Globally the financial needs that exist due to conflicts exceed the aid resources available to meet those needs. At present, the appeals process for assistance in one place necessarily entails taking resources away from other contexts, and as a result of arrears, multilateral institutions are often prevented from disbursing large amounts of funding to post-conflict governments. A mechanism such as pooled inter-ministerial funding, specifically reserved for rapid engagement in response to developments in fragile states would ensure that this engagement is not at the expense of other needy countries. Some important steps are being taken in this regard in donor countries such as Norway, the UK and the Netherlands. At present peace-keeping has a regular budget, whereas peace-building does not, although the UN Peace-building Fund is now one mechanism devoted to peace-building that avoids the ad hoc fundraising mechanisms that have dominated the UN response.[13] The issue of resource mobilization has largely been construed as financial, but there is a wide array of non-financial issues that are largely diplomatic in nature.[14] (See *Synthesis and Recommendations* below).

IV.   Current Development Interventions

The process of post-conflict developmental engagement has also gained mechanical characteristics, with a clear process of steps that- despite the inevitable setbacks and the need for risk management strategies- does yield a clear vision of movement from conflict to peace and legitimate political change. The broad pattern of developmental activities can be characterized as follows:

1) *Ongoing monitoring*. Analysis of cultural, social, political and economic factors that influence a conflict make it significantly easier to find lasting solutions to that conflict.[15] Therefore, when a critical moment in a country's history presents the possibility for political and economic change, there is also a possibility to reconfigure the developmental approach. Development actors must be ready to deploy immediately when this happens, to take advantage of the transition, and must plan for development interventions in detail immediately.[16] Development actors have to have a coherent plan in place, coordinated with diplomatic colleagues, from the very moment a peace agreement or political transition takes place to take full advantage of the changing context.[17] This means development has to be given the same weight and role in peace accords as diplomacy at a very early stage, as any delay can seriously jeopardize the extent and possibility of positive movement towards stability and prosperity. Ongoing monitoring is crucial in this regard and the international community is slowly becoming more able to respond to crises. The OECD-DAC is now carrying out important work in this area including studies on resource flows to fragile states and early warning indicators, and multilateral institutions such as the World Bank have adapted procedures, policies and human resource approaches to better measure progress in fragile contexts and provide expedited and exceptional allocations to countries that may require additional financing as a result of conflict.[18]

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[13] The PBC itself must ensure clear delineation of the critical tasks the UN faces in complex crises and mobilization of the required human and financial resources to formulate a range of options for each case. It should also advocate for a more coherent state-building approach that avoids the artificial distinctions often made between peacekeeping and transition, recovery and development activities; work to ensure sustained attention to state-building even after the immediate post-conflict period is over; enhance integration among the UN entities involved in post-conflict contexts; identify gaps in capacity and financing for UN missions; and institutionalize lessons learned in these contexts.

[14] For example, extractive resources are often highly significant in conflict-affected contexts and the management of natural resource income is now recognized as a key driver of conflict. A new interface is developing between diplomacy, extractive industries and trade, and countries such as Norway can provide significant expertise in this regard.

[15] Interview with Jan Eliasson, January 2008

[16] Interview with Jan Egeland, January 2008

[17] Interview with Carolyn McAskie, January 2008

[18] Pilots of a watching/pre-assessment approach, as outlined in the UN/World Bank PCNA Review are also now under implementation.

2) *Needs assessment.* The needs assessment process, typically led by the UN and World Bank in partnership with a regional bank and significant bilaterals, provides international actions with some sense of understanding, focus and grounds for mobilisation in terms of the overall goal of stability and the resources considered available. However, recent reviews of PCNA processes have indicated that as currently carried out, PCNAs often lack an agreed overall vision, demonstrate insufficient realism, provide inadequate links between priorities, show insufficient integration of cross-cutting issues and coherence and coordination, and fail to generate momentum after key transitional events.[19] Needs assessments tend to generate an extensive wish list that does not prioritize strategically, and that does not take into account the government's ability to manage the kinds of money demanded by the development process. While the World Bank and United Nations have made significant progress on the analytical level in terms of understanding the problems in the PCNA process, changes on the ground are still slow to materialize. Donors admit, for example, that "building core state functions should become a deliberate objective of the PCNA/TRM exercise",[20] but institution-building activities still tend to be projectized and approached in a piecemeal fashion. The World Bank tends to contract out its project implementation to the UN agencies, without examining, as it entreaties its client governments, the relative value and efficiency that the UN delivers.

3) *Mobilization of resources and donor conference.* It is critical that a plan for resource mobilization is in place when peace is reached to avoid losing valuable time in the post-conflict period. The subsequent donor conference proceeds in three phases: pledging, commitment and disbursement. At each phase a high level of leadership is needed to coordinate between governments and agencies and to maintain focus on the goal of raising sufficient funds to meet needs and ensure that countries live up to their promises. The conference provides a forum and interface that brings higher levels of government together. High-level diplomatic political engagement of key stakeholders is vital to ensure this process is carried out efficiently and to set in motion a working relationship between the donors and the government or transitional team.

4) *Establishment of offices on the ground.* The DAC has documented "costly lessons" learned about "the importance of consistent coherent policies and comprehensive tools in order to do maximum good and avoid unintended harm."[21] In establishing offices on the ground these lessons have yet to be fully incorporated into practice. Donors are aware of the need for "greater and better synchronised coherence between the actions of different ministries in OECD countries, other foreign policy actors and international institutions."[22] But in order to do this, donors must learn to articulate a common definition of the situation; prioritise and define their aims; set goals for their activities; and agree mechanisms for monitoring progress; differentiate between short and medium-term goals; find ways to prevent the short term from persisting too far into the future; maintain consistent messages to the population, to governments, and within and between the donors; and ensure predictable, long-term financing through mechanisms such as MDTFs rather than multiple, incoherent funding streams that bypass government. They would do well to enhance their coherence by agreeing common reporting requirements with shared indicators related to shared goals.[23] They will also need great political judgement and recognition of emerging patterns to successfully strike a balance between improvisation, tailoring and choreography.

5) *Country assistance strategies.* In general international strategies are not strategic. That is to say that they are produced by amalgamating disparate projects into a single document. Concrete synergy and

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[19] UNDG and World Bank. *Joint Guidance Note on Integrated Recovery Planning using Post Conflict Needs Assessments and Transitional Results Frameworks* (Working Draft, September 2007, p.3)
[20] UN/World Bank PCNA Review. *In Support of Peacebuilding: Strengthening the Post Conflict Needs Assessment*, January 2007, p.3
[21] *The DAC Guidelines Helping Prevent Violent Conflict*, (OECD, Paris, 2001), p.14
[22] *The DAC Guidelines Helping Prevent Violent Conflict*, (OECD, Paris, 2001), p.28
[23] See the forthcoming paper by ISE for the OECD-DAC entitled Development Effectiveness in Situations of Fragility and Conflict, which provide an overview of the common drivers of conflict, instability and fragility; set out the rationale and importance of defining conflict-prevention, peace-building and state-building objectives; and develop a framework for identifying these objectives and the associated tasks, targets and performance indicators.

strategy is achieved when the goals of peace, stability and development are matched to specific instruments with realistic sequencing and appropriate resourcing that become the agreed focus of a co-produced government-donor approach. Some donors have been moving towards common multilateral assistance strategies, including by pooled funding through multi-donor trust funds. The challenge for this kind of pooled approach is how, on one hand, to measure impact as one contributor to a complex process in ways that can be demonstrated to a domestic constituency, while on the other hand maximising impact and halting the proliferation of parallel initiatives. While the objective of these strategies should be a capable, effective state, there is also a need for quick impact activities which support momentum towards peace in the shorter-term.[24]

6) *Locally driven development.* This process, often embodied in a Poverty Reduction Strategy (PRS) is valuable in that it can generate ownership, build national capacity, identify needs through a representative domestic process, and articulate development goals over the medium-term. The international community can then use this strategy as a common basis for action. However, the process often leads to a set of needs that are not prioritized given the resource constraints that governments inevitably face on the ground. Moreover, the PRSP often lacks government commitment, becoming another aspect of conditionality driven by external consultants rather than national technocrats themselves. To improve ownership, development actors must 'descend' and sit with the government at national, regional and local levels to truly understand development priorities to a greater extent than is currently the case.[25]

7) *Debt cancellation.* The negotiation and forgiveness of debt is an emerging issue that permeates a number of phases. It is becoming critical because the issue of arrears is keeping a range of bilateral funds- many of them in grant form- off the table for countries where a new leadership eager to work in partnership with the international community has replaced a history of unrepresentative regimes who have imposed appalling debt on the population they tyrannized. While dedicated avenues of funding for countries in such situations are developing, the constraint that this issue puts on resource flows is formidable. Solving this issue again requires judgement and high-level political leadership on the donor side. A key issue is that the slow pace of the process means that the leadership that generates debt cancellation is often unable to benefit from the results of this effort, as the political situation changes by the time the additional funding stream comes online.

8) *Disarmament, Demobilisation and Reintegration.* Security System Management in these contexts often begins with DDR. This produces a well-known pattern of tasks in support of what have artificially become three separate stages of the larger transition from peace to war. Ending violence is not the same as building peace, and often disarmament and demobilization is not followed up with effective reintegration, which makes initial success in reducing the capacity and modalities for war short-lived. In an environment in which stability is the goal, unemployed youths trained in violence are clearly counter-productive. The rule of gun cannot be transformed into the rule of law without economic incentives for young people to make this a reality.[26] This involves not only job creation schemes and dialogue with the private sector as to how best to generate employment, but also training schemes and vocational courses for the development of new skills, the removal of legal and administrative obstacles to employment, and resocialization programs.[27] Equally, when former combatants are brought into security sector institutions, it is critical that these organizations are bound by the rule of law and provide discipline among constituent units and personnel to ensure rule through this law in an orderly and equitable fashion.

V.   Linkages between diplomacy and development

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[24] Interview with Jan Eliasson, January 2008.

[25] Interview with Jan Egeland, January 2008.

[26] The absence of a focus on youth has often been cited in hindsight as an issue that deserved greater attention in thee contexts to support peace and stability. Interview with Petter Skauen, January 2008

[27] Analysis of a representative sample of before the South African Truth and Reconciliation Commission revealed that dependents prime expectation for the Commission was financial assistance; the second most common request was for investigation of violations. This indicates clearly the importance of economic considerations in post-conflict contexts, and therefore the creation of sustainable livelihoods.

A brief overview of current diplomatic and development phases and problems is instructive because it indicates that a clear and well-defined set of processes and interactions has emerged on both sides in fragile contexts. While a phased approach is important, the problem in many cases is that the diplomatic phases are not carried out in tandem with the development phases, which prevents mutually reinforcing patterns emerging and undermines prioritization of action.[28] Indeed, in some contexts, political-diplomatic actors take the lead and purposely prevent development and humanitarian actors from being brought into the process.[29] A post-conflict development strategy that is developed concomitantly with the diplomatic peace process allows the international community to indicate the rewards of a successful conclusion to the peace agreement- but if planned sequentially, as a result of disputes over bureaucratic prerogatives or otherwise, this positive circularity is lost.[30] As Petter Skauen has pointed out, 'Every peace agreement has to be lived. It is one thing to sign it, it is another to live it', and the negotiating parties must be given a stake, through the possibility of coherent development, in living with the agreement they sign.[31]

This in turn creates a set of thought processes and a stock of competencies within each policy community. For example, diplomatic actors provide political analysis and mediation skills with relevance to policy decisions while development actors tend to bring a more nuanced understanding of institutional and poverty issues. Diplomatic and development agencies and organizations often have very different cultures and tool boxes from which emerge different modalities for intervention. They key is understanding when to use which tools.[32] Often there is a fair degree of complimentarity when the system as it exists works in tandem, and aspects of the distinct processes and skill sets are very positive, allowing them to be leveraged in productive ways. At the same time, the calcification of roles and phases has become problematic because it prevents joint thinking; entrenches existing business practices; reduces the opportunity for structural changes to organizational dynamics; enforces disparate operational patterns; ensures different and often competing incentives; and most importantly, prevents coherence behind a common goal against which joint success can be judged. Unity and coherence of purpose, so important for success, are absent.[33] These outcomes can actually perpetuate rather than resolve conflict. As Mary Andersen points out, the international community is coming to the realization that international assistance in the context of a violent conflict also becomes part of that context and thus also of the conflict.[34]

A system has developed which is not aligned with the problems it seeks to resolve on a very fundamental level- development processes have replaced development per se as the unit and object of analysis. This requires a reconceptualization of thinking among the international community- an objectivity- which attempts to look past procedures and focus on impact in the field and how this can truly be improved. Thus, the key interface between diplomatic and development issues in these countries has to be the extent to which peace agreements and processes can be used to produce internal reorganization of the state. Development in post-conflict and conflict affected countries must be judged ultimately by positive changes on the ground, not by the coherence of internal dynamics in donor capitals. This requires a clear understanding of the tasks, sequence, resources, skills and people on both sides necessary to provide effective engagement. While the pattern of intervention is clear, the goal, instruments and mechanisms brought to bear are not always appropriate or positive when viewed from the overall goal of building stability in these countries. There is no standard formula for international intervention that fits all contexts and circumstances, but institutional arrangements must be place that allow for a full range of actors to be drawn upon coherently to work towards an overarching purpose.[35]

The case studies analyzed below- through the lack of coordination, coherence, and inability to change operating practices- demonstrate evidence of this syndrome. The countries chosen- Liberia, Haiti, Kosovo,

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[28] Interview with James Dobbins, January 2008
[29] Interview with Carolyn McAskie, January 2008
[30] Interview with Jan Eliasson, January 2008.
[31] Interview with Petter Skauen, January 2008
[32] Interview with Carolyn McAskie, January 2008
[33] Interview with James Dobbins, January 2008
[34] Anderson, Mary. *Do No Harm: How Aid Can Support Peace- Or War*, Lynne Rienner 1999, p.1
[35] Interview with James Dobbins, January 2008

Nepal, Sudan and Afghanistan- indicate precisely that it is the dysfunctional framework within which diplomatic and development actors have to interact that is making this interaction so difficult. These are contexts in which ISE has been intensely engaged over the past two to six years, and provide varied, comparable and representative examples of post-conflict interventions in a number of ways. Geographically, the countries are dispersed across the continents of Africa, Latin America, Europe and Asia. The genesis of each conflict combines a unique series of conflict drivers, ranging from exclusion and marginalization to ethnic cleansing to economic, religious and cultural disparities. The manifestation of crises was also varied- the crisis may be a prolonged or intense conflict as in Liberia, Afghanistan, and Sudan; a prolonged but low-level conflict, as is the case in Haiti; a short and intense conflict as in Kosovo; or, as in the case of Nepal, an abrupt structural change preceded by years of insurgency. These case studies provide an interesting variety of diplomatic-development interventions- from a low-key supportive role in Nepal to full international trusteeship and shared sovereignty in Kosovo.[36] These interventions have also led to differing interactions and results, from relative success in integration on economic governance matters through the GEMAP in Liberia, to failure on security issues in Afghanistan.[37]

VI.   Case Studies

1) Liberia

Liberia now benefits from significant international goodwill and is an example of constructive international engagement in many ways. Significant diplomatic-development planning and cooperation has led to a successful sequencing of international intervention. The rapid and significant deployment of peacekeeping troops has prevented any type of coup against the nascent Johnson-Sirleaf government; the continued presence of UN peacekeeping troops is essential to protect security gains and further support security sector reform; and the Governance and Economic Management Assistance Program (GEMAP), sanctioned by the UN Security Council after diplomatic negotiations, has provided robust oversight of and conditionality for public financial management functions through positioning international experts in key public finance positions.[38] The GEMAP has significantly reduced corruption and improved cash management and represents a ground-breaking example of multilateral and bilateral organizations working across the diplomatic and development arenas to address serious governance issues that emerged during the transitional period and could easily have derailed the Liberian peace. The development community drew logical conclusions from the problems experienced, and the diplomatic community authorized the necessary mechanism needed to improve fiduciary oversight and create co-produced governance improvements. Liberia has also adopted the Extractive Industries Transparency Initiative (LEITI) and the Kimberley Process Certification Scheme (KPCS) which provide for clear and independently verified information on how natural resource rights are allocated, contracts awarded and proceeds gathered, ensure

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[36] The case studies here do not include fragile states with no violent conflict (such as Zimbabwe) or transnational and sub-national peace efforts (such as Darfur or Aceh), given the comparative advantage of ISE's analysis in national, post-conflict settings and the fact that diplomatic-development peace-building efforts in these contexts have been both analyzed to a greater degree by other actors, and provide some general lessons that are instructive regardless of the specific context.

[37] Given necessary time limitations and the scope and scale of work it would entail, the following case study analysis does not map the policies, institutional arrangements, networks, processes and instruments both at the headquarters of selected donor governments and in the field, for each country case. Rather it synthesizes on-the-ground experience and brings together thinking on these issues through holistic analysis and observation at the level of relevant generalization to ensure actionable policy advice across the spectrum of international actors in the diplomatic and development spheres.

[38] International experts were deployed to key revenue generating agencies, the Central Bank of Liberia (CBL), the Ministry of Finance, the Ministry of Lands, Mines and Energy and the Bureau of the Budget (BoB). The EGSC is constituted by the Government of Liberia, Liberia's international partners and civil society, and is chaired by the President of Liberia, Ellen Johnson-Sirleaf. The GEMAP, which came into effect in September 2005, was a direct response by the government and international partners (including the UN, EU, ECOWAS, AU, US, IMF and World Bank) to the mismanagement of public resources.

independent audits of revenue information and instigate third party monitoring arrangements.[39] The I-PRSP process has also allowed for constructive dialogue with donors,[40] providing the basic elements of a medium-term macro-economic framework including maintenance of GDP growth, price stability, foreign exchange reserves and increasing government revenues.

Therefore, impressive integration of the diplomatic and development spheres is apparent, but the sheer number of organizations and bureaucracies involved in the country means that coordination is still incredibly difficult and duplication of activities frequent. Beyond UNMIL there are 13 UN agencies, 18 multilateral and bilateral donors, two regional African organizations and 320 international NGOs operating in the country. Inevitably this leads to a multitude of different projects and strategies; provides ample opportunity for corruption and mismanagement; overwhelms the government with competing ideas and demands; and the broader goal of state-building is undermined. Cooperation between donors and the government has not been strong, a situation not helped by the fact that many international organizations are under-staffed- the EC has just one representative in Liberia to manage the entire European program.

The Liberia Reconstruction and Development Committee (LRDC) has now been established as a platform for donor dialogue and monitoring of donor engagement, and after the February 2007 Liberia Partners' Forum, donors committed to coordinate and harmonize their programs and track disbursements and projections of resources to allow for more coherent government planning. However, international partners have still not agreed on selectivity of labor in practice and do not align reporting requirements to a single timetable.[41] Indeed, they continue to use projectized assistance and do not support sector-wide or national approaches financed through joint funding mechanisms such as a Multi-Donor Trust Fund or direct budget support.[42] Equally, Liberia has one of the highest debt ratios in the world, but the international community has not provided the necessary support on the diplomatic side of debt negotiations to ensure rapid re-engagement.[43] The desirability of supporting Ellen Johnson Sirleaf's reform-minded government is acknowledged, and while debt clearance has been seriously addressed as part of international support, the pace of progress has not reflected the Liberian political calendar and the very real possibility that by the time debt is cleared the Johnson Sirleaf government will have been defeated at the ballot box- in part because of lack of progress on promises to deliver reform. It is less clear how Liberia will clear some of its commercial debt (valued at around $1 billion) which is now owned by various distressed debt funds which have no incentive or obligation to negotiate, and this may be a serious sticking point as debt negotiations move forward.

The international community is not cohering around a state-building goal in Liberia and is neglecting the sustainability of reforms. The GEMAP was intended as a temporary measure and the aim is to phase out the program as Liberian capacity increases, but there is very little emphasis in country on building that capacity. The total budget for the LEITI for fiscal years 2007-2008 is only $662,340, which will not provide much in terms of monitoring and oversight of resource management.[44] Diplomatic and development linkages are also coming apart as diplomatic pressure for positive momentum outstrips the

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[39] These initiatives allow a process of co-monitoring by providing for consultation with civil society (such as the Publish What You Pay Liberia Coalition) and the private sector, and collaboration with other countries in the region such as Ghana and Nigeria that are already implementing similar programs.

[40] The strategy outlines four strategic pillars for Liberia's development: enhancing national security; revitalizing the economy; strengthening governance and the rule of law; and rehabilitating infrastructure and delivering basic services and enhance peace and stability. *Interim Poverty Reduction Strategy for the Republic of Liberia.* 'Breaking with the past: from Conflict to Development' July 2006.

[41] The joint ISN prepared by the World Bank and the African Development Bank is a step in the right direction on paper, but in practice the work of the two institutions is not closely coordinated on the ground, partly due to the fact that the AfDB is providing very little funding given Liberia's arrears situation.

[42] A World Bank administered MDTF and Budget Support Operation are currently under discussion.

[43] While arrears clearance with the Bank will not have a huge impact financially, given the size of the Bank's exceptional post-conflict allocations to the country in any case, the moral and reputational boost it will provide is important. Decent progress on the IMF's Staff Monitored Program (SMP) and a full PRSP will allow for HIPC qualification, possibly in 2008, and debt cancellation under the Multilateral Debt Relief Initiative (MDRI) in 2009. The government is now very close to clearing arrears to the World Bank and other key multilateral creditors- the IMF and African Development Bank- are also working to put a framework in place to allow Liberia to clear arrears

[44] *Costed workplan for the LEITI for FY07/08*

ability to deliver on the developmental side- for example, sanctions were lifted on timber in 2006 and the Forestry Development Authority (FDA) is introducing new regulations for logging concessions, but capacity to implement new laws and monitor activities is low.[45] Equally, sanctions on diamond exports have also been lifted but again throughout the mineral sector the regulatory environment is weak, capacity is lacking and infrastructure is poor.

On the security side, the size of the Liberian National Police (LNP) is being determined by the international community in terms of affordability (morale is not high, pay is low at $90 a month and facilities are poor) but calculations do not account for the cost of nearly 15,000 peacekeeping troops, which, if redirected in a sustainable way, could easily support a sizeable national police force and army. To ensure progress continues, and is sustainable after the drawdown of UN troops, police training and reform must be part of longer-term budgeting over the course of the next five to ten years. Equally, while the DDR process has proven successful in terms of disarmament and demobilization, programs have not been sensitive to the volatility created by the return and reintegration process which has stoked religious and ethnic tensions and land ownership disputes. Once again, the international community is guilty of identifying desirable goals at the diplomatic level without providing the requisite resources in the necessary ways on the development level to make these goals feasible, or movement towards them credible.

Donors must ensure that they are prepared for re-engagement after arrears clearance, and seek to co-produce developmental outcomes in Liberia which support sustainable positive change, rather than engage in a donor-client relationship which only fosters dependency. A comprehensive review of government functionality[46] and a coherent assessment of exactly where donors can exit from activities and technical assistance through which they are currently substituting for the state, Liberian business or civil society, rather than mobilizing it, may be productive.[47] This would provide the basis for the consolidation of the technical space of governance that would create the reinforcing loops of reform that allow change to become irreversible and systematized rather than dependent upon competent individuals or reform-minded leadership. A significant risk is that the current reforms remain contained within the present administration and ownership and capacity for positive change does not extend beyond the current political and technical group of leaders within the government.

2) Haiti

During the 1980's and 1990's diplomatic and development engagement in Haiti met with continual failure. A review of the central donor documents and reviews indicates an unusually candid recognition of past mistakes. For example, the World Bank admits that it "disbursed about US$300 million for over 20 projects during the 1970s and 1980s, with little recorded impact on poverty or economic growth, and no improvement of governance."[48] The end of the Duvalier era in 1986 provided a window of opportunity for promoting democratic change and economic growth, but the opportunity was missed. The World Bank's assessment concluded that international cooperation has had "two basic shortcomings: no impact and no sustainability."[49] Previous efforts in the country have simply been too short-lived to have yielded any significant results.[50] The World Bank accurately summarized the difficulties in Haiti as a series of vicious circles: i) political office as the main means of upward mobility; ii) the formal rules for reaching agreements on policy are complicated and not well followed; iii) political alliances and organizations are transitory and leaders try to extend their direct control as far as possible, undermining the creation of more diffuse, institutionalized centers of power; and iv) political leadership is highly unstable and civil servants

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[45] The FDA plans to award 10 short-term timber sales contracts in late 2007.

[46] On the public finance side, the upcoming PEFA report (2008) may serve to support this functional review.

[47] Donor disbursements to Liberia increased to an estimated $300 million in 2006, almost all of which are spent outside the government budget and which include significant Technical Assistance (TA).

[48] World Bank *Haiti Country Assistance Evaluation*, (Operations Evaluation Department, World Bank, February 12, 2002)
p.15

[49] ibid, p.15

[50] Interview with James Dobbins, January 2008

and those holding appointive office have few incentives to perform or to avoid their own rent-seeking strategies, given the uncertainty of rewards for good performance.[51]

Continual disengagement by both diplomatic and development actors during this period was misconceived. Particularly on the diplomatic side, the reluctance to ensure adequate knowledge of the political and institutional dynamics of the Haitian state prevented the development of a stock of knowledge that could be used to inform international intervention in the post-February 2004 period. As a report by the National Academy of Public Administration notes: "Haiti illustrates that failing to address issues of poor governance and political instability jeopardizes the entire aid effort. Donors face two choices: either to engage governments or wait until countries resolve their own governance issues. The problem with the latter is that fragile, post-conflict states are very unlikely to ever resolve their own governance issues without assistance. And, while they are doing so, economies, societies and people's lives can be severely damaged. So like it or not, strategic countries like Haiti require intense engagement with good governance and political stability as the highest priority."[52] Since the deployment of international troops in Haiti, the diplomatic community has also maintained an impressive consensus on the need for the use of force in the country, particularly in the slums of Port-au-Prince, and has reached agreement on the necessary rules of engagement to ensure that robust intervention can take place when needed. The UN and World Bank have ensured diplomatic coordination among the various bilateral and multilateral stakeholders in the country which has allowed for the necessary processes to take place- from the multi-disciplinary rapid assessment to the Interim Cooperation Framework (ICF) to the donor conference and PRS process.

However, there have been serious difficulties in coordinating between multiple diplomatic and development stakeholders, each with different priorities and agendas, which has resulted in misalignment between donor programming and Haitian political, economic and social reality.[53] Efforts are being made to improve coordination among the international community on the ground in Haiti. A Ministry has been established within the government to coordinate donor activities and planning, and since March 2007 an official coordinating mechanism has convened bimonthly meetings of the G9[54] and the donors also meet monthly with the Prime Minister. While in practice the Ministry of Coordination and Planning lacks resources and suffers from communication problems within the government and with the donor community, donors are now reinforcing similar messages and arriving at the same lessons from past mistakes, which is an important step towards improving intervention modalities.

While donors have moved from an analysis of the failings of aid in Haiti to an understanding of political obstacles framed in terms of state functionality, the implications of this shift are still being digested. The impressive analysis and relative diplomatic unanimity at the conceptual and policy level within the diplomatic and development communities has not translated into coherent action on the ground to support peace and stability. For example, the security provided by the international community is not sustainable without creation of an effective, community-friendly Haitian National Police (HNP), and effective institutions of justice. While at the level of analysis these needs are clearly recognised, coherent mechanisms for translating aspirations into lasting institutions have not been developed. Efforts such as those made by the CIDA to finance the training of mounted police to build capacity in fragile and conflict-affected contexts must be operationalized and adopted by other donors in a country such as Haiti, where security remains a critical challenge.

Coordination between the emergency, rehabilitation and long-term development stages of the intervention has also been a problem because these have been seen as sequential, rather than simultaneous tasks.

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[51] *Haiti, Options and Opportunities for Inclusive Growth: Country Economic Memorandum*, (Poverty Reduction and Economic Management Unit, Caribbean Country Management Unit, Latin America and the Caribbean Region, World Bank, June 1 2006), p.71

[52] National Academy of Public Administration: *Why Foreign Aid to Haiti Failed*: *A Summary Report of the National Academy of Public Administration,* Buss, T. and Gardner, A. (NAPA: Washington, DC, 2006)
, p.25

[53] Canadian International Development Agency: *Canadian Cooperation with Haiti: Reflecting on a Decade of "Difficult Partnership"* (Canadian International Development Agency, December 2004)
, p.13

[54] World Bank, United Nations, Canada, France, United States, European Union

Donors recognize the importance of interventions to support state capacity, but in practice have sequenced interventions in what are perceived as three separate and distinct spheres, which has undermined state effectiveness through the use of parallel systems, uncoordinated, projectized approaches and over-reliance on technical assistance modalities that substitute for, rather than create national capacity. A further issue has been the persistent difficulties experienced in prioritizing and grasping the sequencing of tasks through short, medium and long-term time horizons. The IDB, for example, found that its "program has not been relevant in terms of providing useful policy guidelines, based on solid analytical work that could help the GOH prioritize its scarce resources and engage in medium term planning."[55] While the donors have in principle adopted a strategy geared to enhancing state effectiveness, their implementation modalities are not in alignment with the stated goals. There is no mechanism to pool donor funds and most funding is channelled through project-based mechanisms implemented by contractors. As of mid-2006, Canada had more than 200 projects ongoing in Haiti, most of which had little or no potential for impact or sustainability.[56]

More innovative initiatives that involve non-traditional diplomatic and development actors have taken root in Haiti,[57] but these have not been fully integrated into engagement strategies. At the same time, efforts to force the government to adopt donor priorities have exacerbated the difficult partnership with the government. Donor-driven reform agendas and conditionality-based financing have led to ineffective implementation and lack of commitment, with a concomitant sense of frustration among the international community. Furthermore, many donor activities have confused outputs with outcomes. For example, the IDB states that a widely publicized result of its activities is the reduction in the use of current accounts, which are used to spend public resources while avoiding normal budgetary procedures, but it is not clear what the impacts of that reduction have been in terms of quality of public spending.[58] Change precipitated by the international community has not yet been consolidated to the extent that it is irreversible, which threatens to undermine longer-term state-building. The international community urgently needs to acquire the mechanisms that will translate into the practice the stated need for the international donors to cohere around an agenda that will catalyse the emergence of sustainable institutions of governance.

3) Kosovo

The initial use of force in Kosovo and the deployment of KFOR was a diplomatic success given that both were overwhelming and decisive acts that to a large degree prevented the ethnic cleansing of Kosovar Albanians that it was mobilized to stop. The terms of engagement were precisely defined, and since 1999, security has been largely maintained. Crime exists on an individualized basis and ethnic tensions occasionally flair into violence, but structurally this violence is very different to that found in most post-conflict environments after an inter-ethnic struggle. Broadly speaking KFOR has maintained security, and Kosovars rank international troops very highly in terms of trust and professionalism.

However, other aspects of the diplomatic and development interventions in Kosovo have been far less impressive. There is now a chasm between the diplomatic negotiations over Kosovo at the highest levels and the development efforts at the lowest levels, and the United Nations Mission in Kosovo (UNMIK), by its very nature a diplomatic-development hybrid, cannot bridge this gap. Kosovo has a destination in Europe which gives it a clear picture of its desirable future, but UNMIK has not allowed for a practical route towards this destination. Legally, Kosovo is in a state of suspended animation as it is neither an independent state nor has it yet advanced its accession process towards Europe. The status quo is

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[55] Inter-American Development Bank: *Country Program Evaluation: Haiti 2001-2006*, (Office of Evaluation and Oversight, OVE, Inter-American Development Bank, 2007), p.35

[56] OECD-DAC. *Examen par les Pairs-Haiti* (23-27 Avril 2006) Debriefing. Paris, 2006. In the one case where the donors pooled funds- during the elections in 2006- they also took responsibility for expenditure, with the Provisional Elections Commission contracting the OAS and the UN to run the electoral processes with little Haitian input or management.

[57] The U.S. Department of Agriculture produced a geographic information systems report for natural resource assessment and planning purposes, and the U.S. Treasury Department's Office of Technical Assistance has established a resident mission in Haiti

[58] Inter-American Development Bank: *Country Program Evaluation: Haiti 2001-2006*, (Office of Evaluation and Oversight, OVE, Inter-American Development Bank, 2007), p.33

untenable, but the overwhelming focus on the status issue has prevented an understanding of the assets and constraints that would allow Kosovars to create a multi-functional state. Resolution of status is absolutely critical to progress in Kosovo for a number of reasons: i) the current state of suspended animation perpetuates and exacerbates ethnic issues, which in turn contribute to social and economic difficulties; ii) lack of status definition and the perpetuation of UNMIK confuses and diffuses decision-making processes, and blurs mechanisms of accountability and transparency; iii) delay of the status decision has created entrenched interests that grow around it- from the perpetuation of inefficient aid practices to organized criminal networks; and iv) the status-quo prevents long-term planning for the future, given that this future seems to be indistinct and ill-defined. This confuses policy-making and affects everything from legal reform, to capacity building, to energy sector development.

The presence of UNMIK has confused lines of accountability, undermined the rule of law, and prevented the emergence of Kosovar institutions and processes of governance. The corruption and mismanagement that has been intrinsic to the organization has also undermined its moral authority.[59] International executive powers have allowed Kosovo's politicians to shirk responsibility for their errors, and use the international community as a scapegoat for Kosovo's ills. The emergency phase after the war was prolonged, which created a culture of dependency perpetuated by the international administration, and the UN administration has not developed a meaningful exit strategy from a diplomatic angle which has stunted long-term planning. Furthermore, there has been an absence of coordination within and between UNMIK and other aid organizations and agencies and parallel initiatives have resulted in duplication of efforts. There are 45 agencies and 4000 NGOs in Kosovo, many of which work on a projectized basis, leading to irrational outcomes. Individual donor efforts could to some degree be justified if they produced results, but even in critical infrastructure reconstruction, progress has been patchy.[60] This inability to create a stock of credibility with the Kosovar population and demonstrate visible results has undermined trust in the international community.

The modality of aid delivery has prevented longer-term development in Kosovo. More than 80 cents of every $1 of aid Kosovo receives is delivered as technical assistance, but this has not produced lasting capacity within government institutions. Indeed, external advisors often pursue their own agendas without consulting their domestic counterparts[61] and there has still been no systematic assessment of the sustainable results that this reliance on TA has produced. Other off-budget aid financing supports hundreds of small projects and initiatives that have led to mismanagement and fostered corruption. This is important because when linked to the diplomatic processes and conditionality efforts such as the status process, the credibility of the international community is undermined. In the eyes of Kosovo Serbs the standards themselves appeared to be a moving target with independence the desired result whatever the actual conditions on the ground.

Diplomatic and development actors have also demonstrated a lack of coherent analysis of the situation in Kosovo. For example, in some key sectors, feasibility studies have simply not been carried out, in others these studies exist but have not been brought together to develop sector or territory-wide strategies. Donor planning documents are incoherent as a result of multiple inputs; provide little focus on some key cross-cutting issues such as the environment, poverty reduction, the rule of law, and civil rights; demonstrate no inter-sectoral governance arrangements; and do not include financing provisions for issues such as minority rights and cultural protection measures for Serbs. There is a gap between planning processes and realities and no consensus on how to prioritize for the future, which has led to the misallocation of resources.

On the procedural side, because of misjudged legal advice, Kosovo operates with four different legal systems in place. There is no central database of laws in effect, no mechanism for resolution of conflict among laws, and no process for the binding interpretation of the law or clarity on the precedence of language in law. As a result, some old laws need to be modified, others entirely replaced, and sub-laws

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[59] Serbs in northern Mitrovica, for example indicated their contempt for UNMIK after the arrest of the head of the financial police for corruption.
[60] In Drenica, for example, 90% of houses were destroyed during the war, and today only 60% have been rebuilt.
[61] For example, a new budget law is being prepared but the head of the budget department has not been consulted.

harmonized, but the capability does not exist to compose harmonized legislation across the Albanian, Serb and English languages. There has been little investment in the necessary training to create a cadre of qualified judges and prosecutors, an issue of particular concern given that the older generation is now retiring. As a result, only 1,000 laws have been approved to date and these laws are not applied universally across Kosovo's territory. Moreover, judicial credibility is continually undermined by the heavy backlog of cases which are being received faster than they can be adjudicated, and parallel legal and rule of law enforcement structures in Serb enclaves, supported by Belgrade. The international community must take some of the responsibility for these issues, given that the lack of diplomatic and developmental coordination has prevented the necessary support or advice being given to the PISG on rule of law issues- it makes little sense for American experts to provide assistance to a government that the international community agrees is part of Europe.

All of these problems are compounded by the unaccountability of the international community. UNMIK is not subject to the law and cannot be prosecuted under it, and KFOR falls outside the Ombudsperson's jurisdiction. UNMIK assigns such power to administrative directives that these directives are implemented as if they have the status of law, adding to legal confusion. It is therefore very difficult for the people of Kosovo to perceive the legality or illegality of any given action or to have any trust in the predictability of the legal system. As a result, organized crime networks, money laundering, human rights and human and narco-trafficking issues persist. Rules can be resources but also constraints if there is confusion about the formal and informal nature of those rules. Rule through law, without adherence by elites to the law itself, must be replaced with predictable rule-bound behaviour by decision-makers.

From a European diplomatic and developmental perspective, the Stabilization and Association Agreement (SAA) mechanism is to guide Kosovo towards Europe, supplemented by the provision of aid, but in Kosovo these two processes have become delinked from each other. The Directorate General enlargement team has responsibility for Kosovo, not the development team, but has not provided a coherent review of lessons learnt from other accession countries or explained how these can be applied to Kosovo. Assistance has been at the technical level and not necessarily geared towards Europe per se. If Europe is truly Kosovo's agreed goal, then all aid and advice provided to the government must be based on this underlying provision. The European Union is exceptionally good at setting rules and providing the framework within which countries can aspire to join the union, but less competent at helping potential members reach the standards for those rules and providing the structured and contextualized assistance necessary to make aspirations of membership a reality.

Kosovo must now pass through a simultaneous transition- from a protectorate to a state, and to a situation of shared sovereignty in Europe. The EU-led UNMIK successor mission must be extremely careful to ensure that it plays the role of diplomatic-development facilitator rather than an administrator in post-status Kosovo. Although it will retain key executive powers in some areas, extensive devolution of governmental powers to the Kosovo government must occur in an organized fashion. The ICO must plan for contingencies carefully to ensure that the international community does not retain more decision-making powers than currently anticipated due to unplanned exigencies. Further, it must again ensure that all provisions and legislation adhere to European standards and rules, as a Bosnia type situation in which institutions are created but then need to be rebuilt to adhere to European stipulations, must be avoided at all costs.

4) Nepal

Nepal has long been held up as an example of the lack of coordination of aid. More recently, a nascent political order has emerged in the country, defined by an internally led peace process based on internal bargaining and agreement; the use of political rather than violent means to resolve political issues; a secular state apparatus, with the issue of the monarchy as secondary to other concerns; and an inclusive, multi-party political system.[62] The peace process, in comparative terms, has been rapid and impressive in

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[62] There are questions as to the Maoists' commitment to multi-party politics, of course. As explained above, this order is based on tendencies but not facts, and thus is liable to evolve in both positive and negative ways- hence the importance of supporting ideas and actions that will foster constructive change.

scope.[63] A political track for defining the future is in place, a mechanism for reaching decisions agreed upon, and a sufficient period of time provided to reach agreement on a new constitution through intensive discussion, debate, and compromise. The Personal Representative of the Secretary General of the UN, operating under a strictly defined mandate, has gained the confidence of all parties, and Nepal's neighbours, and particularly India, have leveraged their influence constructively to facilitate progress. The critical drivers of international engagement have been the extent to which actors have tailored suggestions to context, how well they have been able to define the boundaries of accepted behaviour and the extent to which they have invoked their convening power to act as facilitators and referees. Diplomatic engagement in Nepal has been both low-key and constructive- rather than attempting to change the course of events, bilateral and multilateral representatives have supported positive internally-generated reform. Resident ambassadors have coordinated closely to ensure the free flow of information and an understanding of key tasks which face both the government and the international community.

But the emerging order caught the international community somewhat by surprise because the adequate monitoring mechanisms, at both the diplomatic and developmental levels, were not in place to provide early warning signs. Thus, the political terrain has evolved from an ad hoc process of negotiation between stakeholders with different interests and aims, and has not been brought within a coherent framework that could provide stability and direction. As a result, and as recent evidence in Nepal suggests, signals can easily be misunderstood, intentions misperceived and progress reversed with potentially tragic consequences. While diplomatic engagement has facilitated positive movement, development actors have not provided the kind of support necessary to ensure irreversible change to the Nepalese processes and systems which would support state effectiveness.[64] Aid contributes only roughly $300m out of an annual budget of $1.6bn, but its real worth is opaque, given that the value of an aid dollar is a small proportion of a dollar that can be procured through the national system, and its effectiveness is questionable. Aid has created a series of parallel mechanisms, resulting in a situation where for every dollar going through government processes, $1.30 flows entirely outside, creating a series of organizations that compete with government organizations for determination and delivery of policy in the same space.

While there are some examples of innovative approaches to take advantage of globalization, the economic sphere is notable for the absence of a strategy, supported by the international community, for its constitution and expansion. Nepal has historically focused on aid as the dominant instrument of its relationships with OECD countries. Aid, however, is only one component in a range of possible relations with these countries. Relentless focus on trade and investment, including obtaining risk guarantees, insurance and venture capital funds, could provide mechanisms and assets that would bring about substantial private sector investment in the country, and would mobilize the diplomatic and development capacities of donor countries in different ways. Unless the new political elite of Nepal grasps the importance of the economy as a driver of future stability and prosperity, and donors make a commitment to support the creation of credible and fair mechanisms for expanded wealth creation and containment of corruption and cronyism, development will remain elusive rather than inclusive.

The UN is playing a useful role in terms of demilitarization, but it must think carefully about interventions to ensure that first positive steps do not create secondary negative consequences. A critical test of the government and international commitment to political solution is going to be an agreement that the monopoly on the means of violence can only rest with a restructured state. Comparative experience shows that while ceasefires form the first step of such a path, demobilization, demilitarization, reintegration of the armed oppositional movements on the one hand, and restructuring of previously repressive security apparatus on the other hand constitute the essential set of activities that ensure a lasting peace. Rather than following received wisdom on "DDR" whereby former combatants are given cash or short term jobs but later released without skills to ensure their livelihoods in the long term, finding imaginative ways to link this category of the population to job opportunities in the market, for example through a voucher scheme with a number of firms or through vocational training programs in China for a period of time.

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[63] Guatemala, El Salvador, Sudan, and Northern Ireland can serve as comparisons.

[64] This was due in part to disagreements between multilateral organizations and bilateral organizations as to the value of continued engagement in Nepal during the popular resistance against the king. These disagreements have now largely been overcome.

To operate in Maoist-held areas, state employees ranging from teachers to project managers have had to come to informal agreements with the Maoists entailing payment of a percentage of their salaries or a sum for cost of protection to make the work possible. The test for diplomatic actors therefore, is to facilitate the creation of a predictable space for delivery of development. The existence of such a space would be judged by the degree of unimpeded access of developmental actors from the government and non-governmental organizations to the administrative divisions within the country. Ironically, there are some principles for ensuring the access of non-governmental actors, but these rules do not encompass an agreement for ensuring the open movement and effective performance of the assigned Nepalese government staff. Were local Nepalese leaders to agree to the rules for the operation of developmental space, international actors and communities could play a useful role in monitoring adherence to the agreement and in judging the effectiveness of developmental interventions.

While there has been acceptance of harmonizing aid in principle, most donor organizations are struggling to understand what this would mean in practice. In a context of high structural uncertainty, the mental models and practices of aid agencies could have unintended consequences for the social, political and economic processes in the country. The challenge to the aid system is not just to mobilize resources but to shift to co-producer and strategic partner, around a medium to long term goals that truly put the government and people of Nepal in control. Here, diplomatic and developmental analysis at the strategic level is again failing to be translated into practical change on the ground. Given the existence of successful community and village-based programs in Nepal, carefully designed "national programs" could provide a collaborative framework for joint programming that would harness capabilities of a range of actors and allow the government to improve expenditures, but donors have not yet considered such an approach. Individual donor programs reduce the scope for coordination, and as such, should be the aid modality of last resort.

The government and OECD actors in Nepal must also pay greater attention to the role of non-traditional donors and diplomatic actors in the region. India is home to the largest number of Nepalese migrants in the world, has a long open border with Nepal, and could provide significant funds for investment. Although China's common border with Nepal is in the world's most difficult terrain, the rapid pace of development in China can offer opportunities for Nepalese trade and investment. Located between two huge countries, Nepal's government and the international community must think creatively about win-win strategies that would allow the people of Nepal to take maximum advantage of the rapidly growing economies of their neighbours. This requires sustained attention by both traditional and non-traditional diplomatic and development actors to issues of trade, tariffs, regulation and creation of business-friendly environment for investment by neighbours and modalities of maximizing the participation of Nepali businesses in an expanding regional economy.

5) South Sudan

When measured against the destruction and immense suffering caused by the years of civil war, the diplomatic and developmental interventions that helped bring about the CPA in Sudan were highly successful. The Intergovernmental Authority on Development (IGAD) mediation team and its international partners- in particular the quartet of the US, UK, Norway and Italy- were instrumental in negotiating the settlement, and preventing derailment by 'spoilers'[65] through use of targeted diplomatic pressure.[66] Continued international engagement to ensure compliance from a reluctant ruling National Congress Party (NCP) on the one hand, and to facilitate improvements in the ability of the SPLM/A to implement its obligations on the other, was critical to the future success of the agreement.

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[65] The concept of 'spoilers' is developed by Steven Stedman in: *Implementing Peace Agreements in Civil Wars: Lessons and Recommendations for Policy Makers,* New York: IPA Policy Paper Series on Peace Implementation, 2001; Stephen John Stedman, Donald Rothchild, and Elizabeth Cousens, *Ending Civil Wars: The Implementation of Peace Agreements,* Lynne Rienner Publishers, 2002.
[66] International Crisis Group Briefing "Sudan's Comprehensive Peace Agreement: The Long Road Ahead", *Africa Report No. 106*, 31 March 2006.

However, this diplomatic attention was not sustained, and thus developmental initiatives have floundered. The IGAD delegation, the IGAD Partners Forum and the quartet, which had showed such resolve and concerted action in monitoring the negotiations, failed to remain engaged during implementation after the agreement. In southern Sudan, humanitarian actors deployed rapidly, but there was not the same sort of movement on the development side. The World Bank, for example, deployed one person in the immediate aftermath of the peace agreement.[67] The escalating international attention on Darfur also had a series of unfortunate consequences for the CPA. The SRSG's energies, like the attention of the world, became increasingly focused on Darfur rather than the South.[68] Meanwhile, the United States, which had pledged $1.7 billion in support of the CPA for FY05, had serious difficulty disbursing because of diplomatic sanctions imposed bilaterally on the Sudanese government for involvement in terrorism and human rights abuses.[69] Sanctions against the Government of Sudan, made funding the Government of South Sudan very difficult, and in any case limited budgets and finite political and diplomatic resources allocated for Sudan became focused on the catastrophe unfolding elsewhere in the country. Sanctions on western oil companies opened a space that China and India have exploited for economic gain without regard to human rights issues. While there are signs that China may be re-considering its position, the international community must pay attention to securing international consensus on the role and use of sanctions if these are to be effective.

The CPA is a highly detail-oriented and complex agreement, brought about through intense negotiation, but capacity for implementation has not been carefully thought through on the developmental side. The agreement is highly demanding and would have stretched even an incredibly capable state to the limits, and prioritisation regarding implementation of tasks has been a problem. The agreement also assumed a level of attention to detail and political determination on the part of the international community that it has been unable to sustain. This raises the question of the capability of the international community to support agreements of this degree of complexity and requiring this level of diplomatic commitment. Provisions of such agreements should be prioritised, simplified, and realistically funded. Diplomatic representatives need to clearly grasp the magnitude of the developmental challenges and the costs and constraints in delivering on agreed specifics. While assisting in negotiations, these actors must also demonstrate the neutrality and judgement necessary to distinguish areas of real difference from symptoms. Such distinctions are critical to devising trust-building measures. Judgement and impartiality of monitoring arrangements also become important for distinguishing who is in compliance with the terms of the agreement and who is not, and building trust in the process as a result.

In the intensely politicised environment surrounding the peace negotiations in Sudan, some international diplomatic stakeholders became partisan, and their advice was tainted by their assumption that the ideal outcome would be independence or separation. This failure of impartiality undermined trust in the international community, further hindering the implementation of development initiatives. The focus should have been on a development agenda geared towards economic integration of north and south through roads, railways, ports, and river transport. Such an approach would have generated complementarities, and created a fair playing field in which the south would have been able to see the advantages of remaining within a larger Sudan. Preparing for a peaceful divorce could have created commonalities that might have eventually kept the north and south together.

The World Bank-United Nations led Joint Assessment Mission (JAM) was a significant achievement in diplomatic and developmental planning terms. The JAM, conducted alongside the negotiation of the peace agreement, involved major input both from the Government of Sudan and the SPLM, and provided considerable opportunity for members of the opposing sides to work together on technical subjects, which formed the basis for common thinking and trust in negotiations.[70] The JAM succeeded in establishing a useful frame of reference for acknowledging the centrality of the need to address poverty, inclusion and

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[67] Interview with Jan Egeland, January, 2008.
[68] Given the huge burden created by managing both these situations, options for division of the labour, including the possibility of appointing a second SRSG, might have been useful.
[69] International Crisis Group Briefing "Sudan's Comprehensive Peace Agreement: The Long Road Ahead", *Africa Report No. 106,* 31 March 2006.
[70] International Crisis Group Briefing "Sudan's Comprehensive Peace Agreement: The Long Road Ahead", *Africa Report No. 106*, 31 March 2006.

good governance. However, while the JAM identified desirable goals, it did not follow through by designating mechanisms for implementation and actionable programmes and tended to assess needs without distinguishing between the essential and the important. US sanctions, lack of operational knowledge and slow establishment of offices in Juba also slowed disbursal through the World Bank administered Multi-Donor Trust Fund, which prevented concerted action to operationalize the JAM's findings through development projects.

The task in Sudan was to align developmental issues to the diplomatic-political terrain, but major tensions developed because international resources were not focused coherently on important developmental assets such as oil, forestry and banking. The inevitable outcome was that these assets were not taken advantage of on the developmental level to support diplomatic progress. With regard to oil, for example, a closed commission considered revenue sharing arrangements, which inevitably created suspicion and undermined broader international efforts to support transparency. Given the scale of potential oil revenues in Sudan and the central role that these had played in the conflict, the diplomatic agreement ensured that extractive industries would be a central component of peace, but had not fully evaluated the ability of developmental actors to support the government in the south in enforcing or managing any agreement in this sector. The GoSS was not equipped to manage significant oil revenues, and the international community had not created a human development programme to seriously tackle this constraint. As a result, the difficulties encountered in handling such large sums of money prevented positive momentum on issues ranging from infrastructure development, to human capital development to governance. This eroded the trust of ordinary Sudanese in the motives and capabilities both of the new government and the international community.

6) Afghanistan

Afghanistan has become a test case for the effectiveness of the international aid system, the value of UN-led political processes and the robustness of NATO as a multilateral security organisation. The interactions of diplomatic and development actors within and between major bilateral and multilateral partners, and the efforts to create a genuinely co-produced, government owned developmental and political roadmap for the country are highly significant. The story in Afghanistan was one of tentative successes in terms of both diplomacy and development efforts in the period between 2001 and 2004. In short succession after September 11th, the UN General Assembly met, appointed an SRSG, established a consensus on action, agreed on a resolution, and arranged a peace conference and the transfer of power. These were major political successes that had to be reached under the intense time pressure imposed by the speed with which the Taliban were removed and the absence of a prepared successor arrangement. The diplomatic attention devoted to the transitional process in Afghanistan was truly impressive.

In Afghanistan the transition process was carefully delineated into five phases because the UN had the necessary time to prepare and had thoroughly thought through the appropriate framework.[71] In late 2001, a UN-mediated process in Bonn convened a group of Afghans, who were acknowledged to be unrepresentative, to convene an Interim Administration who were to begin a process for establishing a legitimate political center and directing national developmental efforts. At Bonn a timetable delineating further benchmarks in the political process was outlined. These were to include a UN supervised emergency Loya Jirga, again comprised of unelected representatives, in which the President was elected by secret ballot and his choices of key officers were approved. This council was followed by the establishment of a constitutional commission, and after national consultations, its proposals were debated and ratified by a constitutional Loya Jirga. Next the process was expanded to direct Presidential elections followed by Parliamentary elections. The process was carefully designed, using a pre-existing Afghan mechanism- the Jirga- but used a time-bound process to generate a sense of movement and momentum, a broadening of the participative process, and a deepening of the legitimacy of political representation. Emphasis upon a legitimate, rules-governed and active political process made clear that victory at one stage would not be permanent, but that winners and losers could reverse their fortunes through engagement in the political process. This latter point was crucial because it prevented the emergence- or the perception of the emergence- of permanent losers who might then have mobilised against the political process, or permanent winners who could have subverted it. Domestic political momentum in expanding

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[71] Interview with James Dobbins, January 2008

the legitimacy of this process was built through the Interim Government and then the Transitional Government, culminating in presidential elections. Major diplomatic successes of the initial engagement can be attributed to the fact that Afghanistan received the very highest degree of attention from heads of state and government, but this has meant that going forward, leverage vis-a-vis the Afghan government has required the highest level of intervention, which has been extremely difficult given other competing imperatives.

On the development side, recognising the need for better harmonization, alignment and coordination of aid in these contexts, as well as the need to support the emergence of competent indigenous government structures, donors did begin to move towards a model of pooled financing via a Multi-donor Trust Fund that provided budget support for the operations of the government, as well as considering 'whole of government' approaches, in order to improve coherence of efforts. However, the PCNA took place without significant consultation with Afghans, having been hastily assembled in the fall of 2001 from Islamabad and Manila without consultation with civil servants or the government, and with just two days of ad hoc consultation with some Cabinet members having been held in January 2002 - when the needs assessment was nearly complete. The costs of reconstruction had been radically underestimated. For example the original World Bank-Asian Development Bank-United Nations Development Programme needs assessment estimated that the Kabul-Kandahar road segment would cost $35m. It eventually cost $270 million.[72] A shift in ownership of the development agenda was subsequently instigated by an Afghan team through the creation of the Afghanistan Development Forum, which was established to meet yearly from the beginning of April 2002. This process sought to increase Afghan ownership of the developmental agenda, including emphasis upon a set of tailored national priority programmes explicitly designed to address drivers of instability.[73]

Diplomacy and development efforts in Afghanistan- with progress diplomatically not followed by concomitant progress developmentally- became delinked because the balance of expenditure between security and development became fundamentally misaligned. $15 billion was being spent on military engagement each year compared with an initial commitment made to development of under $1 billion. As the security situation deteriorated, the limited ability of security to deliver stability was clearly revealed. A study by NATO on the best means to achieve stability in Afghanistan, for example, showed that credible institutions and public finance would contribute more to security than would the deployment of troops.[74] While the international community has rightly been calling for the need for transparency and accountability from the government in its use of revenues, the same injunction has not seriously been applied to the multilateral and bilateral agencies, the NGOs or to the development-security complex that has emerged in Afghanistan.

Meanwhile, the humanitarian appeal pitched the UN agencies and the government into fundamental competition over the resources that were available for development. These agencies and other developmental actors, as is shown time and again in a range of countries, create parallel structures that undermine the emergence of effective governments, and attract staff away from crucial government jobs to menial roles with international pay-scales.[75] The recognised need for clarity and coherence of purpose between bilateral and multilateral agencies and government has been prevented by fragmented aid programs, with over 50 donor and UN agencies and more than 200 NGOs implementing disparate development projects through parallel delivery mechanisms and parallel legal arrangements. The projectised nature of the whole approach makes a mockery of strategic coherence, and produces confusion and resentment on the ground. Lack of transparency regarding delivery of aid from USAID and the UN agencies, and the failure to create a system for measuring results of the intervention in terms of

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[72] *US Aid Fact Sheet*, "Phase I: Kabul-Kandahar Highway. United States Agency for International Development", (USAID 2003)

[73] This process culminated in the Berlin Conference of March 31-April 1 2004, (which resulted in pledges of $8.2 billion over three years) and the London conference the following year.

[74] Coombes, H. and Hillier, General R., "Planning for Success: the challenge of applying operational art in post-conflict Afghanistan", *Canadian Military Journal,* 2005, p.12.

[75] This has had serious consequences. For instance, approximately 280,000 civil servants work in the government bureaucracy receiving an average pay of $50 per month, while approximately 50,000 Afghan nationals work for NGOs, the UN and bilateral and multi-lateral agencies where support staff can earn up to $1000 per month.

expenditures, cost to the administration, or relative value and efficiency of delivery has also bred disillusionment on the part of ordinary Afghans whose hearts and minds are so critical to the diplomatic priority of building stability.

On a diplomatic level, there was a failure to anticipate the insurgency, and there is a widely held view that the intense focus that Afghanistan initially received was overshadowed by the political decision to topple the Iraqi regime of Saddam Hussein, which sapped vast resources- financial, logistical, political- from development work in Afghanistan. The failure to respond to insurgency, the use of massive air power and massive civilian casualties, and the major issues of coordination between civilian and military operations hindered rapid movement on the developmental side in terms of follow-up to military action. The Taliban resurgence clearly underlines the need for agreed upon systems at the diplomatic level for monitoring improvement or deterioration of a situation based on clear understanding of the drivers of conflict and stability at the developmental level. From criminalisation of economy through lack of foresight and lack of sanctions, to the slow acknowledgment of loss of momentum by the international community, the cost of operating in organizational silos was extremely high in Afghanistan.

Despite knowing the identity of key figures at the top of the burgeoning narcotics industry in Afghanistan, the international diplomatic community has not named names, nor has it taken steps such as freezing of foreign assets, including bank accounts, or denying visas. The ability of these individuals to operate in Afghanistan, with the full knowledge of the international community, seriously undermines the creation of a rules bound system and reinforces the perception that the world is tolerating or even colluding with criminals and drug dealers. More broadly on the security side, problems have been experienced due to the insistence of national governments on controlling the minutiae of use of their troops. The multiple forces, each with different rules of engagement, have also contributed to a sense in Afghanistan that affairs are not governed by a defined set of rules. Despite the speed with which countries committed troops in 2001, the troop levels have been very low compared in both geographical and per capita terms with other international interventions such as that in Kosovo, for example.

Important steps have been taken by donor governments, including the UK, Canada and the US, to improve inter-agency coherence in Afghanistan and to better synergise development efforts. Such whole of government approaches are an important step towards internal governmental coherence, but do not bear much resemblance to one another, nor are they necessarily congruent with the needs of the country. System coherence will mean alignment across levels of actors, and not merely within donor governments. Given repeated statements by world leaders that losing is not an option, and the global issues and forces at play in Afghanistan, success remains absolutely vital, but the level of effort in terms of coordination has been mixed and international business practices still require significant change if this success is to become a reality.

VII. Synthesis and recommendations

The case studies above clearly indicate that political diplomacy and development planning efforts have made significant progress, for which the international community should be given credit, but also continue to suffer from critical issues that prevent a coherent approach. When analyzed carefully, these issues can be categorized into a pattern that identifies a central lack of agreement and alignment within the international community on the goal of intervention, and coherence around that goal through the necessary time horizons, resources- both financial and human- and mechanisms for implementation. Progress is judged in terms of success in the field but the international community has created an incredible level of complexity on the ground as a result of misaligned business models and practices which prevents the progress it is designed to catalyze. This lack of alignment takes place at the multilateral level; among key regional organizations and bodies; within national governments; and through in-country interface. Development is not considered as an objective, but rather as a series of interactions between actors and bureaucratic processes, or an amalgam of uncoordinated projects. Breaking out of this pattern and the distinctive organisational silos which perpetuate it will involve transforming the organisational cultures of each institution at each level through an agenda for change, close cooperation in planning, and joint lessons learned exercises, with a focus on results rather than processes.

This is a systemic change which cannot come about given the current international thought processes and mental models. It requires movement away from the current phases and modalities of diplomatic and developmental intervention and towards a new paradigm in which these efforts are harmonized and synergized. This kind of international alignment is desirable, but not feasible when conceived of in the abstract. Change can only come about through a series of successive, credible steps at the level of action that are organized cogently behind the goal of state-building. In this way small reformist changes can lead to fundamental a systemic shift. Synthesis of the phases, processes, ideas and experiences outlined above indicates that practical guidance and recommendations to this end would include the following:

In support of agreement and alignment behind the goal of functioning systems:

1) *Adopt state-building as the overarching framework.* Diplomatic and development actors must fundamentally change their larger goal to that of supporting functioning states that can provide sustainable partnership for both diplomatic and development initiatives and create stability and prosperity over the longer-term. To date, the level of international conceptualization, expertise and resources specifically dedicated to building effective, sustainable state institutions has been poor.[76] Given political dynamics that have required rapid responses, practice has surged ahead of analysis, and it is now time for international actors to reflect more carefully on exactly how they should engage in state-building work. Donors must work to support effective states through developing a clearer understanding of institutional strengths and weaknesses across functions of the state, identifying the functions that will be performed across levels of government, and mapping the inter-linkages between the state, market and civil society. It is only on this basis that restructuring of the central government can be fully discussed, a coherent state-building and peace-building strategy can be developed, and cross-cutting ties supported. These problems stem in some degree from the fact that interventions are considered sui generis, with a generalized series of lessons extracted from elsewhere but without an effort to differentiate, which leads to a reinvention of the wheel when every new crisis arises.

2) *Delineate roles while ensuring Whole- of-Government approaches.* There are often far too many international actors in fragile state contexts, but to the extent possible those involved must ensure a clear division of labor to support agreed goals, and delineate the roles to be performed by various organizations.[77] Multilateral and bilateral organizations can act as direct administrators; facilitators; strategic advisors; catalysts; substitute providers of services; monitors; evaluators; and referees, depending on the context. This involves coordination on two levels- within and between national governments and multilateral organizations. At present, the World Bank and UN are not aligned, and neither are the diplomatic, development and defense departments of many donor governments, each of which view their priorities through the lens of a unique institutional mandate.[78] Countries such as Norway, the UK, the Netherlands and Australia are making progress in terms of Whole of Government approaches as a result of experience on the ground in countries such as Afghanistan, but even among the donors most committed to a whole-of-government approach, "the quest for coherence… remains a work in progress".[79] Moreover, where coherence is achieved, it will be counterproductive if it leads only to a proliferation of initiatives and maintains a multiplicity of unilateral strategies, albeit whole-of-government strategies, with which developing country governments have to deal.

3) *Consider affordability and feasibility versus desirability.* A key issue in all of the cases examined above is the trade-off between affordability and feasibility, and desirability. Historically, needs

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[76] The International Political Institute (2003), *A Review of Peace Operations: a Case for Change,* King's College London, University of London.

[77] This applies, of course, across the spectrum of governmental actors in these contexts, not just diplomacy and development actors. Cooperation with the military is particularly important to ensure complimentary of thought and action.

[78] Stewart, P and Brown, K., *Greater than the Sum of its Parts: Assessing "Whole of Government Approaches" to Fragile States,* IPA 2007. p.11

[79] Stewart, P and Brown, K. *Greater than the Sum of its Parts: Assessing "Whole of Government Approaches" to Fragile States,* IPA 2007. p.128

assessments have included issues that were not priorities, could not possibly be implemented by the international community, and did not strictly support the reinforcing loops that produce peace- the CPA in Sudan being a clear example. Diplomatic and development actors must interact closely during peace agreements, needs assessments and post-conflict planning to ensure that priorities match the goal of a stable and peaceful state and that international promises match the ability to deliver on the ground- as measured by the capacity of the government and the international community either to mobilize or hire people with the necessary skills and commitment to implement the agreements. More attention to issues of implementation might contribute significantly to designing more appropriate agreements and setting expectations of stakeholders at a more realistic level and thereby enhancing the degree of trust in the process. Because specialists work in isolation from each other on various aspects of peace agreements, and peace-making has not become a coherent discipline, attention to trade–offs and sequencing is by and large absent.[80]

In support of the necessary duration of international engagement:

1) *Backward map from the goal and prioritize tasks.* There is a great deal of focus on what needs to be done "here" (whether in Washington DC, Paris, London, Berlin or Tokyo) to achieve alignment rather than what needs to be done "there" (Afghanistan, Sudan or Liberia) to achieve peace, stability, prosperity, or some kind of agreed-upon end-state. This leads to conflict between donor headquarters and their field offices on political peace-building objectives and over realistic approaches that are negotiated locally among donor representatives but do not adhere to current thought at the policy level. This demands working backwards from the desired end state to a mapping of actors, their critical tasks and the necessary resources, benchmarks and monitoring arrangements to agree on the decisions and responsibilities that need to be delineated in real time. Realistic, achievable benchmarks that are tied to specific dates can be critical instruments for creating momentum and reinforcing trust in the process. This will allow a long-term perspective and engagement over a ten to twenty year period rather than a short-term horizon of one to three years during the transitional period.

2) *Prevent disengagement.* The international community must accept the fact that peace-building and state-building take time.[81] When the international community does not commit to continual and concerted political, social and political analysis of fragile states, or disengages aid programming when adverse political events occur, it is significantly more difficult to both predict and respond to changes in the diplomatic and development environment. Previous "go-stop-go" donor policies have undermined Haiti's development;[82] in Nepal, many bilateral donors were reluctant to engage when the popular uprising overthrew the king; in south Sudan the IGAP partners and the quartet failed to adequately monitor implementation of the CPA; and in Afghanistan a lack of strategic focus, particularly on the security side, has allowed a resurgence of elements of the Taliban and Al Qaeda that are preventing development efforts and threatening the considerable political achievements made early on. Diplomatic expertise and analysis of situations is critical for early warning systems and the correct channels must exist for information flows from the diplomatic to the development actors, and vice versa, within a given context. While multilateral organizations and especially the UN take the lead in many instances, bilaterals can and should also step forward to catalyze change, especially where there is a lack of willingness to fully engage the multilateral process. Interested bilateral parties must be allowed to come into the process early and constructively.[83] Kosovo requires commitment from the European Union, and Afghanistan also necessitates a rethinking of the multilateral approach given the security problems that now prevent effective progress on the developmental side.

In support of the necessary resources for effective states:

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[80] See Ghani, A, and Lockhart, C. 'Writing the History of the Future: Security Stability through Peace Agreements' *Journal of Intervention and Statebuilding* Vol. 1, Issue 3, November 2007.
[81] Interview with Carolyn McAskie, January 2008
[82] World Bank *Interim Strategy Note for the Republic of Haiti for the period FY07-08*, (Caribbean Country Management Unit (LCC3C), Latin America and the Caribbean Region (LCR), World Bank, December 14, 2006), p.23
[83] Interview with Jan Eliasson, January 2008

1) *Map existing assets*. While it is true that in post-conflict countries like Afghanistan, or prolonged political crisis countries such as Haiti, institutional an human capacity has been significantly destroyed or eroded, lessons from state-building in post-conflict environments indicate that significant pockets of capacity exist even in these contexts. Government systems, however corrupt and inefficient, remain. The key for the international community is to begin by mapping the critical assets and weaknesses of the state and to identify elements of national systems that can be used as the basis for strategy development. Diplomatic actors cannot understand the viability of a peace agreement or the capacity of a national government to adhere to international treaties if they do not understand the institutional architecture of the country in question. Equally, development actors will not be able to create a functioning state that provides political and social stability and economic opportunity if they do not comprehend the capacity that already exists to generate such change. Sometimes, the urgency of the situation leads to a tendency to carry out only a cursory appraisal of state capacity. This in turn leads to overly-large international missions which duplicate local skills without the benefit of local knowledge, and parallel aid delivery mechanisms which undermine national institutional development.

2) *Use innovative resources*. There is no real conception of the amount of resources needed in fragile contexts in order to ensure peace and stability.[84] Equally, there is a failure to understand that there is a plethora of different modalities, beyond aid, through which governments can interact with donor countries which can provide a far more sustainable basis for economic growth in the long-term. This means moving beyond the traditional mindset and framework that consigns diplomatic actions to the foreign departments or offices, and development to development agencies. Diplomatic and development efforts can and should be carried out across a range of donor government organizations that harbour the requisite skills and modalities to support peacemaking and peace-building efforts. Comparative analysis indicates that the development of new financial instruments such as leasing operations, investment guarantees, political risk insurance, domestic venture capital funds and suchlike are prerequisites for the creation of an enabling environment for a competitive economy. Organizations such as the Millennium Challenge Account, Agricultural Ministries and risk guarantee and export promotion agencies are also key in this regard. Diplomatic and development actors could also do more to leverage carbon trading resources, which provide huge potential for these countries. These types of tools should be at the front and center of any resource mobilization strategy by post-conflict governments, but lack attention in most cases.

3) *Develop the requisite skills to improve joint planning and implementation*. Diplomatic and development actors require a clear grasp of cross-cutting issues as a prerequisite for arriving at a new division of labor and for promoting synergy and more effective use of resources. Each of the phases of a transition requires a set of specialized skills and practices, based on a detailed examination of lessons learned, to enable staff to delineate options within the context of coherent overall strategies so that inter-linkages between actions, functions and processes are fully understood.[85] Old fashioned diplomacy does not generate the requisite skills for peace mediation and consolidation, which require a very distinctive set of abilities that include an understanding of multifunctional states and the market. Bilateral governments might consider targeting senior diplomats for intensive pre-deployment training on issues of peace-building and classify such training as a target field for career development. The 'opposable mind' concept must be put firmly in play- with both diplomats and development actors able to think in terms of systems rather than projects or specific concerns, organize behind a common purpose, and provide synthesis of ideas tailored to specific contexts. These people must also be deployed to fragile situations for extended periods- a constant turnover of staff on the donor side hinders continuity of policy and outcomes.[86] Without these strategic, synthetic capabilities, international engagement will continue to produce sub-optimal outcomes. The UN, IFIs, and NATO might also explore the possibility of designing special leadership programs for their staff that participate in forging peace agreements and assume responsibility for implementing or facilitating the implementation of those agreements.[87]

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[84] Interview with Carolyn McAskie, January 2008

[85] Panel on threats delineated six key threats and diplomatic skills must be developed to match these threats.

[86] Interview with Carolyn McAskie, January 2008

[87] At the UN, for example, SRSGs get in-briefings from country desks on the substantive aspects of their mission, as well as End of Assignment Reports from their predecessor (s). They also receive training under a Senior Leadership Induction Programme and a SRSG Directive and a UNITAR publication which describe the key aspects of their

4) *Consider the role of emerging powers.* The role of emerging powers such as Brazil, Russia, India, China, Nigeria and South Africa is becoming critical to diplomatic efforts in post-conflict and fragile contexts, across a wide spectrum of issues. Conditionality simply cannot work if large developing countries are not on-board- as China's actions in Sudan or Russia's role in Kosovo demonstrate clearly. Equally, emerging powers can play a highly constructive role in peace-making, peace-building and development both in terms of diplomatic leverage and developmental resources when they choose to engage constructively- Nigeria has supported the peace in Liberia; India plays a critical role in preventing further deterioration in Nepal; and Brazil is deeply involved in Haiti through MINUSTAH, for example. The role of these countries will only increase in the future and OECD countries must think very carefully about how best to utilize diplomatic links to maximize positive engagement and minimize negative engagement in post-conflict contexts by this group of increasingly powerful countries.

In support of effective mechanisms for coherent international actions:

1) *Focus on the implementation of peace agreements.* All peace agreements have provisional lacuna to some extent- the immediate imperative is to stop the fighting above anything else.[88] However, were peace agreements prepared through a backward process that identified modalities of transition and timelines, they could gain both in realism and coherence. It is differences in the degree of attention to the implementation of different peace agreements that may account both for the gains achieved in restoring competitive electoral politics and the slow momentum in achieving their goal of building inclusive states. As leaders of war and mobilized constituencies, the interlocutors in these peace agreements, supported by the diplomatic community, have paid meticulous attention to implementation arrangements for issues that they are familiar with, ranging from organization and monitoring of elections, monitoring of ceasefires and decommissioning of armed groups. But these issues, though absolutely vital to replacing conflict with peace, are of short-term focus when viewed from the developmental perspective of building inclusive states. Gaining and maintaining momentum towards this lofty goal requires longer-term focus which requires changes in cooperative mechanisms between diplomatic and development actors before, during and after peace agreements.

2) *Do not freeze transitional arrangements.* Diplomatic and development actors must ensure that their efforts and timeframes are coordinated in a way that ensures transitional arrangements do not become locked in. Care must be taken not to freeze the existing arrangements; rather, a political transition can harness time to a sequence of decisions that increasingly empower those stakeholders that believe in the process through the creation of formal institutions. Since the legitimacy of government during this phase is limited, diplomatic emphasis has to be on creating the systems for selecting a legitimate government, and development efforts have to be focused towards creating the bonds of trust between government and citizens that can maintain this legitimacy. Settling on a transitional government and allowing the process to stagnate breeds the sense that winners at the transitional phase are permanent, which will encourage losers to exit the political transition and resort to other channels, including use of violence.

3) *Ensure implementation keeps up with analytical innovation.* The case studies indicate clearly that a key blockage to more effective diplomatic-development integration and implementation is the inability to translate important progress at the analytical level into concrete changes at the operational level. There has to be a link between a theoretical solution and an actual solution for those that are affected in these countries.[89] While in many of these cases the international community recognizes the importance of state-building as a central goal, their activities do not support or even reflect this goal. For example, in Haiti the sustainability of the HNP can be questioned; in Kosovo the very presence of

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position and provides examples of good practices. The UN Peacekeeping Best Practices Section maintains a database of all guidance and best practices materials, which are available for the reference of staff in the field. These are important processes that deserve continual support and further development.

[88] Interview with James Dobbins, January 2008.

[89] Interview with Carolyn McAskie, January 2008

UNMIK confuses lines of accountability, undermines the rule of law, and prevents the emergence of Kosovar institutions; in Nepal, parallel mechanisms undermines coherent donor approaches; in South Sudan; and in Afghanistan, the focus on security issues prevents the creation of longer-term stability. An instructive example of the reverse case, with analytical innovation translating into practical and feasible changes on the ground is the GEMAP in Liberia. When the different levels of diplomatic and development actors- from multilateral, to regional, to national- reach a common diagnostic stance, cohere around a common issue and ensure robust intervention, it can lead to impressive progress.

Conclusions

There is a real sense that the international community lacks understanding of fragile states and must find new ways to work in these contexts.[90] Diplomatic and development personnel work through distinctive patterns, in organizational silos with disparate business practices, skills, organizational cultures, tools, mental models and modalities, and according to sequential phases that often lack synchronization. This prevents joint approaches, precipitates mistrust and often undermines rather than supports peace and stability in the countries which are supposedly the focus of constructive support. Development is understood as a series of procedures at the bureaucratic level- inputs- rather than specific results on the ground- outputs- and as a result overall coherence of actions is very low. Among diplomatic and development actors, as within post-conflict governments themselves, redistributive power must be transformed into collective will, and independent capabilities must be transformed into joint action to provide a focal point from which the transition to peace can grow and expand. This requires coordination of activities across and between the different levels of engagement with a division of labor and a recognition of mutual dependence for a net result of system alignment which can allow for the long-term engagement, resources and mechanisms necessary to bolster peace and stability.

Whole of government approaches are necessary, but not sufficient. Tasks allocated across the international community do not look integrated from a single partner country perspective. One country may focus on a particular partnership, between diplomatic and development departments for example- but the sum total, from the host country's perspective, should add up to more than the sum of its parts. Concentration on alignment between ministries within a single donor government is valuable, but over-fixation on this approach creates the risk that each "donor" might create an "integrated plan", with the result that ten different internally consistent "integrated plans" appear, none of which are mutually compatible or congruent with the needs and context of the country. In Afghanistan the UK, the US, Canada, and the UN agencies all possess integrated plans, none of which bear much resemblance to each other. The goal of coherence across and between ministry, government and multilateral levels demands systems alignment, across multiple organizations, behind clearly defined goals, tasks and resources, with agreed mechanisms for monitoring progress.

Therefore, consideration of when and how to better integrate diplomatic and development linkages in fragile contexts must begin with fundamental rethinking of the framework within which this relationship takes place. Inflexible rules and processes within current diplomatic and development organizations and modalities have created dysfunctional systems which prevent significant or sustained impact and necessitate fundamental and wide-ranging change. Constructive, coherent engagement with fragile state that will lead to positive developmental outcomes will result from a holistic process that: considers state-building as the overarching framework of engagement in fragile states; delineates roles and ensures Whole-of-Government approaches; considers the trade-offs between the affordability and feasibility of reforms, vis-a-vis their credibility; backward maps from the goal and prioritizes tasks while preventing disengagement; analyzes existing assets and uses those resources in innovative ways; develops the requisite skills to improve planning and coordination, including as these relate to emerging powers; carefully constructs and aligns behind shared goals through peace agreements and transitional arrangements; and develops innovative mechanisms that can lead to implementation of new ideas on the ground. This might seem like a daunting set of reforms, but the international community must either work within the constraints that prevent effective engagement as they currently exist, or discover a way to

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[90] ibid

successively bring about the necessary change to these constraints through focusing on the areas outlined above.

Until development is considered as an objective and not as a series of interactions between actors and bureaucratic processes, or an amalgam of uncoordinated projects, these changes cannot take place. Dysfunctionality within developing countries is very difficult to address if the international system itself is dysfunctional, and it is this misaligned framework within which diplomatic and development actors have to interact that is making this interaction so difficult. Many of the reforms outlined above are not easy, nor can they be carried out quickly. Rather, they will require significant discussion, sustained attention and impressive political will- change can only come about through a series of successive, credible steps at the level of action that are organized cogently and implemented coherently. There has been important movement towards recognition of this fact, and some successful efforts to improve behavior, but a great deal of further discussion and action is needed if diplomatic and development actors are to truly operate within a holistic, effective and shared framework for progress in the world's most difficult contexts.

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