

# At issue: Navigating complex dilemmas

## The Bank on violence, conflict and peace building

**The World Development Report 2011: Conflict, Security and Development is shifting the language of international policy on supporting peace and development in fragile and conflict-affected countries. Monica Stephen of International Alert examines how the World Bank's operations need to adjust to support peace and development.**

The WDR on conflict is a significant milestone in a long struggle to shift how global aid architecture supports development in some of the poorest and most insecure countries in the world. Bringing together a wealth of evidence, analysis and recommendations, the institutions of international aid are now beginning to openly acknowledge that 'business as usual' in countries affected by fragility, conflict and violence will not produce local or international development results. The Bank's own moves to codify and implement the findings and recommendations of the WDR within its operations, particularly the operational plan released by the Bank in April this year, merit special attention. Better engagement in countries affected by conflict and fragility will result if the Bank engages strategically to support legitimate politics, operates responsively to local contexts, and structures itself flexibly to empower its personnel.

### WDR and operational plan

The WDR 2011 argues that instability and violence in fragile and conflict-affected countries can be reduced via the development of capable and legitimate formal and informal institutions that deliver equitable access to citizen security, justice and jobs. From the analysis, the Bank has developed an operational plan which sets out five principles of engagement in countries facing fragility, conflict and violence:

- Principle 1 frames the Bank's response in its "mandate of poverty reduction and growth" and "its comparative advantage in supporting long-term institution building";
- Principle 2 is about the necessity of a "long-term commitment to support country institution-building";
- Principle 3 emphasises the need for interventions that are "tailored to specific contexts" and bring to bear "intensive local understanding of a type that the Bank needs to capture";
- Principle 4 commits to development that is "strongly anchored in a country's own preferences and leadership to ensure that strategies are owned by a country's own leadership and citizens"; and
- Principle 5 promotes an "open-minded appreciation of the comparative advantage of other partners (including those specialising in security, diplomacy, and justice interventions)".

These principles are an important starting point, but countries affected by fragility and conflict present international institutions and their staff with a series of complex dilemmas that principles alone do not help to navigate.

### Engage strategically

Fragility and violence are indicators of grievances, and thus of a deeply politicized context. Even the decision by an international institution to engage or not engage with a country has implications for the dynamics of the local context. A decision not to engage because of risks to institutional personnel and resources can enflame violence and instability as much as the decision to engage without adequately navigating the politics of the context. The WDR and operational plan acknowledge this

and highlight the need to expand institutional understandings of risk: that risk assessment needs to take into account both the risk of action (to institutional human and financial resources), as well as the risks of delayed action or inaction (to human and institutional development impacts in the country, region and wider global community).

The acknowledgement of dual accountability is important to ensuring international engagement supports good governance, legitimate politics and inclusion, which in turn support transition. International Alert's research on international institutions in Burundi, Liberia and Nepal found that the Bank's primary relationship with central government crowded out parliament, local government and other voices as national priorities and action plans were being negotiated and agreed upon. Where citizen-state relations are deeply fragmented and/or volatile, and where central government has an interest in restricting citizen-participation in decision-making, transition and development progress is compromised.

The consequence of a narrow relationship with central government is that key peace building issues, for example reconciliation and land conflict, can drop off the national development agenda; marginal or minority issues are silenced and can potentially aggravate root causes of violence; and positive opportunities for rebuilding fragmented citizen-state relationships, such as joint visioning and planning exercises, are lost.

While Bank-supported processes, such as the development of national poverty reduction strategy papers (PRSPs), officially require citizen participation, the political realities of volatile environments can restrict how Bank personnel approach this requirement. In Burundi, where the legitimacy of the political leadership is locally contested and violence has continued to erupt since the 2010 elections, the Bank's partnership with the government is sensitive. Civil society requests to accompany and contribute to the development of Burundi's second national PRSP were only heeded when other international actors secured government agreement to wider local participation. Bank personnel were trapped between their institutional relationship with government and institutional obligation to deliver a participatory process. Principle 4 of the new approach alone does not solve the dilemma, despite reflecting a commitment to ownership by a country's own leadership *and* people. The degree to which this principle can empower Bank personnel to effectively navigate the complex politics of the legitimacy dilemma will depend on the diplomacy of the Bank's in-country team, the receptiveness of the context and the supporting framework available for personnel to draw upon in the process.

Changing the Bank's formal business model of partnership with governments is perhaps the least helpful response to the legitimacy dilemma as this would undermine the long-term development of institutions, the state and fiduciary accountability. An alternative approach, supported by the WDR and operational plan, is to reinforce Bank personnel's own capacities to *think politically*, yet *act technically*. This emphasises the need to understand the political context of engagement, yet recognises the restriction on the Bank's activity: to be driven by developmental, not political objectives. Within these parameters there is scope for manoeuvre, but the capacity to do so effectively is often determined by wider dynamics and opportunities available within the international aid architecture.

## Operate responsively

Effective international engagement in fragile and conflict-affected environments must be driven by the needs and interests of the local context. This principle is articulated and endorsed by governments and multilateral institutions alike, including in Principle 3 of the operational plan. However, who decides when these principles are activated? To which countries do they apply? Returning to Burundi, the government has spent the last year making the case that it has exited its 'phase' of transition and requirement for peace building-orientated interventions. It considers itself in a 'development phase', despite many lingering early-transition, conflict-related needs, including disarmament, demobilisation, and security and justice sector reform.

The Bank has accepted the Burundian government's position, as have UN entities. However, Burundians and experts on Burundi, even within international institutions, are concerned with this linear analysis of transition and the lack of attention to ongoing peace building needs. The international community increasingly acknowledges that peace building and conflict sensitive interventions are required well beyond the formal cessation of hostilities. That transition takes a generation at least, not just 5 years.

What happens when new governments in countries affected by fragility and conflict are eager to no longer be identified and categorised as fragile, conflict- or violence-affected, and in need of specialist engagement when they still need that engagement? This example again brings to the fore the previous point about reaching beyond central governments when determining the nature and priorities of engagement. Principle 4 of the operational plan specifically mentions the need to support 'stronger and more legitimate institutions that serve to resolve competing social, economic, and governance claims'. The challenge for Bank personnel remains navigating the tension with the government, their primary partner, to enable the application of principles 3, on context responsiveness, and 4, on local ownership, to ensure development results can be realised in politically diverse and complex contexts.

Principle 2 is refreshing news for a government of a fragile or conflict-affected country keen to win sufficient international support to enable locally driven sustainable development. It recognises that support for country institution-building requires "long-term commitment" and "different sets of instruments, measurements and intermediate results than in mainstream low-income countries". Liberia has long called for more sustained support for formal, central, and local government institutional capacity development. Poorly designed one off training has been the norm, but is an inadequate response to local capacity needs that have been eroded by conflict and a destroyed education system. To take a basic and concrete example, rather than training civil servants in electronic file management systems to facilitate the management of ministries and departments, international organisations now realise that they need to start with basic computer literacy training.

The realities of local capacities restrict the potential of the Liberian government's aspiration to take the lead in national aid management. As a result, local ownership of international engagement is constrained. Principle 2 is welcomed in this context, but even beyond local challenges, it is riddled with its own constraints at the institutional level. In order for international institutions to better support local capacity development, donor governments need to allow for more predictable funding flows that do not demand short-term results. Effective engagement thus requires a significant culture shift within multilateral institutions and donor governments. The preoccupation with immediate results needs to be mediated with the realities of the changes being expected. Furthermore, results need to be analysed and understood through the eyes of local people if local ownership is to drive transitions in deeply complex and under-developed contexts.

## Structure flexibly

As the country case studies above demonstrate, underlying each of the principles is a series of complex dilemmas and challenges that will be encountered by institutional personnel as they seek to engage more effectively with countries to overcome fragility. Both the WDR and the operational plan acknowledge that this places enormous expectations on personnel. The Bank recognises the need to put in place "new core competency criteria" for staff working in these contexts, and that more work needs to be done to identify the core competencies required. The Bank also acknowledges the need to revise its core course on fragility and to use this as a platform for building partnerships with other development agencies, including the UN. This will require sufficient resources and their prioritisation when resource allocations are made.

The Bank office in Nepal is already beginning to pilot innovative approaches to navigating fragility. On staff composition, it has recruited a governance advisor who leads on political economy analysis and a peace team examining methodologies for conflict-sensitive programming. It is piloting new programming tools, for example a 'peace filter' to strengthen conflict sensitive programming. It is also supporting programmes that actively contribute to peace building in the form of the Emergency Peace Support Project. Recent country directors have played a decisive role in enabling the office to understand and engage with the needs of the local context. Equally, the Nepal Office has been lucky to win trust funding to develop these initiatives. Clearly, more and appropriate investment will be needed to develop suitable approaches and skills, and make available mainstream Bank resources to reform Bank practice. It is good news that already this summer the Bank established a fragile and conflict-affected situations hub in Nairobi to "strengthen operations in Africa and increase knowledge transfer between regions".

The WDR has stimulated momentum for change within the Bank, nonetheless this momentum is fragile. Transformations in Bank practice will require changes to resource allocations. Despite the current state of the global economy, we should not forget the vital need articulated in the WDR to balance institutional and results risks. If we want development aid to support local development in the world's most fragile countries, changes in institutional practice are already overdue and there is still much for all of us to learn and develop in terms of translating valuable principles to practice. As the WDR points out, under current systems, no low-income fragile or conflict-affected country has yet achieved a single one of the Millennium Development Goals. This has serious implications for local people, lending and global security. Bank leadership will need to support the development of human resource capacities within the Bank, as well as the wider framework of resources available to personnel in the field as they navigate the unique, context-specific dilemmas and challenges that will arise. This is not just a problem of leadership, field personnel, complex contexts or donor expectations. It is a paradigm shift that everyone will need to come to terms with and adjust to if international development aid to fragile and conflict-affected countries is to begin achieving development results for all.

Monica Stephen, International Alert

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Published by **Bretton Woods Project**  
33-39 Bowling Green Lane, London EC1R 0BJ, UK  
Tel +44 (0)20 3122 0610  
[info@brettonwoodsproject.org](mailto:info@brettonwoodsproject.org)  
[www.brettonwoodsproject.org/subs](http://www.brettonwoodsproject.org/subs)

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