



DONOR ENGAGEMENT IN FRAGILE STATES:

A Case Study of Donors in the Democratic Republic of Congo
and the OECD Principles for Good International Engagement
in Fragile States

IPIS Background Paper

Editorial

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List of Abbreviations

BTC	Belgian Technical Cooperation
CAF	Country Assistance Framework
CAST	Conflict Assessment Tool System
CIAT	International Committee for the Support of the Transition
DAC	Development Assistance Committee
DFID	United Kingdom Department for International Development
DGDC	Belgian Directorate-General for Development Cooperation
DPC	Difficult Partnership Country
DRC	Democratic Republic of Congo
EC	European Commission
EU	European Union
FARDC	Armed Forces of the Democratic Republic of Congo
GHD	Good Humanitarian Donorship Initiative
HIPC	Heavily Indebted Poor Country
ICG	International Crisis Group
IDA	International Development Association
IMF	International Monetary Fund
LDC	Least Developed Country
LICUS	Low Income Countries Under Stress
MCA	Millennium Challenge Account
MDGs	Millennium Development Goals
MDRP	Multi-Country Demobilization & Reintegration Program
NAA	New Aid Approach
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PF	Pooled Funds
PRSP	Poverty Reduction Strategy Paper
SSR	Security Sector Reform
SAP	Structural Adjustment Program
UN	United Nations
USAID	United States Agency for International Development
WB	World Bank
WIP	Well Informed Persons
WGA	Whole of Government Approach

Abstract

Fragile states are a global concern. Poor governance, lack of services to the population and an absence of institutions is not just a problem for the state itself, but the effects are felt in neighboring countries as well as countries half way around the world. Donor organizations are grappling with the dilemma of how to best engage in fragile states and are trying to solve where funding may show the best results. One of the New Aid Approaches (NAA) introduced by donors is the creation of declarations and guidelines which encompass various other NAA approaches such as coordination, harmonization and alignment. The OECD Principles for Good International Engagement in Fragile States are an example of such guidelines. The Principles are not binding to OECD members and in order to assess the Principles' strength among donors, the Democratic Republic of Congo (DRC) was used in this paper as a case study. Interviews with representatives from donor organizations and other well informed persons (WIP) were conducted to assess the Principles in action in the DRC. Some clear trends seen throughout the Principles are: donors want to abide by the Principles but will do so under their own interpretation; internal strategy and policy changes in donor countries prove to be slow and difficult; donors are political actors that will ensure they are not harming themselves and there is often a clash between the technical and political ideologies. The Principles are a good attempt at organizing donors to strive for the same positive effects of engaging in fragile states. However, they are also very broad and leave much space for interpretation.

DRC: Top Ten Donors of Gross	
ODA (2004-2005 average)	(USD m)
1. IDA	354
2. EC	232
3. Japan	214
4. Belgium	212
5. United Kingdom	189
6. United States	166
7. France	133
8. Germany	65
9. SAF & ESAF (IMF)	59
10. Netherlands	52

(OECD-DAC, 2005b)

Introduction

According to the 2007 Failed State Index, there are 12 countries with scores in the 100's, with Sudan ranking number 1 as the worst performer with a score of 113.7.¹ Although scattered around the globe, these “top-‘failed’ 12 states” share many similarities and thanks to the nightly news reports few of us around the planet have not heard about car bombings in Iraq, refugees in boats from Haiti, and warlord uprisings in Somalia. Threats that were once posed by large and powerful countries now exist in the form of weak and crumbling states that exist in a purely de jure status but hold none of the power to actually make them states in the de facto sense. While the international community agrees that fragile states are a problem and that actions have to be taken, consensus is still lacking on what are the best ways to engage with these weak and failing states. The dilemma donors face is like trying to figure out the age-old puzzler: “Which came first: the chicken or the egg?” Only this puzzler has a new spin: “In a fragile state, which comes first for development²: governance or security?”

To start with, why do donor governments care about fragile states? There are a mix of challenges that fragile states pose ranging from their connection to international security (US National Security Strategy, 2002; Abrahamsen, 2004) to poverty reduction and achieving the United Nations (UN) Millennium Development Goals (MDGs) (DFID, 2005). Some donors have self interests at stake; perhaps the donor's concern is for humanitarian or commercial interests which are highly political to the donor's electorate (Chauvet & Collier, 2004). There are also pure monetary arguments to involve in fragile states. One study found the global economic cost of one country that was allowed to fail and enter into the World Bank's Low Income Country Under Stress (LICUS) status rounded out to about \$82 billion (Chauvet & Collier, 2004).³ Admittedly, fragile states provide a jumbled setting for donors where the agendas are mixed with altruism as well as elements of self preservation in halting the political challenges exported from fragile states such as migration, organized crime, terrorism and drug trafficking (World Bank, 2007b).

There is consensus that fragile states are important and can not be ignored but the next hurdle is how to best engage them. Since the end of the Cold War there has been a new growth of donor ideas which revolves around the Security and Development Nexus (Hurwitz & Peake, 2004; Anderson, 2006). Essentially fragile states are a meshing of two interconnected ideas where “long-term development is regarded as hinging upon security, and lasting security depends upon sustainable development” (Hurwitz & Peake, 2004). Along this same vein, one of the main roots to the creation of a fragile state is “bad” governance⁴; so in order to counter this, donors are pushing “good” governance, democracy and rule of law programs left and right, no matter the context or the reality on the ground of the recipient country (Anderson, 2006; Ottaway & Lieven, 2002). Donors rationalize that a state is fragile or weak because of bad governance practices, so logically, the introduction of good governance policies will turn the state around and make development work more effectively.⁵ Fragile states are seen to pose such a challenge that not one donor department should be working in the state but a whole range of departments, forming a “whole of government approach” (Patrick & Brown, 2007; OECD-

¹ Country scores are based on 12 indicators and the higher the score, the worse the state is performing. Part I will discuss the Failed State Index in greater detail.

² Among many donors, development in theory has a new seating in center stage and has been raised to “the third pillar” next to defense and diplomacy. Development now has a seat at the table and is able to take part in decisions and provide a voice that advocates for development (USAID, 2006; DFAIT, 2003).

³ Also noted by Chauvet & Collier (2004) is that on average the duration of LICUS status is 56 years.

⁴ Although this paper focuses mostly on the governance/security argument in relation to poor development, certainly Jeffery Sachs would disagree and state that poverty is the main and only root to poor development where as the others are merely excuses (Munk, 2007).

⁵ The notion of good governance will be explained later in the paper under the section for New Aid Approaches.

DAC, 2006). Without a full understanding if the security and/or good governance processes are effective, donors are still attempting to find a pathway in the dark.

The answers to where the money does the most good in fragile states remains elusive and keeps changing and evolving while development aid keeps growing along with the organizations that administer the aid (IDA, 2007). Official development assistance (ODA)⁶, for the last few years has steady increased and reached about US \$105 billion in 2005.⁷ The industrialized nation leaders from the Group of Eight (G8) have pledged to double development aid to \$50 billion by 2010 specifically to Africa. All donor countries are encouraged to strive for the goal of 0.7% of ODA as a share of GNI and the European Union (EU) has already established a goal for all EU members to attempt for 0.56% by 2010 (OECD, 2006). Despite these efforts, the overall track record of donors has been fairly dismal in terms of expenditure versus long term solutions. As noted by Patrick & Brown (2006), investing in a fragile state should be compared to venture capital where the risk is high but the pay off could be as well. This cost compared to results presents even more challenges to the donor community, forcing them to constantly evaluate existing strategies and brainstorm for new ones. Basically donors know what does not work but still are not certain what does.

The needs of fragile states are multifaceted and it is clear that non-engagement is not a solution; however how does a donor engage with a state that is desperately struggling to exist? All donors have their own theories and methods which is understandable, however all practitioners look for a best practices guideline to provide a framework. The Development Assistance Committee (DAC) in the Organization for Economic Development (OECD) has attempted to provide a list of 10 such principles that encourage donors to continue working in fragile states and hopefully maximize positive impact. The Principles for Good International Engagement in Fragile States (the Principles) are a noble attempt but do they work in practice or are they merely words on paper for donors? Are they policies that member countries simply acknowledge and give lip service on or do donors attempt to follow them on the ground? This paper will attempt to discuss the complicated challenges that fragile states pose to the international community, explore the ways donors are employing the Principles, focusing specifically on the Democratic Republic of Congo (DRC) in Sub-Saharan Africa, where eight of the world's ten most vulnerable failed states are located (Fund for Peace, 2007).

The paper is formulated through desk research. Documents were sourced from journals, books as well as policy papers provided by donor agencies and consulting agencies. Interviews were also performed with a hand full of well informed person's (WIP) who work as staff members in donor agencies as well as multilateral organizations and non-governmental organizations (NGOs) involved with aid and development, specifically in the DRC. The WIP interviews were used as a method of gathering information to provide a practical example of engaging with fragile states that extends beyond the theory and literature written on the subject. Included under Annex 1 is a list of sample questions that were asked to interviewees. Questions were asked that related back to the OECD Principles in various ways as well as general information gathering questions. Some interviewees were left unnamed in the paper. Those that were interviewed hold knowledge in their field from expertise in the DRC, security sector, governance, to the nitty-gritty of development policy in their respective institutions. When possible, the interviews were conducted face to face in Brussels or over the phone with interviewees stationed in

⁶ According to the OECD Glossary, ODA is defined as grants or loans given to countries and territories that are on the DAC List of Aid Recipients. The list is reviewed and updated every three years. The following criteria must be met: (1.) aid must be undertaken by the official sector; (2.) administered with promotion of economic development and welfare as the main objective; (3.) have a Grant Element of at least 25%, and in addition to financial flows, technical cooperation is also acceptable. Grants, loans and credits given for military purposes are **not** considered aid (OECD-DAC, 2007).

⁷ Despite the gradual increase, as predicted by the OECD there was a drop in aid for 2006 of 5.1% from the numbers in 2005 (OECD, 2006). The drop leaves OECD members with the challenge to meet promises of increasing aid which were made at the G8 Summit in Gleneagles, 2005.

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Washington D.C., Kinshasa, Paris, London and Nairobi.

There are simply too many donors involved in too many sectors in the DRC to merely focus on one. It can be dangerous taking such an approach because involving so many donors makes it difficult to focus on a particular aid modality and assess its effectiveness in a fragile state. However, such an assessment is not this paper's intention because no donor really has such a grasp of knowledge at this moment. Plus, realistically, fragile states typically do not have simply one donor that is solely working in the country. This is part of the complexity of fragile states. That is why the Principles have been chosen as a bar of measurement for assessment. All DAC donors have agreed to adhere to the Principles and begin to integrate them into their policy framework with fragile states. The interviews with the various donors will help to give insight into the importance (or not) of the Principles and how effective and useful they truly are to donors. If there are any short falls, what are they? Which Principles will show areas of contention for engagement in fragile states and can the contention be avoided? Are there any areas that the Principles can be improved by the OECD and made more useful towards the donors?

The Principles will not keep states from becoming fragile, however the intent is that by following these guidelines donors will hopefully make the recipient state stronger rather than weaker and avoid any further movement towards collapse. The Principles also direct responsibility on the donor to change some of its internal structure to make aid management more feasible. This paper attempts to assess the changes that donors are expected to make either through internal and/or external changes in policy coherence. The terms internal vs. external, refer to the internal structure of the donor and the networking between the various internal departments in the donor country. External refers to how donors work externally with the recipient government or externally with other donors. Some donors have shown an easier transition with some of the Principles while others may experience internal gridlock for some time. All donors have voiced that when the international community was focusing on one goal, the elections, technocratic and political coordination was possible. Since that time, the environment has changed and anything that deals with politics proves to be a battle.

There will typically not be one sole donor in a fragile state and especially not in such a large state as the DRC. The Principles attempt to set-up good policies for donors as well as challenge them to get "on the same page in the same book" as opposed to reading out of their own books from various chapters. Although this is what the Principles attempt in theory, this paper will assess what happens in practice. Part I sets the stage by defining what fragile states are and the various challenges posed by fragile states in donor engagement. It also explores the new aid approaches (NAA) and the relevance of the NAA in relation to fragile states. Part II discusses the OECD-DAC Principles for Good International Engagement (the Principles), their influence on the donor community and expands into a case study employing the theories in the previous section by looking at the DRC, the engagement of various important donors and if/how the Principles are being employed. Part III will conclude.

Part I. What are Fragile States and How Does the New Aid Approach Relate?

1.1. Discussion of Fragile States and the Challenges They Pose

Before discussing the new aid approaches and the OECD Principles it is highly important to first address the notion of a fragile state and why donors are paying special attention to them. The WB has the Fragile States Group and just recently sponsored a seminar focusing on engaging in fragile states in July 2007 (World Bank, 2007d). The United States Agency for International Development (USAID) and UK Department for International Development (DFID) have already published strategies and policies for working in fragile states (DFID, 2005; USAID, 2005a). The Portuguese are next in the rotation for the Presidency of the EC and at the top of their agenda is fragile state engagement. In connection to the Presidency, the EU is currently creating a comprehensive “communication” that will attempt to define and outline the EU’s policy on fragile states, from definition to troubles experienced with engagement to coordination with other donors.⁸ They will also base much of their engagement policies on the OECD Principles.

Clearly with all of this activity and focus on fragile states, there is no denying that development experts understand and wholeheartedly agree that fragile states pose a unique environment and they also agree that interaction should be specific within the context of the problem but that is where their consensus ends. The NAA (which will be discussed further in section 1.3) offer various options for donors to engage but fragile states pose a difficult climate for aid interaction and there are many challenges that face donors. Although there are numerous, only seven challenges will be discussed for fear that the paper’s focus will become sidetracked. It will be seen later in Part II that all challenges in some way touch upon the Principles specifically and help to explain why donors have difficulty in employing them.

One of the first challenges is that there is still quite a bit of debate on determining the fragility of the state. Governments and donors as well as multi-lateral organizations all vary in their definitions on how to describe a state that is not functioning to its full ability. Some terminologies used besides “weak” and “fragile”⁹ are: “difficult partnership countries”¹⁰; “Low Income Countries Under Stress (LICUS)”¹¹; “failing/failed states”¹²; “weak/poor performers”¹³;

“vulnerable states”¹⁴; “unresponsive states”¹⁵; “difficult environments”¹⁶ and “countries

⁸ Author Interview, donor, June 2007.

⁹ The terms weak and fragile are used interchangeably throughout the paper.

¹⁰ The study conducted by Levin & Dollar (2005), finds that “difficult partnership countries” (DPCs) are tough environments for aid because of the weak policy and institution framework in the recipient country. They also find the DPCs experience higher aid volatility amongst other low income countries and a division of aid flow exists within the DPCs that creates aid “darlings” and “orphans”. Phrase also used in EU document on consensus in development (2006).

¹¹ The World Bank first established the LICUS Initiative in 2002 based on recommendations from a Task Force, chaired by David Collier, that would engage more heavily and differently with countries that exhibited weak institutions, governance and policies (also many conflict affected) (Carvalho, NO YEAR).

¹² As defined by Rotberg (2002: 85) failed states are “tense, deeply conflicted, dangerous, and bitterly contested by warring factions”. The failed state is defined by how long the violence has endured, who is committing the violence (against the government or is it the government?) and how the violence is justified by either group.

¹³ DAC defines “poor performers” as recipient countries that are making their best efforts but their outcomes are effected by weak capacity. The phrase DPC is later defined as an environment which is politically repressive and the government is low on development commitments (OECD-DAC, 2001).

¹⁴ The International Development Association (IDA) notes that small and vulnerable states tend to have limited lending programs and a high need for analytical and technical assistance. There are 45 such members of the World Bank and their development status ranges, some are LICUS members while others show undiversified economies and dependent on external trade (IDA, 2004).

¹⁵ DFID has used the terminology when describing a state that may be strong in terms of capacity however “unresponsive” in terms of willingness and may be politically oppressive (DFID, 2005).

at risk of instability”.¹⁷ Either way, it is clear the terminologies are mainly used by donors to indicate “risky environments” for partnership and engagement.

Besides defining a fragile state, a second challenge for donors is to assess the difference between a “weak” and “failed” state. There is consent on the difference between a “strong” and “collapsed” state, but everything in between is a bit gray. Generally donors will define between a state’s political will, capacity and legitimacy (DFID, 2005; USAID, 2005a; OECD, 2007; EC, 2006; Cammack et. al. 2006). Table 1 offers a composite of views. Although there is no consensus on a general definition, turning to international organizations can be helpful since they are comprised with a number of member states. The Organization for Economic Cooperation and Development (OECD) defines features of state fragility to be “found in a state’s inability or unwillingness to provide physical security, legitimate political institutions, and sound economic management and social services for the benefit of its population” (OECD, 2006: 17). In other words, the problems of a fragile state are multifaceted (this issue will be discussed further in section 1.2).

Table 1: *The following is a composite of four possible levels of state fragility which was taken and adapted from Prest et. al. (2005). Of course there are overlapping signs through all of levels. For example, no state is completely rid of corruption, certainly it exists in strong states; however in a weak or collapsed state, it is more rampant, acceptable and damaging to the functioning of government. There is a fuzzy line existing between the difference of a fragile and failed state. Through readings and documents it appears that a few factors may help to determine a fragile or failed status: recent democratic elections, the government’s willingness to work with external actors and the perceived legitimacy of the government not only internally but also externally is key.*

Table 1: The Stages & Signs of State Fragility

Strong/Stable

The state is in control of its territory and boundaries. The state is willing and able to deliver a full range of public goods to the citizens. There exists political will from politicians and a strong civil society to act as a balance. The state is resilient and able to withstand significant external shocks without requiring large amounts of external assistance.

Weak/Fragile

The state is post conflict or within its ‘transition phase’. Usually democratic elections have recently taken place. The state lacks a strong capacity, is experiencing economic stagnation, and has an inability to ensure the security of the borders. The state does not have full control of internal border actions. The state is susceptible to fragility or failure because of the governments’ limited good governance practices. The state is usually highly dependent upon external assistance. Can also include isolationist regimes.

¹⁶ Difficult environments are “those areas where the state is unable or unwilling to harness domestic and international resources effectively for poverty reduction” (Torres & Anderson, 2004:3). Also described in Foster (2000).

¹⁷ In a report published by the UK Prime Minister’s Strategy Unit, countries at risk of instability suffer from a myriad of issues such as coup’s, economic breakdown and large scale public unrest. The report offers methods to respond and map instability, with the core push being for prevention (UK Strategy Unit, 2005).

Failed

The political will to change the state and its dismal affairs is lacking. The state is post-conflict or is experiencing conflict, a humanitarian crisis or economic collapse. The state's authority, legitimacy and capacity exist only in certain areas of the state, usually the capital. The state is a predatory actor.

Collapsed

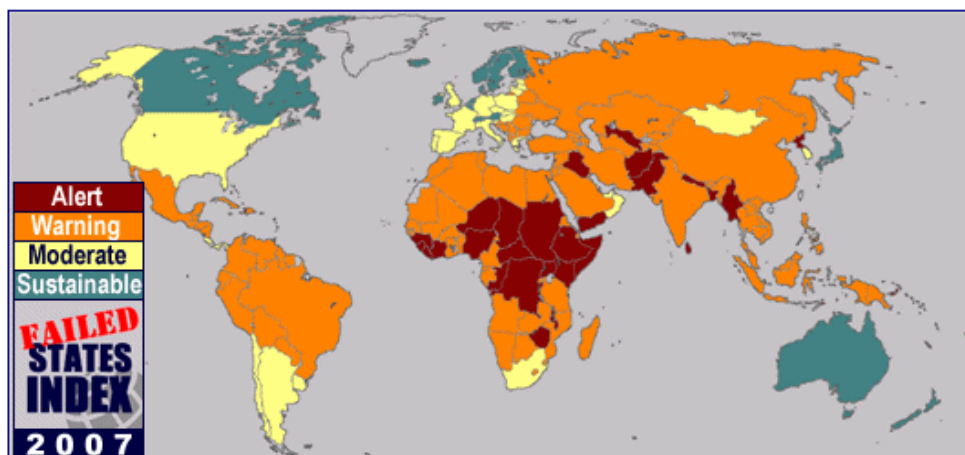
The state lacks a central government. The state has external political actors present (military/political group that is being run from another country). The state exists purely in the geographical sense. State authority, legitimacy, security and capacity are non-existent. A large amount of internally displaced persons and fighting is taking place.

The third challenge facing donors are the various assessment tools that each donor uses in determining state fragility. The tools of USAID differ from those of DFID which differs from the WB's while the EU does not yet have their own assessment tool however they are in the process of developing one. Labeling a state as "weak" or "failed" can be a politically sensitive subject so most governments keep this list private in order to not offend potential partners. The Failed State Index then serves as a good example, because it is not affiliated with a donor and uses an internationally recognized methodology to quantify, rank states and their risk for state failure.¹⁸ For the third year in a row, The Fund for Peace has created the Failed State Index (see Appendix 2 for a list of the "top 25" failed states). Using the Conflict Assessment Tool System (CAST) as its methodology, the index employs 12 indicators from social, economic, military and political fields. A few examples of the indicators used are delegitimization of the state, fractionalized elites and human flight. In the June 2007 report, they were able to assess and rank 177 countries for their potential of state failure. The index depicts the vulnerability of each state and takes into account incidences that occurred throughout the year such as government corruption, moments of violence or administration failure. Points are then allocated to each country and the higher the country score, the worse the country is performing. For example, a country that experienced internal fighting and genocide such as Sudan ranks higher than a country such as the United States, which showed state and federal administration failure in its response to Hurricane Katrina. Though Image 1 illustrates that failed states can and do occur everywhere around the globe, they are found predominantly in some geographic areas over others. According to the Failed States Index, 8 of the top 10 failed states are located in Africa while 6 of the last 10 best performers are located in Europe.

¹⁸ The Failed State Index has grown from the initial 75 countries that were rated in 2005. Although the report is titled "The Failed State Index", the study measures *the risk* for state failure and not whether or not the country is a failed state. For example, in 2007, Sudan is ranked number one with a score of 113.7 and based on the indicators shows to be at a greater risk for state failure than Gambia which is ranked at number 86 with a score of 76.0. Some country rankings could be a surprise such as Uganda ranked at number 15 with a score of 96.4. It is a country that receives a large amount of aid and is often noted as an 'aid darling'. Nevertheless, based on indicators it is in great danger of becoming a failed state. Annex 2 shows the top 25 failed states as produced by The Fund for Peace.

Image 1: Where in the World?

States most vulnerable to becoming failed states are located in red while the next vulnerable are orange and yellow. States considered to be “the most stable” are in green. Many failing states tend to be in the same regional neighborhood as other failing states (Graphic from Fund for Peace, 2007).



The fragile state agenda has been broken down by donors into three objectives: promoting local peace and human security; improving governance and economic development; and maintaining global security (Cammack et. al., 2006). The fourth challenge for donors engaging in fragile states will be to channel the various objectives externally (amongst other donors) as well as internally¹⁹ (amongst the various donor departments) into one common goal. Of course there will be overlap by donors on the areas of focus. Nonetheless, it is most likely that each donor will have an internal prioritization on which to invest energy. Donors may represent countries that contain a population of millions or an organization that holds hundreds of members, but they should be looked at as individuals, whereas no two people may interpret a given scenario the same.²⁰ If the root of the problem stems from what the donor perceives is a security problem, then more aid will be given to strengthen the military and police to fortify the borders and maintain rule of law.

Another donor working in the same country may perceive the problem to be directly related to the Millennium Development Goals (MDGs) and poverty reduction. The donor will then attempt to allocate more funds to the education and health sectors. Since each donor looks at a situation differently, different policies will evolve (see Box 1 for further details).

¹⁹ Programs of governance, security and development which were once administered in separate departments throughout a donor government are now converging. Many multilaterals and bilaterals are promoting this whole of government approach (WGA) as a needed transition in donor institutions (OECD-DAC, 2006).

²⁰ Just as donors should not be looked at as monolithic nor should donor departments. Reaching consensus internally can be just as difficult. This issue will be discussed later in the paper.

Box 1: Different Strokes For Different Folks

Note the different tactics of three donors: The UK, Germany and the US. DFID has set forth some aid instruments in fragile states that have been noted as producing promising results. DFID's concern with fragile states is connected to the development perspective, that weak states serve as challenges to achieving the MDG's and that poverty is directly correlated to fragility.²¹ Germany works within a very similar mindset. In accordance with DFID's wishes to support pro-poor policies, debt relief and budget support (when appropriate) have been used along with creating social funds that find their way to communities to be used for small investments, such as in education (Prest et. al., 2005). A DFID working paper notes that there are no single approaches to failed states and that when first choosing to engage, an assessment needs to be made on the capacity and the commitment of the state (Leader & Colenso, 2005).

The US works differently as a donor by relating fragile states to its own national security and international stability. Whereas the British and German policies focus more on mid-to long term interventions, the U.S. tends to coordinate projects with the intention of short term interventions (Prest et. al., 2005). Much of the concentration is spent on training and strengthening military and security personnel, enforcing the belief that much of the fragile state problem has to do with the security failures of the state. For example, the African Contingency Operations and Training Assistance (ACOTA) Program is currently budgeted \$40 million to assist in the training of peacekeeping troops in Africa. Since 1996, more than 12,000 troops have been trained under ACOTA and the program has since been expanded to work globally with other militaries (Fisher-Thompson, 2005). Whereas security is perhaps the main focus of the U.S., there are other areas of interest in fragile states such as fostering democratic institutions and promoting 'good governance' policies.

The fifth challenge for donors in fragile states is that a number of the aid modalities that may be workable in a strong state, may not be useable in a fragile state. Currently, common aid modalities used by donors are budget support, pooled funding, trust funds, basket funds, technical cooperation, sector support, projects as well as humanitarian aid. Which aid modalities are the best and which policies should be implemented are questions that can provoke a healthy debate. Budget support has been done in fragile states (Rombouts, 2006) however, donors mention it is only an option "where conditions allow" (EC, 2006) such as a Poverty Reduction Strategy Paper (PRSP) or strong political will. A common mistake is the mindset that fragile states are crisis situations that should be treated with crisis responses focusing solely on humanitarian aid and ignoring root causes of state fragility (Patrick & Brown, 2006). Yet, studies have shown that aid volatility in fragile states is very high because results take longer to materialize (Levin & Dollar, 2005) so engagement should be more than a crisis response. The timing of certain aid modalities is also important in a fragile state. For example, technical assistance has

²¹ Although the UK has been criticized for steering away from the MDG goals and closer to the security perception that the US holds (Abrahamsen, 2004). Abrahamsen argues the West's increased interest in the security sector of fragile states in Africa is based on a policy of fear and paints the continent with only negative images.

shown to be insignificant in terms of development unless administered once reforms in the state have clearly begun (Chauvet & Collier, 2004). But aid –e.g. education- that can build positive preconditions in a state has shown to be highly positive in fragile states (Chauvet & Collier, 2004).

A sixth challenge for donors relates to good governance and the strong donor emphasis that is placed on endorsing good governance practices. Many donors are transitioning large amounts of funds to programs that make aid more selective and competitive, such as the Millennium Challenge Account (MCA).²² The trouble with such change is that many fragile states are then ineligible for the funding because there is no way that they will be able to qualify under the strict pre-conditions nor will they have the capacity to complete the “to do list” provided by donors.²³ As a result, some are pushing for donors to change their strategies and make the goals more realistic to good *enough* governance (Grindle, 2005). Grindle suggests that weak states should focus first on personal safety, basic conflict resolution and agree on political succession before addressing tasks such as government responsiveness in terms of input from civil society. Ideally, aid that is connected to good governance should also increase the governance in the recipient countries, however ironically, there are countries that have actually shown decreases (Brautigam & Knack, 2004). Aid has been connected to weakening institutions because of donor fragmentation, simply creating “organizations” and not institutions through intrusive social engineering approaches (Ottaway, 2002) as well as slowing down reforms in recipient countries through “perverse incentives”(Brautigam & Knack, 2004).

A final challenge for the donor community is to not tie their development aid to political objectives because such practice negatively effects fragile states (Patrick & Brown, 2006). Studies show that aid is actually more effective when given to a non-allied recipient country than to a politically allied recipient country (Bobba & Powell, 2007). This challenge is perhaps one of the toughest because a behavioral change will be needed in the donor governments. For example, in the U.S., the funding of ODA is at the whim of congressional approval and typically runs in intervals that do not exceed five years. The reality of aid is that it is tied to politics and a long term program of 10-20 years would have to survive the political winds of change in Washington D.C (see Box 2 on the connection between aid and politics).

²² The MCA is a US government cooperation which was established in January 2004. MCA works with some of the poorest countries in the world and currently out of the 40 countries that MCA is in partnership with, 19 of them are in Africa. MCA strives to work in countries with records of good governance, policies which allow for economic and personal freedoms. The organization is transparent with its indicators and country score cards are available for public viewing. MCA will not invest in a country that has a high score of corruption. The DRC has not passed any of the 16 indicators therefore making it ineligible at this point for funding from the MCA. http://www.mcc.gov/selection/scorecards/2007/lic/score_fy07_lic_congodemrep.pdf.

²³ For an idea on how long the “to do list” can be, see Ottaway (2002) which describes the IMF’s memo for Sierra Leone to address their most urgent problems in the first year. The six page document included organizing elections by January 2001, establish a DDR program, reducing inflation, liberalizing the petroleum market and re-establishing security.

Box 2: Aid and Politics: The Connection of Interests

Many donors state their support for the MDG's as well as their concern for fragile states, however when looking directly at the regions and flow of aid, there seems to be a correlation between aid and donor country interests. The interests can range from maintaining stability in the donor country region, to maintaining old colonial ties and interests, as well as political/strategic interests around the globe. For example, using numbers provided by the OECD, of Australia's total ODA in 2004-2005, only 9.5% went to 'South of the Sahara' while 70.9% went to 'Other Asia and Oceania'. For Belgium, 57.1% of ODA went to 'South of the Sahara' while 6.7% went to 'South and Central Asia'. For the United States, 25.3% of ODA went to 'South of the Sahara' while 43.3% went to the 'Middle East and North Africa'. In this small composite it is possible to see the interests that particular donor countries may have in a particular region and how it relates to the donors overall policy interests. Although the donor community and multinational organizations as a whole may be pushing for more aid to be distributed to fragile states and other least developed countries (LDCs), chances are high that a donor will still think strategically when working bilaterally.

Demonstrated by the various challenges, engaging in fragile states is not a simple process. At this point in time, there is no one correct answer for interaction. Though all fragile states exhibit many of the same flaws, they are all separate entities and in no way clones of each other. Toss in the uncertainty of the donor community whose experts all prefer their own methods and styles, and it is easy to understand why the design process is so tedious and why there are no sharp-edged solutions for engagement. As already shown, different assessment tools, different ideologies and different agendas will produce different perceptions on how best to engage. State fragility is a complex issue and the next section will delve deeper into the three driving circumstances which are found to weaken the state.

1.2. Three Driving Circumstances to State Fragility

The concept of the weak state is not a new one as weak states have always existed. But there is a more modern interpretation to differentiate it from the collapse of civilizations centuries ago as well as more recent breaks such as the Soviet Union (Zartman, 1995; Ottaway, 2002). The fragile states of today are perceived as unstable and therefore more affected by scenarios that a stronger state may be more easily able to respond. There are a number of potential drivers to state fragility: a natural disaster, post-colonialism, violent conflict, rivaling ethnic groups, a bad regional neighborhood and poverty. I would like to focus on one of the largest problem areas in a fragile state, flawed institutions, with a concentration on two important sectors, the security sector and economic sector. All are interlinked.

1.2.1. Institutions

The term 'institutions' encompasses a variety of forms ranging from the formal to the informal; the judiciary, the executive, the military, tax policy, road regulations, elections and census taking are all examples. In a weak state, the only real functioning institution is typically the executive branch since that is where most of the power and decisions are wielded. However, donors place a large amount of importance in having strong institutions

because they are durable, serve as a “commitment device” to the citizens and allocate the de jure political power for the future (Acemoglu & Robinson, 2006). Just as discussed by Acemoglu & Robinson (2006) policies are important to both citizens and elites, but policies are static and rational actors will care about the future, hence the importance of building and maintaining institutions.

That is the precise reason why an unscrupulous leader wishes to keep the institutions weak; there would be no opposition to his power. When leaders in a weak state begin to exhibit traits of “the politics of survival” as discussed by J.S. Migdal (1988), the only institution that matters is that of the executive. Survival of the politician²⁴ takes precedence, not of that of the people. The leader may then take part in actions such as patronage, thereby weakening external institutions and creating a power center that would lead all decision-making to be made by the office of the presidency and no where else. This hampers the state to perform its main duties to the population which includes administering justice (weak judiciary), providing services to the people (weak bureaucracy), and securing borders and keeping the peace (weak and potentially untrustworthy military and police).

The legislature or the political society is another institution that is typically deeply flawed in a fragile state. Both are “the arena where citizens are represented and their views are aggregated and packaged into specific policy demands and proposals... [W]here much of the political agenda is set or at least *should* be set” (Hyden et al., 2004:77). According to Hyden et al. (2004), this arena is viewed as one of the more difficult areas to govern. The reasoning behind this is that political society is an arena that is governed and functions best through formal rules, and of course, in a fragile state, almost all of the formal rules are substituted for informal practices. One common practice in a weak state is postponing of elections, as seen in Zimbabwe (BBC, 2006), contesting of election results as seen in DRC by opposition candidate Jean-Pierre Bemba, and the banning of political parties as practiced by Samuel Doe in Liberia (Global Security, 2007).

Weak institutions are problematic because “[w]hen the rulers are seen to be working for themselves and their kin, and not for the state, their legitimacy, and the state’s legitimacy, plummets. The state increasingly is perceived as owned by an exclusive class or group, with all others pushed aside” (Rotberg, 2002: 90). In cases where all government facets seem to be corrupt, donors share the idea that supporting civil society may be the answer. However, caution should be exercised in this belief (Molenaers & Renard, 2006; Rombouts, 2006). It is thought that both the civil society and the state should be treated as interlinked. “...The quality of the state reflects the quality of its societal base. Public officials are also members of society and carry the same values as other citizens” (Hyden et al., 2004:74). Some scholars warn to not treat one area as the good guy and the other as the bad guy because the two are reflections of the other and if corruption is allowed in one, there is potential it will be allowed in the other.

Another line of thought seems to be that the responsibility rests with the political elite. A number of fragile states could be described as suffering from the phenomenon referred to as the ‘resource curse’, turning the state into a predator and collecting rents but not distributing them in the form of goods to the population. The need to balance political stability as well as economic growth is less demanding for a leader from a state that can easily extract resources (Migdal, 1988). The corruption at the top of the political structure then creates a “trickle down effect” throughout the rest of society, where people are looking to survive.

²⁴ The politician can act in regards to his own personal survival, as well as the survival of his clan, tribe, ethnic group or simply inner circle of friends.

1.2.2. Security Sector

The word “security” entails human, border and national security. In order for a state to be considered functioning one of the most important jobs it must perform is to ensure the safety of its population and have a monopoly on the use of force (Nagengast, 1994). The state is supposed to be strong, have a military and a police force that will protect its population from both internal and external harm, a functioning ministry of defense to oversee the protection and a justice system that will allow for prosecution and detention of criminals that are in violation of the set rules. This circular flow of the security sector, while sounding simple, is quite difficult for a fragile state to pull off, because all too often the state’s power has a limited stretch, which may not extend beyond the capital city boundaries.

There are historical factors that can be referred to when attempting to explain the poor security environment found in fragile states. Some argue that the feeble security, particularly in Africa, can be blamed on the fact that the African state was not allowed to develop naturally as compared to the European state and that the boundaries were first arbitrarily set by colonialists who later then attempted to form a state within the boundaries (Tilly, 1985; Clapham, 2001). Further arguments link the weak border control in fragile states to the “criminalization of the state” where the state knowingly partakes in illegal border activities for the monetary benefit that can be received (Bayart et. al, 1999).

Regardless of the historical factors and reasons for the poor security, donors are increasing their work in security sector reform (SSR) in fragile states in hopes that improving the fragile security will improve conditions for development (DFID, 2002; Hurwitz & Peake, 2004). Donors recognize the importance of security to a state and that poor security and governance will hamper economic growth which will increase the negative effects onto the population in the weak state (Andersen, 2006). Anderson (2006) argues that while SSR is important, perhaps the approach of focusing solely on strengthening the central government is ill suited for fragile states because most never had a strong government to begin with and that alternative non-state actors could be a part of the solution as well.

1.2.3. Economic Sector

A state’s economic performance is fundamental to its stability. The ability to sustain economic shocks, manage natural resources and redistribute the wealth of the state to the population is essential. Already weak states are working at a deficit since many are among the United Nations list of Least Developed Countries (LDCs). Clearly infrastructure will be weak and macroeconomic policies will have much to be improved. In a comparison between the UN list and the Failed State Index, 14 of the LDCs are ranked in the top 20 of the Index (UNCTAD, 2007; Fund for Peace, 2007).

A fragile state with poor economic policies allows for a privileged few to reap benefits and attain a profitable position. Economic policies can range from how many days it takes to start up a business, how much information is shared between the private sector and the government, to how much a permit may cost (Hyden et. al., 2004). In fragile states, not only do a few politicians stand to profit but businesses can also position themselves with corrupt political leaders as well as warlords fully knowing that profits would not go to the state coffer but to personal accounts (Reno, 1997; Reno, 2001). The neo-patrimonial state²⁵ was common place under many political leaders, such as Charles Taylor in Liberia and Mobutu Sese Seko in Zaire/DRC.

²⁵ Neo-patrimonial refers to the fact that the patronage networks of the state are still strong and continue to function even in the modern state. The resources extracted were used not only for the political elite but also distributed to political followers to ensure loyalty.

Another common problem in many fragile states is the management of natural resources.²⁶ Some businesses are highly interested in settings that require little investment and the sole purpose is to extract the wealth and bring it somewhere else to be processed or sold. The ease of the extraction can also allow for the ease of internal conflicts to occur. Whether or not the conflicts are connected to the debate of “greed or grievance”, the resources are unquestionably a funding mechanism used for the fighting (Collier & Hoeffler, 2004). In a weak state, a de jure political leader may use the sale of resources to further oppress his population and buttress up his weak regime. In that same state, a faction leader and someone that does not hold de jure power is also able to use the resources in the same manner, only to fight against the state.

1.2.4. Interconnection of the Driving Circumstances

Clearly there is no one driving circumstance that weakens the state. The various institutions are all interconnected which makes the donors decision for engagement all the more difficult. Fragile states pose complicated problems where all sectors are in need of reform, many aspects of the government are in need of strengthening, and everything is a priority. The new aid modalities can be applied to the various driving circumstances but donors are still trying to figure out which offers the best results in fragile states. The next section will discuss the new aid approaches (NAA) and their relevance to fragile states.

1.3. The New Aid Approach in Fragile States

Before discussing the NAA in fragile states, it is important to first understand the progression of thinking that has taken place in the development community. Aid was originally recognized by developed countries as a tool to benefit and reward recipient countries, political allies as well as a tool to achieve the donor country’s own goals (Bobba & Powell, 2007; Alesina & Dollar, 2000). The goals focused on economic development in the recipient countries and were justified through various means of political, moral or economic interests that the donors possessed (IDA, 2007). Although this type of donor mentality is still witnessed today in many donor programs, compared to 1957, the practice of administering development aid in 2007 has gone through some major transitions.

Goran Hyden et. al. (2004) tracked the stages of development in four phases (see Table2) In the 60’s, the focus was on projects while the 70’s was programs and the 80’s followed the mantra of policy. A shift began to take place in the 90’s which acknowledged politics could no longer be ignored in administering development and so began the introduction of good governance. This thinking has remained the focus of the donor community.

²⁶ The “resource curse” describes the phenomenon of a country with a high amount of natural resource wealth and disappointing economic development. A country may experience a boom in the economy through the discovery of resources but on the flip side will experience unsustainable growth rates (Sarraf & Jiwaji, 2001). It is believed that stronger policies and better management of resources can help in averting the resource curse.

Table 2: Shifts in Development Thinking from the 1950's to the Present

Period	Focus
1950's – 1960's	Project (Potential beneficiaries have no input. Government and public institutions solely in charge.)
1960's – 1970's	Program (Increased investment in human capital, for example emphasizing education. Focus not just on one problem but a range of problems.)
1980's	Policy (Increased economic reforms and incentives which could facilitate development.)
1990's – present	Politics (Realized the importance of a politically enabling environment in order for development to work.)

(Graph reproduced and adapted for paper from: Hyden et. al., 2004:11)

Not only has the focus of development gone through a transition, but so did the programs and policies in administering development. Probably the most influential time period is the third phase, the late 80's, that ushered in the introduction of two major factors in the development world today. The first was the implementation of policy and conditionalities, seen in organizations such as the WB and IMF with structural adjustment programs (SAPs). SAPs were seen as a form of “shock therapy” for developing countries and proponents believed that for positive change to occur, reforms would have to happen quickly and all at once (Easterly, 2006). Comparable to pulling off a large band-aid from a sensitive part of the skin; it hurts to pull it off, but if done with speed, it hurts less. Certainly this statement is easily said when the band-aid is not on your body. The development community hoped that incentives would help to facilitate the ordering of development in recipient countries.

The second factor was an increase in activity on the ground from non-governmental organizations (NGOs), transforming development work into a large business. To begin with, aid is being distributed in ever increasing numbers by a wide range of countries. The average number of donors per country has jumped from about 12 in the 1960's to about 33 between 2001-2005 (IDA, 2007). In addition to the per country statistics, it is believed that there are about 230 international organizations, funds and programs, all concerned with international development. As noted in an IDA Report, “[t]he number of international organizations, funds and programs is now higher than the number of developing countries they were created to assist” (IDA, 2007:19). Development assistance as a business also includes the aspect of spending pressure where donor departments work to “spend and maximize their budgets” and avoid the potential for a smaller budget come next years budget cycle allocation (Svensson, 2003).

The NAA attempts to address how to balance the various ideologies of donors, the need to include civil society and the array of issues involving the increase in development players. NAA focuses on three things: ownership and commitment by the recipient government, selectivity on behalf of the donors in working with countries that are introducing sound policies and where sound policies are effective, budget support should be enacted (Foster, 2000). Through NAA there is an “increased emphasis on accountability to domestic institutions” (Foster, 2002:7), an element that is sorely needed and missing in fragile states. Elements of the NAA are participation, good governance and

Poverty Reduction Strategy Papers (PRSPs).

Good governance and PRSPs are perhaps the most well known stipulations for engagement with donors in fragile states. Good governance is a rather vague term and is meant to define a government beyond it simply being a democracy. Governance encompasses a variety of components from individuals, such as local civil leaders to institutions such as the judiciary and bureaucracy. Some key attributes that countries must demonstrate in order to attain good governance are public participation, transparency, responsibility, accountability and responsiveness to the needs of the people (Hyden et. al, 2004). A recent study noted that from 1997-1999 for programs in Africa, nearly $\frac{3}{4}$ of the conditions (or about 80 per country) pertained to governance (Goldsmith, 2001). In the donor community it is almost impossible (and unthinkable) for donors to engage in a state without a PRSP (which will entail good governance practices) completed by a recipient country. The intention of the PRSP is to ensure that there is participation by civil society in the development program of the country, however many question to what extent civil society is *really* involved in the process. If a consultant is hired to pull together the PRSP and the participation of the civil society is chosen by the government, then how is the PRSP actually effective and “owned” by the people?²⁷

The NAA is political in nature and despite the apparent move to introducing politics into the picture, there are many large donors that continue to work with a technocratic mindset and completely ignore politics. “These experts see poverty as a purely technological problem, to be solved by engineering and the natural sciences, ignoring messy social sciences such as economics, politics and sociology” (Easterly, 2007:32). The WB is one such example and works within an apolitical mandate. The clash between the technocratic and political ideologies will be discussed further in Part II.

Also a part of the new aid concepts are declarations where donors and recipient countries come together to publicly commit themselves to improve the effectiveness of development. The Paris Declaration on Aid Effectiveness is the most recent, where in March 2005, over 130 countries and organizations gathered in Paris to agree upon an array of points that move to harmonize aid delivery amongst donors and increase its effectiveness. The five focuses are ownership, alignment, harmonization, result management and mutual accountability. Programs such as debt relief are pushed and now account for about 70% of the ODA between 2004-2005 (IDA, 2007). The OECD-DAC is monitoring the process between some of the partner countries and the donors working in the country. Benchmarks have been set and positive results are hoped to be achieved by the year 2010.

Without a doubt the NAA offers positive steps toward engagement and strives for better management with the setting of benchmarks, as in the Paris Declaration, and creates guidelines for donors to be held more accountable in their engagement. The Declaration also includes a section that specifically addresses fragile states and links to the OECD-DAC Principles. Despite this fact, there is still a great deal of confusion and debate on where donors should concentrate their funding.²⁸ Also, methods proposed in both the Declaration and the Principles are not always applicable in certain fragile state contexts, such as donors being selective with their aid. If donors continue selectivity based on performance, many fragile states will find themselves unable to receive funding because their problems will need more than a year or two for a “turn around”. Part II will provide a

²⁷ The issue of ownership in the DRC will be discussed further in Part II. For more information on the increased importance of the PRSP, civil society, and questioning of ownership see Rombouts (2006).

²⁸ Leader & Colenso (2005) provide a detailed account of various aid instruments employed in fragile states offering the positives and negatives experienced by donors. Certain modalities such as budget support or technical assistance may be appropriate in some fragile states (with high political will) and inappropriate in others. Regardless, some donors still continue using the modalities even if factors such as high political will are not in place. In fragile states, ownership, analysis and commitment to change need to be monitored because “the lesson from the experience of trying to operate sector programs in hostile environments is not a positive one” (Foster, 2000:35).

Donor Engagement in Fragile States

practical look at donor engagement with the OECD Principles, which intertwines many of the NAA, and their application by donors in the DRC.

Part II. The Principles and Application in the DRC

2.1. What are the OECD Principles and Why Are They Important?

Increasingly fragile states are being discussed in international policy. In response, most organizations are forming policy groups and departments to concentrate specifically on the issue and explore possible opportunities for more effective engagement. Many bilateral donors have created policy papers that attempt to define their position on fragile states and provide information on what works and what does not. Multilateral organizations are doing the same by creating departments that focus research and staff solely to fragile states. The OECD²⁹ is a perfect example of such a multilateral actor and although not a donor, its role in development is only increasing in importance. The organization, like any organization, has its own self-interests; fostering market economies, pushing for good governance and democratic practices in other countries.

The organizations and bilateral donors distributing aid have significantly increased from 5 in the mid 1940's to about 56 in 2007 (IDA, 2007). With all of these organizations involved in aid giving, why focus specifically on the OECD? Essentially the organization has managed to entrench itself in the global aid architecture and holds a large amount of influence among member countries and future member countries. As shown with the figures in ODA giving, most of the countries contributing are OECD members or potential future members. Almost all donors have continued to pledge assistance to developing countries and have even agreed to raise their levels of aid in order to achieve the MDGs (Paris Declaration, 2005). This high level of commitment leads to the increased importance of the OECD because it will continue to push for achieving complementary priorities and platforms among members. This makes bilateral aid giving and engagement subject to standards, rules and expectations of the OECD community.

The organization's work comes in many forms, from research on trends and figures in bilateral member involvement, through maintaining relationships with other countries where OECD member states are present, to providing a forum for discussion of corporate responsibility and forcing the following of "the rules of the game" in countries that may not have effective regulations in place. Through the Development Assistance Committee (DAC), the OECD produces publications and statistics that create a very transparent platform for donor giving to be compared and measured. By a forum of collective action the DAC has rules and norms for the member countries in regards to aid provision. In member peer reviews, through dialogue and of course through pressure, the OECD attempts to push policies in member countries down a path that is agreed upon through consensus.

The OECD's commitment to more effective engagement went a step further with its creation in 2005 and revision in April 2007 of the Principles for Good International Engagement in Fragile States (see Box 3). Initially approved in April 2007 by the OECD member states, the ten Principles are fairly new at the policy level. The concept of the Principles is derived not only from theory but also through practice and research that was

²⁹ The OECD is 30 member states comprising most of the industrialized Western countries from Europe and North America. The membership is likely to grow with the increasing importance of emerging donors. Chile, Slovenia, Russia, Estonia and Israel have been invited to discuss membership into the OECD. Also, an invitation for enhanced engagement for possible membership was delivered to Brazil, South Africa, India, China and Indonesia. Many of these countries are known as "emerging donors" and their exact total of aid giving is not known; however China is believed to be an important player in "South-South Partnerships", especially in Africa. At the Forum on China-Africa Co-operation in Beijing in November 2006 not only was about US\$2 billion signed in trade deals but China pledged doubling of aid to Africa by 2009 (African Research Bulletin, 2006). It is also estimated that non-DAC OECD members may be giving over US\$2 billion in aid by 2010 (IDA, 2007).

initiated by Paul Collier under the LICUS group at the WB.³⁰ There was a draft set of Principles approved in 2005 and piloting exercises were enacted by nine countries to test the Principles in action. The piloting exercise was used to measure the Principles relevancy and the feedback was summarized to create the final Principles.³¹ Unlike the Paris Declaration, the Principles do not have any official benchmarks to assess their effectiveness, although it is something that the OECD would like to enact.³² What does occur is an assessment of the Principles through the Peer Review Process (completed by two donors), where there are a set of yes and no questions that relate directly to the Principles and based on the answers an evaluation by the Peer is given (OECD-DAC, no date).

Box 3: The OECD Principles

The ten principles are: (1.) take context as a starting point; (2.) do no harm; (3.) focus on state-building as the central objective; (4.) prioritize prevention; (5.) recognize the links between political, security and development objectives; (6.) promote non-discrimination as a basis for inclusive and stable societies; (7.) align with local priorities in different ways in different contexts; (8.) agree on practical coordination mechanisms between international actors; (9.) act fast... but stay engaged long enough to give success a chance; and (10.) avoid pockets of exclusion.³³ The Principles attempt to “help maximize the positive impact of engagement and minimize unintentional harm” of donor engagement (OECD, 2007). The Principles signify a concerted effort to coordinate approaches amongst donors as opposed to pursuing independent agendas.

The Principles are not binding to OECD members, they are more related to an element of “soft power”. Member states of the DAC voluntarily comply but the OECD has no authority to enforce their compliance. The Peer Review element acts as a sort of “check” for the OECD-DAC and provides an official forum for Principles to be evaluated. But, as described by one donor, if member states are not adhering to the Principles “It’s more of a ‘name and shame’” that takes place.

The Principles delineate a gamut of issues from the need for increased transparency of companies in fragile states, recognizing and dealing with the political realities that are on the ground, as well as reminding donors not to enhance scenarios of “aid orphans” and “aid darlings”. As described by a senior operations specialist at the World Bank, “The Principles are like many joint public statements of good intent-really, no one can disagree with the positive and well-meaning values that underpin them and their intention, as in no one can disagree with the Commandment ‘thou shall not kill’. For example, most all donors agree with the 10th Principle, to avoid pockets of exclusion. However whether or not donors will be able to operationalize **how** to avoid pockets of exclusion is a different matter.” The Principles are strategic in the sense that they attempt to touch on various levels of donor interactions starting from integrating the Principles into donor strategies, moving to the policy level with coordination as well as at the institutional level such as creating a strong analysis to identify and address the root causes of state fragility.

³⁰ Author interview, WIP, July 2007.

³¹ Ibid.

³² Ibid.

³³ Please see Appendix 3 for full description of the Principles.

The Principles are still new so donors along with the OECD are trying to figure out how they can best be utilized for engagement in fragile states. The Principles are not a blueprint nor do they provide practical case study examples of what has worked for engagement compared to what has not. Instead, the Principles can serve as a “checklist” and stress the point that different settings will call for different scenarios. However, they do have some possible areas of contention especially when the Principle calls for increased policy and political cooperation, both between other governments and within the donor government (this issue will be discussed in greater detail in section 2.3). Through the creation of these Principles, the OECD intends for the DAC Fragile States Group to support implementation of the Principles in all fragile states and at donor's headquarters (OECD, 2007). However, is this really possible? Since the Principles are not binding, have member states bought into the idea that the Principles really work? Will donors be able and willing to change their internally fragmented ways of working and overcome the various departmental mentalities to work as one? And in the end, it can not be forgotten that donors will always have their own agendas. Is it reasonable for a country to re-prioritize its own national policy and self interest and place it second to that of Principles being promoted by a multilateral organization? The following sections will explore these questions by focusing on the DRC, starting with a discussion on the DRC as a fragile state.

2.2. The DRC and Driving Circumstances to State Fragility

Many articles have been written about the DRC, and it is safe to say that the word 'functioning' has not been used to describe the state. All of the possible ills that can be conjured up for a state have occurred in the DRC including ethnic conflict, dictatorship, resource curse, predatory state, political fragmentation and runaway inflation. Just because elections were held does not mean that the DRC is on the upswing, although it is an encouraging sign. The country is still battling many of the same issues that have plagued it for the past forty years. According to The Failed State Index in 2007, the DRC is ranked 7 with a score of 105.5; an improvement certainly compared to the number 2 spot the DRC held in 2005.³⁴ Here the terminology of fragile state can become political or subject to perception because there are many that would simply define the DRC as a collapsed or failed state (See Box 4). But due to improvements in the past year that have slightly elevated its status, the DRC has moved from a failed state to a fragile state. There is plenty of work ahead just to maintain this fragile state status and in order to claw its way into the “fully functioning” and strong state echelons there are years, if not decades of work and progress that need to take place.

³⁴ Recall from Part I that scores are allocated to each country, the higher the points, the worse the country is performing. Refer to Annex 2 for a list of the Top 25 Failed States in 2007.

Box 4: In the Eyes of the Recipient

A Congolese advisor of budgetary matters provided some interesting insight into some of the donor relationships in the DRC. Regarding the DRC's status as a fragile state, he acknowledged that the term was typically given to states emerging from a war, with a weak economic base or a state without a political base. He stated, "In the eyes of the donors, it is seen that only democracies are the states with a strong political base." In some respects this may be true, however, he countered, that democracy is not the solution to all problems and the form of democracy in Europe is also the source of many ills (such as banditry, murderers, racial segregation as well as disrespecting human rights). In his opinion, "Perhaps one can say that the DRC is a fragile state but it all depends on the context that the statement is employed."

To give a brief understanding of some of the issues and troubles present in the DRC, a few areas that are typical "soft spots" in fragile states will be addressed. Again, the major factor under discussion is institutions with a focus on the security and economic sector as they directly relate to the DRC. As shown in Part I, there is usually overlap in the three areas and formal rules are replaced by informal rules.

2.2.1. Institutions

Weak institutions have been a mainstay in the DRC since the days of colonization. The Belgians maintained control of most institutions and upheld a hierarchal set of power leaving the white Belgians in power sharing it with a select few Congolese. Industries were established and the mining sector proved highly profitable; yet the benefits were only being seen for a few, mostly the Belgian state (Reno, 2006). At the time of independence, among the DRC's indigenous population, there were only 16 university graduates (J. Stengers in Reno, 2006).

Mobutu appears to have picked up where the Belgians left off and further perfected the art of the predatory state. He maintained his power by means of "the politics of survival"; by fragmenting government departments, maintaining a constant rotation of his top advisors, banning political parties (except for his own which had mandatory membership), and made the presidency the epicenter of all power and decisions in the state. By weakening the other institutions, he placed himself as the sole person with all the power thereby becoming the only "functioning institution" in all the country. However, maintaining this power was expensive. In order to keep "his institution" functioning, Mobutu had a wide patronage network that had to be fed constantly. It is reported that at times he disposed of over 20 % of the country's operating budget in order to keep his wheels greased (Young & Turner in International Crisis Group (ICG), 2006).

Despite the success of the recent elections the executive branch has been accused as still holding too much control while the parliament and the judiciary are mere apparatuses of the executive. For example, it has been questioned how a fair ruling can be reached if a case is brought against Kabila to a Supreme Court where the judges were all appointed by Kabila. In terms of budget, it was reported that in 2005 the Ministry of Justice received only \$2 million, a number that pales in comparison to the \$17 million that was allocated to the presidency (International Center for Transitional Justice in ICG, 2006). As for the parliament, the notion of political parties is still in its infancy and will most likely take years

before actual platforms can be established. At the moment, most parties are created on the basis of ethnic affiliations and the charismatic personality of the political leader, a common theme in many African countries (Hyden et. al, 2004).

Clearly central authority has been present in the Congo almost since its inception. The absolutism and control that existed under Mobutu has been compared to the state structure that was seen in the former Soviet Union (Reno, 2006). Time will tell if the decentralization of the local government districts from 11 to 26 will be effective. The process could be successful in increasing legitimacy of the local government and hopefully creating institutions at the local level to fill the void from the federal level. Unfortunately it has been reported that the integration of the provinces has been slow and parallel administrations, especially in the East, are still in place (USAID, 2005).

2.2.2. Security Sector

The DRC of today is a product of its turbulent past as a colony established under Belgium in 1908 until independence in 1960, the years of fighting that followed until Mobutu Sese Seko (formerly known as Col. Joseph Mobutu) took over in 1965 and essentially ran the DRC (Zaire from 1967-1997) as his own personal colony until 1997 (Reno, 2006; CIA World Fact Book, 2007). As an overflow from the genocide and fighting in Rwanda, Rwandan and Ugandan rebels entered the DRC around 1994, further unsettling the East and allowing for anti-Mobutu rebels to surge-up and overtake the capital and inaugurate Laurent Kabila in 1997 as the President of the Democratic Republic of Congo (CIA World Fact Book, 2007). As depicted in these past events³⁵, security in the 1990's was and still is a major issue in the DRC. The state is unable to ensure security for the whole country; there are areas in the East that are still very unstable and weak state authority exists in the mostly opposition-dominated West (ICG, 2007). Such a scenario leaves Kinshasa constantly vulnerable to flare-up's of fighting (Africa Research Bulletin, 2007).

The over two hundred ethnic groups, five official languages and hundreds of local languages spoken, all have proven to be a huge hurdle in unifying the state (CIA World Fact Book, 2007). One of the reasons for the state's inability to secure order in the remote corners are the complicated relationships, or lack there of, to different ethnic groups, to the people wielding the power of those groups and the power of some to manipulate the identities of the various groups. As noted by Hyden, "the trend of post independence politics in most African countries has been to disintegrate the civic public realm inherited from the colonial powers and replace it with rivaling communal or primordial realms..." (1992: 23). The presidential election between Joseph Kabila and Jean-Pierre Bemba threw yet another division into the country with many in eastern Congo supporting Kabila and western Congo supporting Bemba.

The ethnic divisions are just one of the components that are troubling a successful installation of the security sector, the military and army reform. For example, Kabila has a presidential guard that is estimated between 10,000-15,000 soldiers and remains heavily ethnically biased (ICG, 2007). His troops are also reported to receive more favorable treatment through the administering of better pay and equipment. This sort of blatant favoritism only fractionalizes and inflames the already tense relations with the various other leaders, their militaries and the attempt to integrate them into the Armed Forces of the DRC (FARDC). In contrast, it is accounted that the other soldiers are receiving barely a living wage of \$24.00 a month and a monthly food allowance of \$5.00 (ICG, 2007). Often times the money is taken out of their allowance by their own superior officers (see

³⁵ This section has oversimplified the "the past events" in the DRC. Pages could be written on the First War (perceived as the liberation war that ushered out Mobutu and in Laurent Kabila) and the Second War (perceived as the African War with its involvement of nine African countries) that took place within the DRC. For more a more detailed historical account see (ICG, 2000).

Box 5). Around 20,000 of the country's 90,000-120,000 soldiers have been trained through donor assistance but issues such as the ethnic tensions; egregious crimes against the surrounding population and corruption within the rankings are still crippling improvements (ICG, 2006). Also, the DDR process is still unfinished in North and South Kivu's and is not the success as trumpeted by the donor community, leaving former rebel leaders still in control of their armies.³⁶

The porous and unstable borders also allow for thousands of rebels from bordering countries to seek refuge in the DRC. Much of the insecurity in the east can be accounted for the 8,000-9,000 Rwandan and Ugandan rebels that are estimated to be seeking solace in the uncontrolled area as well as about 8,000 Congolese rebels belonging to various rebel leaders and ethnic groups (ICG, 2007).³⁷ Of course these security breaches are not only serious for the state but also for the people living in the areas as there have been countless reports of human rights violations committed against the general population. Much of this insecurity is related to the absence of a functioning judicial system.³⁸ Since fighting broke out in 1998, it is estimated that 3.5 million people have died and more than 1,200 civilians perish daily from various causes directly related to the violence or simply through lack of medical care (Van Woudenberg, 2006).

Box 5: Saying “thanks” through “rapportage”

Rapportage is a common occurrence from the traffic cop to the soldier to the bureaucrat. It is known in many countries as a “kick back”, “skimming the top”, “you scratch my back and I'll scratch yours” but in the DRC it is known as “faire un rapport”. The idea is that employees are placed in positions by their superiors where the employee will be able to earn some additional salary. The expectation is that the superior will receive a substantial part of that additional salary as “a thank you” for the opportunity to work in such a position. It has been reported that this is a common practice in FARDC where officers receive extra money from soldiers that are allowed to work in additional areas such as the selling of resources (IPIS, 2007).

2.2.3. Economic Sector

The DRC's economy is in the same dire straights as the country's security. A recent IMF survey gave a negative economic forecast for the DRC with the Congolese Franc depreciating by 15%, inflation rising to about 18%, almost doubling the 9% estimate, as well as reported significant delays on behalf of the government at implementation of structural reforms (IMF, 2007). There is very little reach to the population outside of the capital, so the government has trouble collecting revenue, which accounts for a mere 10%³⁹ of the DRC's GDP in 2005 (ICG, 2006). It has been reported that the government spent less than 2% of its national budget outside of Kinshasa (ICG, 2006). With its abundance of natural resources the DRC has the potential to be the richest country on the continent. It is profusely wealthy in resources such as timber and those that require mining

³⁶ Author interview, WIP, August 7, 2007.

³⁷ ICG's information was gathered from a Security Council report in 2005 that noted combatant troops ranging from Laurent Nkunda, Ituri militiamen, Mai-Mai, LRA, FDLR and ADF-NALU.

³⁸ Author Interview, WIP, August 7, 2007.

³⁹ The 10% severely underestimates the true level of economic activity as much of the transactions take place in the informal sector. It is perhaps the most important sector however the most difficult to measure. The informal sector dominates the economy where in 2002 it was recorded that only 230,000 Congolese out of an estimated population of 65,000,000 were working in private enterprises in the formal sector and enrolled in the social security system (US Dept. of State, 2007; CIA World Factbook, 2007).

such as gold, diamonds, copper and cobalt. Yet, ironically, these riches, which could be used to put money back into the state coffers and allow for services to then be provided for the people without the assistance of donors or NGO's, are one of their most severe problems. Instead, the resources serve as the host to many of the problems and could be the vehicle that slides the country back into conflict.

The difficulty in controlling the money that is lost regarding natural resources is that the profiteers are a number of individuals; from neighboring countries, mining companies, rebel leaders, the DRC military to the customs agents who are supposed to be working for the DRC!⁴⁰ For example, clear links have been established between the shady relationship that exists with Uganda and their gold exports. It is believed that Uganda has the ability to produce only about \$50,000 a year in gold, yet in 2004 there was about \$58 million that went through Uganda while Congo only recorded \$7.4 million (UN Report in ICG, 2006). Of course it is widely believed to be Congolese gold that is taken from the mines in the east. Also, a UN report estimates that in the east around 60%-80% of custom duties, attributing to around \$870 million to \$1.7 billion are not collected and lost mostly through corruption and smuggling (UN Report in ICG, 2006).

Although capital accumulation is mandatory for a state to build itself into a strong force, it appears that many political leaders in the DRC are more concerned with building capital accumulation for their own personal means. Mobutu Sese Seko perfected the art of the predatory state. Currently, it seems that the practice has not died; for example a diamond company bought many political friends by dishing out around \$35 million from 1999-2001 and even reached so far as one of Laurent Kabila's ministers who received \$2.3 million (ICG, 2006).

2.2.4. The DRC-Interconnection of the Driving Circumstances

Just as depicted in section 1.2, the various institutional areas are directly interconnected in the DRC as well. Lack of border control in the various provinces directly relates to the loss of tax revenue for the state through the smuggling of natural resources. How do donors influence a Weberian flow of government in a society that appears to have institutionalized corruption? The next section will discuss the influence of the Principles in the DRC.

2.3. Assessment of the Principles and Donor Engagement in the DRC

The theories of development, topped off with the donor interest in fragile states along with their various points of view provides a solid base for a more practical look at how these many theories actually work in practice. The Democratic Republic of Congo (DRC) will act as the fragile state staging ground and the US, Belgium, the UK, the EU and the WB will serve as the prime examples of donor interaction. The OECD-DAC Principles of Good International Engagement in Fragile States will serve as guidelines to measure the effectiveness of such principles and their acceptance (or non-acceptance) by donors.

Donors have been involved off and on for years in the DRC⁴¹, though not always in the most positive of roles, as was clearly demonstrated during the Cold War and the international community's approach to strengthen the state through the appointment of a

⁴⁰ In 2005 the Lutundula Commission, headed by Congolese lawmaker Christophe Lutundula, released a report that uncovered widespread corruption that took place in business and mining contracts between 1996 and 2003. The report found many contracts to be illegal and having no relation towards development in the DRC. The report uncovered shady deals made by many companies, rebel leaders as well as DRC politicians (Global Witness, 2006). Political will has also been questioned amongst the DRC political elite, especially regarding the mining sector, in regards to instilling good governance reforms (IPIS, 2006).

⁴¹ Donors as well as a large number of NGOs disengaged in 1991 and only provided humanitarian assistance. It was not until after the assassination of Laurent Kabila in January 2001 and the transitional government that donors began to re-engage (WIP, August, 7, 2007).

“strong man” (Ottaway & Lieven, 2002; McNulty, 1999). This paper however will focus specifically on donor activities within the past few years, essentially since the creation of the International Committee for the Support of the Transition (CIAT)⁴² in Sun City, South Africa 2002 and the Principles of Good Engagement in Fragile States in 2007. Acknowledging a few of the structural problems that are evident in the DRC today as discussed in the previous section, how should a donor best engage with the state? The state is virtually absent in most parts of the country, resources are being smuggled across various borders into other countries and there are a number of government restructuring programs that have yet to be implemented.

Despite this fragility, donors have not shied away from working in the country. In 2004-2005, the top 10 donors in the DRC allocated about \$1,828 million in ODA.⁴³ Between the years 2002-2004, the DRC was the highest recipient of ODA receiving 4% of the total ODA, with Iraq following at 3% (OECD-DAC, 2006b). Donors such as the US, Belgium, the WB, UK and the EU have played an integral part in the donor activities of the DRC. All five have allocated millions in the form of bilateral and multilateral assistance. A number of pilot programs initiated by the international community have been initiated in the DRC in an attempt to increase the coordination of humanitarian assistance. In one of the programs the US and Belgium are partners as the donor coordinators for the Good Humanitarian Donorship (GHD) Initiative.⁴⁴

The following section will examine the OECD Principles as a base in determining the effectiveness of applying these Principles in the DRC as well as the positive and negative perception of donors, NGOs, as well as the recipient, regarding engagement in the DRC to date. As a reminder to the reader, the following is not meant to be a full assessment as interviews were held with a few selective WIPs. The assessment and analysis of the Principles is only DRC specific and not meant to speak for the donor’s actions in other countries. Some clear trends that will be seen throughout the Principles: donors want to abide by the Principles but will do so under their own interpretation; internal strategy and policy changes in donor countries prove to be slow and difficult; donors are political actors that will ensure they are not harming themselves and there is often a clash between the technical and political ideologies.

(1.) Take context as a starting point.⁴⁵

The first Principle is very basic and reminds all donors to refrain from using blue-print approaches and to engage in each fragile state differently since each will have different issues and specific country contexts. It also calls for “sound political analysis” to adapt the donor’s responses to each situation, for example, is the state post-conflict, in political transition or a prolonged crisis. In theory this principle is correct, however, in practice it is difficult to employ. In the DRC, it has become apparent that donors are continuing to base their programming not on the analysis that is done but in what they perceive to be the most important issues.⁴⁶ This happens because there is pressure from the donor governments to implement a particular project in a certain sector, disregarding what the analysis says. Also it has been reported that in general agencies will push their own

⁴² Known by its French acronym, CIAT represented the international community in an organized, unified body and monitored the transition in the DRC to elections. The members of CIAT were: the US, UK, China, Russia, France, Belgium, South Africa and MONUC (Bouderbala, 2005).

⁴³ According to OECD/WB numbers, the top 10 donors in 2004-2005 in the DRC were: IDA, EC, Japan, Belgium, United Kingdom, United States, France, Germany, SAF & ESAF (IMF), and the Netherlands (OECD, 2007b).

⁴⁴ The GHD Initiative was created “to ensure that activities were funded at the most opportune moment and that funds were used in accordance with the needs of the affected population” (UNOCHA, 2007). Initiatives such as the Central Emergency Response Fund (CERF) and the Pooled Fund (PF) follow directly the guidelines from the GHD. Although the group meets regularly, there has been criticism regarding the GHD’s lack of clarity. Also, the group has never reported on the GHD indicators that were drawn up in 2003 (Bennett, 2007).

⁴⁵ It is advised to read the whole Principle in the Annex to understand what is on paper and what is interpreted.

⁴⁶ Author interview, WIP, July 2007.

mandates (completely disregarding the context) and prioritize their work on geographic regions they are based as well as sectors they hold expertise in (Bennett, 2007).

The example provided by one WIP was security sector reform (SSR) and the role of the justice sector, which needs desperate reforms but is essentially treated as a non-priority by many donors. The judiciary falls under the broad umbrella of SSR, and is overshadowed by core security actors such as the armed forces and the police. As a whole, many donors agree reforming the justice sector is highly important, but reforming the armed forces is given precedence. A strong and united military is seen as essential for the state and donors may have more experience in it so therefore it is an area they are more comfortable. Reforming the armed forces is a shorter term project that can be realized quicker with the training of soldiers, whereas reforming the judiciary sector can take years, from the training of judges and lawyers to institutionalizing a court system (Hyden et. al., 2004).

There are occasions when assessments and analyses are shared between the donors; yet option of information sharing is not always employed, nor does each donor see it as particularly relevant.⁴⁷ During the elections, donors were able to “develop a shared view” as suggested by the Principle and the interaction between donors occurred more smoothly. Since the elections, the environment has changed and as noted by a senior governance advisor at DFID DRC, “when analyzing the next steps in a particular sector, the issue of reaching consensus vs. the right answer is always the challenge because each country is going to have a different set of objectives.” To use the example of SSR again, donors are left with various options: to integrate the armies, reform the armies, decide who controls the armies, rebuild the justice system—all donors will have different ideas, beliefs and reasons on which should be the priority. At this point in time in the DRC, there is no one donor that can override another and say “this is the right answer”. Since the debate of the most effective aid process is still fresh, there is not a large amount of data that shows which is the best option to get things done. Shared political analyses, strategies and programs are difficult because they relate to the different priorities of countries, and therefore not seen as germane by another country.

The Principle also stresses the importance of measuring political will, an element that is still debated in the DRC. For example overhauling SSR may be a priority for the donor but the government itself may not be interested in executing the projects. Although SSR is very important in a post-conflict country, such a proposition may be completely out of the interest of a leader who relies on ‘his’ army because they are ‘his’ men and essentially helped him get into power. Why would the leader want to reform the military if he may need their support somewhere down the line? This has been a problem between the Kabila and Bemba forces.

As a donor, how do you introduce good governance practices? In a more stable country, a donor may have the option of using negative conditionalities along with aid money; “if you do not do xyz, then we will not do xyz”. However, the Paris Declaration is attempting to prod donors away from tying their aid with such conditionalities. A DRC desk officer with the EC gave a few examples of how the EC was looking to counter such a problem: (1.) offer positive conditionalities⁴⁸ to the government if certain goals are achieved; (2.) have donor representatives on the ground to help develop trust and partnership with the recipient country; and (3.) ensure an experienced diplomat on the ground who can interface with the government and build up an opportunity of trust.

⁴⁷ Author interview, donor representative, July 2007.

⁴⁸ As the name suggests, a “positive” conditionality relies on an incentive mechanism that works to prove mutually beneficial for the donor and the recipient; as in the donor achieves the wanted change/introduction of a particular policy while the recipient receives the funding (Santiso, 2002).

The ideas are conceivable, however how realistic are they? Studies have shown that although positive conditionalities may offer greater promises (Santiso, 2002) financial encouragement provided by donors for specific institutional and policy reform packages are expensive and do not always work (Birdsall, 2005; Collier & Dollar, 1998). Also, donor's staff on the ground is generally limited⁴⁹ and often the opportunity to build trust and a relationship between donors and recipients in the field can be difficult because managers in aid agencies often rotate to other country postings (Svensson, 2003). Svensson (2003, 399) notes that reputation building would entail "strong internal control and coordination over time in the donor agency".

(2.) Do no harm.

This Principle encourages donors to be aware of their actions on the ground and the potential problems that could be created if the internal policies of the donor are not in order. It presses for coordination and harmonization amongst donors and stresses that donors have responsibilities to address negative practices in their own countries such as establishing anti-money laundering measures.

With the call that a "harmonized and graduated response should be agreed" upon, Principle 2 worked solidly under CIAT but things have begun to unravel since the new government has taken a foothold and there is no longer a need for CIAT.⁵⁰ According to a well positioned observer, "Now there is drastically less donor coordination and certain donors, essentially the WB and the EC, appear to be jockeying for position to be the main donor in the country." Both of these donors could not be more different. Although both are contributing millions to the DRC both have polar opposite approaches with the EC leaning toward the political and the WB assuming the apolitical stance.

Positive steps are being taken in transparency in the mining and timber sector but as discussed in the previous section there is still a long way to go. The sector overhaul is being handled by the WB who is the main mover with the Forest and Mining Codes. In theory, the multilateral would be the best to coordinate the changes because the interests of bilateral donors become more apparent and they suddenly turn less vocal on the importance of transparency.⁵¹ Since many bilaterals have vested interests in the natural resources of the DRC, the WB helps by diluting some of the self-interested politics that come into play. However, the WB's involvement is not without problems. It has been highly criticized for many of its past policies in the DRC such as neglecting the role of natural resources in fueling conflict as well as refusing to acknowledge bad and corrupt governance practices among the political elite (NIZA/IPIS, 2006).

⁴⁹ Although field presence is important in fragile states a World Bank (2007b) study found 68% of fragile states had no Internationally Recruited Staff (IRS) or only one in the field.

⁵⁰ Author interview, WIP, July 2007.

⁵¹ Author interview, WIP, July 2007. The argument is not that the WB coordination of contracts has been perfect and scandal free (see "Carving up the Congo", a study sponsored by Greenpeace, 2007), however, the situation would most likely be worse if donor governments were not forced to work multilaterally.

Box 6: In the Eyes of the Recipient

An interesting comment from a Congolese advisor of budgetary matters also showed the importance of perception regarding changes in the natural resources of the DRC. When asked which sectors deserved attention and should be a priority sector in the DRC, he noted natural resources and then continued to explain that many of the problems existed in the DRC today because rather than fight for development in the country in the past, certain donors were more interested in the DRC's raw materials. The statement was interesting because it was more focused on the blame of the donors, as opposed to the blame of the leadership (Mobutu) and the various strongmen in the particular regions where the resources were located and who stood to profit handsomely from the arrival of private companies and extraction. To be effective, the principle of "do no harm" is a two way street between the donors and the government of the fragile state. If the donor adheres to the Principle, there will only be positive results if the government does as well.

Part of Principle 2 suggests that donors should heavily weigh the decision to suspend funding in a fragile state. Even if the state is experiencing insecurity (such as in the DRC), donors are asked to look at the larger picture of their impact on domestic reforms and poverty. Although a "Good Governance Contract" was put into place in the DRC (details expanded upon under Principle 3), issues such as corruption and human rights violations will not be solved over night. Donors are demonstrating their commitment to the DRC by remaining engaged, despite the fighting in the past months and especially in March when over 600 people were killed (Africa Research Bulletin, 2007). In order to avoid the disorder, when donors had meetings with President Kabila, rather than meeting in Kinshasa they would meet at his ranch hundreds of miles outside of the city, essentially to avoid the unrest in the capital.⁵²

Donors have to perform balancing acts working with transitional governments. On the one hand it is difficult as a researcher to grasp the level of political pressure that is placed on the DRC government, for example it may take place diplomatically behind closed doors. However, the perception from some is that instead of using their political influence (and power) over the Kabila government, many donors appear to be turning their heads and looking the other way, stuck in the Dilemma of the Good Samaritan.⁵³ Donors do not want to cut themselves off from the people so they accept the political follies of the government but really in the long run they could be doing more damage. According to a senior analyst at International Crisis Group, "Donors may be able to build a few schools, hospitals and roads but if the current politics remain unchanged then there will be no longer term benefit for the people of Congo." The message that donors are sending in the DRC is a mixed one: by staying out of the internal affairs and politics of the DRC then they are "doing no harm", however in reality, by ignoring the internal affairs and politics of the DRC government, then in some respect, they are doing harm.

⁵² Author interview, WIP, June 2007.

⁵³ The Samaritan Dilemma is often used in development assistance where the Samaritan is faced with the choice of helping the recipient or not. If the Samaritan chooses to help and the recipient extends effort, both will benefit. However, the recipient can also choose not to extend any effort and still receive the benefit. A perfect example is the upkeep of infrastructure projects (example and definition provided from Ostrom et. al., 2001).

(3.) Focus on state-building as the central objective.

The Belgian Directorate-General for Development Cooperation (DGDC) in partnership with USAID conducted a pilot test of the Principles in the DRC in 2005 and ranked the Principles from most relevant, putting Principle 3 in the top spot (USAID & DGDC, 2005). The sentiment from the two countries was that the Principle helped strengthen good governance in the country, was the most beneficial in creating a strong base for future institutional growth and could have the most impact in a country. DFID and the EC have also noted this Principle as a top priority particularly regarding strengthening the state through security and promoting good governance. As noted by a donor representative, “You have to get the politics right in the DRC before you do anything else.”

Keeping this sentiment in mind, it is easy to understand why donors urged for the creation of a “Governance Compact” during the transition with further urging for adopting the Compact after the elections. The Compact entailed about thirty pages of priorities (in the eyes of the donors) that should be implemented in the next four years. As detailed by the Representative of Finland to the UN, “the DRC authorities and the international community are working closely together on developing a 'shared governance vision', which may in time also take the form of a Governance Compact” (Lintonen, 2006). In further review of the Compact one questions how much DRC ownership the donors were willing to sacrifice in order to push for their own priorities of good governance. It appears all of it. The following is a passage that discusses the process of the Governance Compact which was noted as a “nonpaper” and drafted by the EC and the WB:

“...This is the time where donors could provide most assistance by putting together a set of recommendations on strategic approaches, key activities, and possible timetables. In this context, a detailed first draft contribution could be elaborated by a working group composed of selected external partners.... This draft contribution would then be shared with bilateral and multilateral donors for review and comments. In parallel, **it could be sent to all candidates to the Presidency for information and possible comments.**

...Once a new Government is formed, a revised draft contribution (incorporating comments by all donors) could be presented to the new authorities to help them rapidly prepare the Compact. The Compact would be finalized by the new authorities **in consultation with external partners**, and could constitute the basis for the first post-elections Consultative Group meeting.” (EC & WB, 2006)

Sections are bolded to highlight the absurdness of creating a Compact that is meant to be a partnership between donors and the recipient government, with the potential of not even having the candidates comment on the document and then to have external partners aid in consultation. The document should not be discredited because it certainly sets forth a good agenda for the DRC in terms of increasing transparency from the public to the private sector. However, for a Compact to have true staying power and buy in, it needs to have ownership on behalf of the recipient government (see Box 7). The process begs the question of for who are the Compacts and Contracts being made for. More likely, it is simply for the donors.

In a turn of events, the DRC government wanted to be more involved in the drafting of the Compact so Prime Minister Gizenga took the document, made a few changes and called it the “Good Governance Contract” and put it in front of Parliament as his own document.⁵⁴ The Parliament passed the document with no issues but at this point two questions arise: (1.) what sort of ownership is really had with the document (one that was not even drafted

⁵⁴ Author interview, WIP, June 2007.

by the Congolese) and (2.) where does it leave the donors? The “Good Governance Contract” is not between the donors and the government, it is between the government and the people of the DRC. Although this may look positive, one should ask if “the people” even know that it exists? Even more, inconsistencies between the two documents have been noted specifically regarding the mining contracts⁵⁵ and the potential for renegotiation. It has also been questioned if the donors are truly willing to have the contracts renegotiated (11.11.11., 2007).

Box 7: In the Eyes of the Recipient

The question of ownership leads directly into the question of partnership. If there is a true partnership then both parties will have a sense of ownership on a project or a document. In the point of view of the Congolese advisor on budgetary matters, “there are certain donors that will never understand that the DRC has been independent for 47 years. There are certain donors that behave like partners while there are others that act as if their views are slightly more important.” Of course, the advisor understands that it is not possible for all donors to act in the same way. “Some will behave correctly while others will continue on in arrogance.”

It is noted in the Principle that there are different elements to state building and the broad definition also includes good governance, human rights, poverty reduction, engaging civil society and ensuring security. So which should come first when working in the DRC? This is a challenge for donors in fragile states; the battle between development and security actually divides many donors. There are some donors, such as the US, that would say the two are inter-connected and that a state’s security is a precondition for development. On the other hand, the EU takes a different stance where it is believed that security and development go hand in hand and it would be a long time before it shares the same sentiment as the US.⁵⁶ However, when working in the DRC, it is a reality that security issues are a major problem and perhaps should be made a priority before focusing on development.

(4.) Prioritize prevention.

This Principle has merit with the idea that “action today can reduce fragility” and some donor programs are geared towards a preventative nature. For example, the Multi-Country Demobilization & Reintegration Program (MDRP) has been a positive step in transitioning fighters and taking a preventative measure to violence. Donors are also investing in regional organizations such as the African Union and boosting up the peacekeeping forces; yet there is certainly self preservation attached to this. In the words of one donor representative, “Donors see support to the AU as a positive step in providing ‘African solutions to African problems’ but there is also a self preserving measure, essentially donors...are not willing to send their own troops”.⁵⁷ Although there may be a conflict taking place, history has shown that politically no politician wants to take the hit with

⁵⁵ According to various organizations, the current state of the mining sector has been caught in “a vicious circle caused by corruption, mismanagement and predatory patrimonialism recalling Mobutu times” (NiZA, 9:2006). The World Bank instigated the drafting of a new Mining Code in 2002 but during the transitional government, many contracts were awarded to companies based without merit and there has been a strong call on the need for renegotiation (NiZA/IPIS, 2006). The actions took place under the watch of the WB, where the supposedly apolitical organization found itself in a political mess.

⁵⁶ Author interview, donor representative, June 2007.

⁵⁷ Author interview, donor representative, June 2007.

European or American service members arriving home in body bags (Power, 2002).

A few of the other measures in the Principle appear to be difficult to achieve. As already mentioned, sharing of analysis does take place but the interpretation of the analysis differs from donor to donor. Also what may be considered a priority to one donor, may not be a priority to another. Even more so, with all the decentralization that is being pushed, how do donors prioritize projects in one region over another (Bennett, 2007)? For example, if only the three top projects in each region of the DRC receive funding and all include elements of strengthening indigenous capacities, women, and supporting peace building, how do you determine if project number #4 in region A is not better than project #2 in region B and should still receive funding?⁵⁸ Also, studies have shown that donors are not focusing their funding as they should on fragile states and that the aid giving is still often geared towards political interests⁵⁹ (Patrick & Brown, 2006).

(5.) Recognize the links between political, security and development objectives.

Before addressing the DRC specifically, in general, this Principle has proved to be one of the most difficult to adhere to in donor countries. The “whole of government approach” (WGA) urges donors to recognize the links between their own various departmental objectives in the context of politics, security and development. The aim is for increased policy coherence and coordination strategies which would hopefully keep governments from duplicating work that is already taking place in a particular country.

It is also stressed that a WGA should be instituted in all donor governments and should also include departments that deal with economics and trade (OECD-DAC, 2006). This appears to be easier said than done.⁶⁰ Involving a number of different governmental departments mixes different cultures of the departments and ideas. This “silo culture” allows for each department to have a different perspective on a problem in a fragile state with each believing that ‘their way’ of tackling the issue is the most effective (Picciotto et. al., 2005). The potential for such departmental-culture-clash is acknowledged by the OECD-DAC (2006) in the fact that development workers typically operate in a slower and longer term process, whereas diplomats are more concerned with shorter terms and managing crises while defense workers are focused on shorter term outputs, closely related to military missions.

Turning back to the DRC, how donors are able to “involve those responsible for security, political and economic affairs, as well as those responsible for development aid and humanitarian assistance” as the Principle suggests, depends wholly on the internal framework in the donor government.⁶¹ The Principle has its merits and there is departmental information shared such as in the Belgian Directorate-General for Development Cooperation which has internal meetings at least once a week on Central Africa.⁶² There is coordination between the different departments such as foreign affairs, development cooperation, ministry of defense and the debt relief department. It works best as a means to share internal information with the different groups. The difficulty arises when work needs to be accomplished beyond the information sharing.⁶³

⁵⁸ This is the method that is currently employed for distributing Pooled Funds (PF) in the DRC (Bennett, 2007).

⁵⁹ Patrick & Brown (2006) compiled a list of 52 fragile states and compared the US FY07 budget request for bilateral assistance. Once removing the three states that were key in the US’s ‘global war on terrorism’, the estimated \$5.2 billion in bilateral assistance dropped to \$2.6 billion, or “less than \$3 per person” for the remaining fragile states.

⁶⁰ For a detailed account and assessment of the WGA and the difficulties that various donors are facing, see Patrick & Brown (2007).

⁶¹ The US was criticized in its DAC Peer Review in 2006 for its ODA distribution which shows an increase in defense funding and a decrease in development. The Peer Review reminded that development should be placed on a level playing ground with defense and diplomacy (OECD-DAC Peer Review, 2006).

⁶² Author interview, donor representative, June 2007.

⁶³ Ibid.

It seems the donor that is a step ahead in this Principle is the UK. The depth of UK departmental involvement in the DRC is quite deep and the departments seem to work interchangeably, especially in SSR. This is often a confusing sector where in other donor agencies, defense is the leading department. The departments of the “3 D’s” (defense, diplomacy and development) have an agreed set of priorities, work closely together and actually share a large pot of money towards SSR. Their ability to work across departmental lines is possible because it is something that has become institutionalized. Commenting on the WGA, the senior governance advisor at DFID DRC mentioned three “pluses” that DFID has going for it to make this possible: (1.) the development ministry does a lot of work on security issues. It is not only an integrated part of the ministry but it is part of the culture and not an area where only the defense would be comfortable; (2.) there is a mechanism in the central government which forces them together. Defense can not simply choose to leave development out of the decision making process; and (3.) the various departments realize that there is no sense in having the departments work separately on SSR since it is a top priority for all departments working on the DRC.

The WGA is attempted not only bilaterally but also multilaterally through the creation of the integrated position of the DRC UN Humanitarian Coordinator.⁶⁴ This individual wears the three large hats of head of OCHA (humanitarian concerns), functions as the head of UNDP (political representative), as well as the deputy head of MONUC (military representative for the Secretary General). The molding of the three objectives into one person can be a benefit to coordination, however there are set backs. With the large funds and power to allocate, there has been concern from some regarding the impartiality of the position and NGOs have pointed to regular conflicts between military and humanitarian objectives (Bennett, 2007).

The Principle also encourages partner governments “to ensure coherence between ministries in the priorities they convey to the international community”, however a large multilateral grouping such as the EU has certainly shown to have some troubles in this criterion.⁶⁵ Usually technical coordination with other member states on the ground is no trouble but there are sometimes political difficulties.⁶⁶ Not only will member states analyze a situation differently but the EU can not prevent particular dialogues from taking place and managing “the message” of all 27 members. As stated by the DRC desk officer at the EC, “In an ideal world, *for the EU of course*, they would be able to manage all the aid money of member states; however the political reality of this is highly different.” Member states have particular histories and links with their recipient states and are not willing to give up the “relationship” that develops with the giving. Aid giving is also excellent public relations for the donor country and provides the ability to say “we gave xyz amount to xyz country. Aren’t we good?” In this respect, a French ministry can decide to fund a project even if a particular Irish ministry disagrees with it. This sort of “donor bragging rights” might never be substituted for coherence in priorities between donor communities.

(6.) Promote non-discrimination as a basis for inclusive and stable societies.

Reminding donors not to discriminate their aid giving in such a way that could potentially cause or increase the likelihood of conflict seems like a no-brainer, however this Principle proves to be highly political. It was noted in an interview with a WIP that this is currently a problem with donors in two “hot spot” countries, Sudan and Somalia, so there is merit to having the Principle.⁶⁷ This occurrence only highlights that when donors decide to violate

⁶⁴ The Humanitarian Coordinator holds the responsibility of administering the Pooled Fund (PF) which in 2006 reached nearly \$90 million and made it the DRC’s largest source of funding (Bennett, 2007).

⁶⁵ The EU is not the only to fall prey to the political objectives of varying actors, as it was reported that UN agencies experienced the same difficulty as well when working on programs and pushing for more politically desirable scenarios in the eyes of their particular department (Bennett, 2007).

⁶⁶ Author interview, donor representative, June 2007.

⁶⁷ Author interview, WIP, July 2007.

and not follow a particular Principle, it is most likely done so in the donor's self-interest. For example, a bilateral donor may treat a sector or ethnic group favorably because it could directly benefit the interests of the donor. China has been criticized for such policies in Africa by maintaining relationships that are purely natural resource and market driven (Vines, 2006). Angola and Sudan are examples of fragile states that have benefited from China's defiant support to the regimes, even though both are criticized for their poor governance and questionable status as 'rogue states' (Taylor, 2006).

Judging from the interviews, donors in the DRC seemed to be acting carefully not to cause a rift between the various ethnic groups or throw a deeper division between the West and East of the country. However it does need to be kept in mind that it is also a very highly politically sensitive issue and a touchy subject for not only the donors but also the DRC government. As seen in section 2.2, reforming the SSR involves the attempt to dismantle the president's military along with the special treatment of soldiers from particular ethnic groups and parts of the country.

(7.) Align with local priorities, in different ways in different contexts.

This Principle has already shown issues in the DRC as noted by the OECD Survey Monitoring the Paris Declaration, "DRC and its donors have a considerable way to go before the alignment of aid to country policies and systems will reach the standards found in a number of the country's neighbors" (OECD, 2007c). Alignment has not fully taken place because as noted in the DGDC and USAID assessment, the DRC government was slow in completing tasks and was showing some resistance (USAID & DGDC, 2005). It seems that donors are more than willing to align with the government and the priorities of the government *if* the government (a.) provides something to align to and (b.) if the document provided was made in a transparent and accountable manner. At this point in time in the DRC, both (a.) and (b.) are in a questionable status.

The DRC's PRSP will serve as an example.⁶⁸ The PRSP was passed in July 2006 and outlines five main pillars for development in the DRC: promoting good governance; consolidating macro-economic stability and growth; increasing access to social services and reducing vulnerability; combating HIV/AIDS; and supporting community dynamics. Despite the claim made by the WB that over 36,000 people took part in the PRSP, there is the feeling from some that the PRSP process did not really reflect the participation levels of the claims (WB, 2007c).⁶⁹ After the PRSP was completed and at the inauguration of President Kabila, he declared his "Cinq Chantiers" for his presidency which were: infrastructure; employment; education; water and electricity; and health (Fwamba, 2007). The "Cinq Chantiers" are in some ways related but different to the main pillars of the PRSP. So regarding alignment, what priorities are the donors supposed to align to? The PRSP that was organized and approved by the donor community or the "Cinq Chantiers" which were established by the democratically elected president?

It appears donors are aligning to a mix of programs, thrown under a large umbrella called the Program of Action Priorities (PAP).⁷⁰ The initiative includes 18 donors, the private sector and civil society and is a new attempt at aligning and coordinating to government priorities. The PAP will work for 18 months, from July 2007-December 2008, on 1.) establishing security; 2.) reviving the economy; and 3.) reducing poverty. Underneath its umbrella, the PAP includes the Cinq Chantiers, the Program of the DRC Government, the Governance Contract and "le Cadre d'Assistance Pays" (CAP) (PAP, 2007). The PAP is a

⁶⁸ The national PRSP is also known as the PRGSP or Poverty Reduction and Growth Strategy Paper. The PRGSP is a consolidation of the district and provincial level PRSPs. To avoid confusion, I will simply refer to it as the PRSP.

⁶⁹ Author interview, WIP, July 2007.

⁷⁰ The ultimate objective of the PAP is to organize all of the donors and programs so that the DRC can attain Heavily Indebted Poor Country (HIPC) status with the WB (PAP, 2007).

short-term framework for coordination which will ultimately set the stage for the PRSP, which will serve for a longer-term. In the words of the DRC Desk Officer at DGDC, “The completion of the PRSP was perhaps one of the elements that spurred joint action of donors and was an important step forward for engagement in the DRC.” The Governance Contract was also an essential step for donors and it was indicated that many donors would not engage until one was signed by the DRC.⁷¹

This Principle is all about measuring political will because it discusses alignment and discourages the creation of parallel systems. Asking donors questions that skirt around the issue of “political will” is tough because many interviewees simply did not feel comfortable going on the record saying “we do not trust the government of the DRC just yet”. However, looking at that the donors’ choices of aid modalities shows their current status of trust. For example, out of the donor representatives interviewed, not one did budget support for the government.⁷² I was told flat out that the US does not do budget support under any circumstances.⁷³ Even DFID, which is typically a large promoter for budget support stated that it is only possible in countries where the financial management system is established and functioning well. In the opinion the senior governance advisor at DFID DRC, “In the case of the DRC, the government has not reached that level and budget support will not be an option in the near future.” As a form of measurement, DFID usually uses assessments that have been made by the WB and the EC in determining when budget support would be possible.

Belgium also has a process for engaging in budget support and it offers a mix of the technocratic as well as the political.⁷⁴ First there is an administrative criterion that must be met, such as having benchmarks established in certain sectors. Second there is a political criterion that must be met because there is a larger amount of politics riding on the Belgian government in achieving success. The DRC is the target mission for the government and there resides a large amount of political accountability. The Belgian Parliament must be assured of success and the Belgian Technical Cooperation (BTC) must prove success. The impression is that the Belgian government is also not at a comfortable level to relinquish control of the budget to the DRC.

There are still many challenges that have to be overcome before donors will fully align (as in budget support) in the DRC. The PAP is highly interesting and could prove to be a success with alignment, however keep in mind, the donors are aligning to documents which they have essentially had a strong hand in writing. As one donor noted, “the state is a mess and donors have to be selective in working with the government because it is highly corrupt and everyone recognizes that budget support is not an option at the moment.”⁷⁵ When asked how to avoid the corruption the simple response was, “You do projects.” This is a method for now, but how long can it last? Continuing to stay engaged and doing projects is a part of the “can do” attitude that usually surrounds the development community but donor’s inability to exit programs and projects where the aid is simply not helping endures to be a problem (Birdsall, 2005).

⁷¹ Author interview, donor representative, June 2007.

⁷² There are organizations not interviewed, such as the African Development Bank and France, which are on record as providing budget support (OECD, 2007c).

⁷³ Author interview, donor representative, June 2007.

⁷⁴ Author interview, donor representative, June 2007.

⁷⁵ Author interview, donor representative, July 2007.

Box 8: In the Eyes of the Recipient

When “the needs of the population are not met by the needs of the donors” who is to blame? The recipient government for not creating government strategies to address the issues which donors could align behind or the donors for not assessing those needs when the recipient government lacked the capacity to do so? The above statement was made by the advisor for budgetary matters in the DRC when discussing negative practices shared with donors. The example provided was when donors give large machinery to the DRC but do not supply the spare parts needed to fix the machinery. Upon arrival to the DRC and seeing the broken machinery, the donor immediately assumes that the Congolese are not able to respect the machinery. This whole interaction focuses on the disconnect between the donor and the recipient. The donor does not assess the fact that the machine was not needed; however it was the machine that the donor wanted to give. Of course the recipient country accepts what is being given to it, although it may not only need the machine but as well as the transfer of know how to fix it, a budget to purchase spare parts or if it is a machine that will be used often and it is, perhaps creating a local company that will import or make the parts. In this respect and as the advisor noted the “donor only maintains what is a priority to himself and not any more the priority of the population.”

(8.) Agree on practical coordination mechanisms between international actors.

The general impression gathered from interviews is that the technical aspect of coordination between international actors is not a major problem. It is the political aspects where difficulties are anticipated. On the technical side, with donors such as the WB and the IMF it seems that there have been some positive changes.⁷⁶ The more technocratic goals of reducing inflation by a certain percentage or increasing revenue in a particular sector are easier to manage, influence and enforce. The technical benchmarks are more tangible. Even regarding humanitarian assistance projects, coordination seems to be working and noted by a program officer at USAID DRC, “donor coordination is at an advanced level here.” For example, DGDC is doing a drinking water project and matching funds with the EC and DFID.⁷⁷ However not all is golden because with increased donor coordination, comes a loss of donor visibility as well as political leverage in the recipient country (Birdsall, 2005).

It is on the political side that many bilateral donors find themselves in a bind, where sought after changes will be more difficult to achieve and more difficult to measure. For example, the presence of CIAT was very effective in terms of organizing donors technically and politically. The members of CIAT spoke as one voice and served as a sort of watchdog over the transition government. Organization in CIAT took a lot of work because the different thoughts that belonged to the donors had to be channeled into one policy, and it proved to be effective.⁷⁸ CIAT would call on the transition government to speed the process for accelerating the demobilization and reinsertion (DDR) program, appoint provincial governments and administrative staff, as well as installing a legal framework that would call on candidates (before the election) to make their personal

⁷⁶ Author interview, WIP, June 2007.

⁷⁷ Author Interview, donor representative, June 2007.

⁷⁸ Ibid.

financial records transparent (IRIN, 2003). These public declarations were not only political in nature; they also served as a measure to make sure the government is held accountable. With CIAT no longer functioning after the election, the watchdog element no longer exists in the DRC.

If the political element was coordinated under CIAT, why not simply reinstate a post-CIAT organization which could perhaps serve as a coordination unit for donors to be certain that they were coordinating not only in the technical but also the political aspect? All donor representatives that were interviewed voiced there would be no such organization, even though they recognized the merits. CIAT served its purpose during the transition and was never meant to be a long term measure. Many donors, particularly the US, are against the notion and see a post-CIAT as counterintuitive because the government of the DRC was elected by the people and therefore should be held accountable to the people, not to an organization such as CIAT.⁷⁹ Of course, Kabila is in favor of this thinking because he is known to prefer working with donors bilaterally (ICG, 2007). This advantage goes back to politics because it allows him the free range to balance and play the various donors and interests off of one another.

The absence of CIAT is a loss in terms of coordination for donors but it does not mean that the donor community should not meet the challenge of finding another means to keep their communication and coordination intact. The creation of the Country Assistance Framework (CAF) is a response to such a challenge and its drafting for 2007-2010 could prove to be a highly innovative step in donor engagement⁸⁰. The CAF integrates many aspects of the Paris Declaration, is based on the PRSP, Cinq Chantiers, as well as the Good Governance Contract and sets the framework for intervention of the main donors in the DRC (France Diplomatie, 2007; PAP, 2007). The innovation has two distinct advantages: it attempts to coordinate donors' actions and their programming and it also includes common matrices for monitoring purposes (France Diplomatie, 2007). The CAF will be unveiled at a donor and recipient country meeting in the DRC in mid October 2007.

Although CAF is still focused solely on the aspect of technical cooperation⁸¹, its introduction came at just the right time. According to a donor representative, "At this moment in time, in the DRC there are different governments doing different things and it would be beneficial for the international community to act together. It would be better if donors could join together again and agree on a small number of priorities on which to focus, however it's almost impossible because what is a priority to one country is not one for another." Again, the exception seems to be elections and everyone was able to concentrate on the one goal. Now that elections are over, donors have lost their central focal point, and it is back to the various agendas of each separate country. What makes it even more difficult is that the DRC government has been slow to set up priorities around which donors can unite. The CAF could prove to be an exception and may facilitate in the coordination.

Perhaps the donors need a shared project that could reunite them unofficially. The Parliament and civil society are obvious choices to balance the government and its leadership, an objective that all donors can agree to achieve. Principle 8 suggests "actors should work jointly with national reforms in government and civil society to develop a shared analysis of challenges and priorities." In practice, this can be difficult. The political parties in the DRC are still growing and based mostly on the personality in charge of the party, not so much on a policy program. Civil society in the DRC has been characterized as "deeply politicized". During the election process, a senior analyst at ICG explains "the

⁷⁹ Ibid.

⁸⁰ CAF was created at the initiative of the EC and the WB in 2006 and is a merger between the UN Development Assistance Framework and the WB's Country Assistance Strategy (Bennett, 2007). It includes 18 multi and bilateral donor organizations which have been involved in its drafting (France Diplomatie, 2007; PAP, 2007).

⁸¹ Author Interview, donor representative, August 2007.

eye opening experience” seeing people he knew from civil society organizations transitioning into the political realm and joining political parties, often engaging in the same behavior they had once criticized. Both political parties and civil society are still weak and need enhanced donor engagement. As discussed in a few of the other Principles, the impression from interviews is that developing a shared analysis of priorities may be a slow process and that donors are “touch and go” in the involvement.

(9.) Act fast...but stay engaged long enough to give success a chance.

It seems that most donors are following this Principle and adhering to the suggestion of improving the speed and predictability of aid to the DRC. Regarding ‘acting fast’, the WB has recently adopted a rapid response policy within its grant process which allows for operational funding to be approved through a “fast-track basis”. As a result, a \$180 million grant to help fund emergency rehabilitation of infrastructure and improving access to services was approved for the DRC (WB Press Release, 2007). In general though, donors are not known to be the most patient in working with fragile states because donors are keen to see quick results (Birdsall, 2005).⁸² The next few years in the DRC will be crucial in determining if donors are willing to truly test their patience.

The EU has the most innovative and the longest aid cycle as compared to the other donors that were interviewed. In the words of the DRC desk officer for the EC, “The mentality of many donor governments is too often mixed with a crisis management response. It needs to be understood that engagement in a fragile state is not something that will last for 1 year, but a relationship that will have to continue for at least another 10 years.” The numbers for the upcoming development cycle have already been discussed and starting January 2008-2013 will be the 10th European Development Fund, with 411 million euros initially being allocated to the DRC.⁸³ The EU will also introduce a new positive conditionality that will be proposed to the DRC government which could potentially bring in an extra 25%, almost 100 million euros, in addition to the initial allocation. The positive conditionality is related to good governance and will challenge the government to improve its governance practices based on a governance profile prepared by the EU that will be judged on a qualitative and quantitative assessment.

Although the aid cycle is long, the drawback with EU aid is that it is not flexible enough, nor is it delivered rapidly, as is needed in a fragile state (Claerhout, 2007).⁸⁴ The DRC desk officer at the EC acknowledged that because the EU is so transparent and must be held accountable for every move by all of the member states, things must move at a slower pace. With the strong focus on transparency and accountability, flexibility and speed are sacrificed. In the future, if the EU aspires to be a bigger player in fragile states, it may have to redefine its balance between the four forces.

DFID currently works on a five year program for the governance sector with the President and the Parliament. Although ten year agreements are possible with DFID it seems that the DRC will have to demonstrate some more political will before it achieves that commitment of funding. It appears that the other bilaterals are still sticking to a two year timetable for their aid distributions to fragile states which works against stability of aid in fragile states. Unfortunately, this is simply the politics of bilateral aid which are not only subject to donor governmental budget changes but also to the changing of priorities once

⁸² Birdsall (2005) discusses the seven deadly sins of donors, the first being “impatience” with institution building. Donors show to be impatient in waiting for long-term results, impatient to disburse funds because they work on a yearly budget, and impatient for policy change in the recipient country.

⁸³ Author interview, donor representative, June 2007.

⁸⁴ The report by Action Aid gave a scathing review on EU aid and argued that member states could distribute aid more effectively and would not use aid as a political lever. The statement is debatable because bilateral donors also use aid for their own political advantage. The US and its war on terrorism is a perfect example with Iraq, Afghanistan, Egypt, Ethiopia, Jordan and Pakistan rounding out the US’ top 10 recipients of ODA for 2004-2005 (OECD-DAC, 2005).

a new donor government comes into office. For engagement to occur on a predictable five or ten year basis, there will have to be some serious internal policy changes in donor governments and that is not seen to be happening, perhaps outside of the Scandinavian donors.⁸⁵

Although many aid agencies are expanding their budget cycles to provide a more predictable time frame of funding there are still questions on the flexibility and responsiveness of the funding. The introduction of a few humanitarian pilot programs that do not earmark funds such as the Pooled Fund (PF) and Central Emergency Response Fund (CERF) are good starts at increasing the flexibility that is called for in this Principle. However, some organizations criticize that donors are still working with short-term horizons for projects and funding is limited to small ad-hoc contracts that leave many NGOs constantly chasing new contracts (Bennett, 2007).

(10.) Avoid pockets of exclusion.

The DRC has proven to be a special case study for this Principle because the country is so large that it seems almost impossible for donors to work exclusively in one area. Paradoxically, because the country is so large and there are still areas that are not stable enough for engagement, a great amount of the donor attention is paid to Kinshasa.⁸⁶ The donor ideology seems to be if a program can be successful in Kinshasa then perhaps it can be expanded around the country. The thinking is rational, however an administrator at the OECD, cautions that “If donors don’t coordinate in such a vast country with immense needs, they will have no impact because many gaps will be left open”. An example of such gaps would be in the northern provinces of Equateur and Orientale. Regardless, if donors and NGOs for that matter are not willing to go to a particular area of the DRC specifically because it is “unsafe”, such a sentiment does bolster the argument that no development can be achieved until there is security.

The safety scenario does create a problem of neglect for actors such as the EU which is more a donor of aid than an implementer. The EU has a large sum of money earmarked for projects that it would like to work on in the East of the DRC, but because the region is considered unsafe, few organizations are willing to implement.⁸⁷ The EU has tried to persuade more NGOs to engage in the areas but without success. After some brainstorming on how to surmount this problem, it appears that the EU is left with three options: (1.) create an MOU (memorandum of understanding) with key partners who have implementation functions already in place and simply funnel the money for the project through the key partner; (2.) create an implementation arm within the EU that could then implement projects (although this is seen as a radical idea within the EU); (3.) or utilize the military, such as NATO in the issuance of aid.⁸⁸ Even if security was not a concern, it has been noted that the absorption capacity of NGOs currently operating in the DRC has been doubted for some time by donors. So allocating money to them to complete more projects may not be the solution (Bennett, 2007).

In relation to the pockets of exclusion, much attention has been paid to strengthen the central and local governments. A potentially positive step towards “spreading the wealth” throughout the country is by increasing local capacity through the decentralization of 11 to 26 regions. It is too early to forecast the success of decentralization because it will require starting completely from scratch; creating and literally building institutions from the ground up.

⁸⁵ Author interview, WIP, July 2007.

⁸⁶ Author interview, WIP, July 2007.

⁸⁷ Author interview, donor representative, June 2007.

⁸⁸ Ibid.

In theory, decentralization will provide benefits such as increased accountability of the local government towards the population and hopefully make corruption a bit more difficult. As phrased by one WIP, “People will have an easier time tracking their local government official and if he is stealing money from them as compared to the corruption that takes place hundreds of miles away in Kinshasa.⁸⁹” But, the 40% of power that is allocated to the local governments will not mean anything unless it is accompanied by two necessities: resources and technical expertise. It is going to take time to build the physical structures and the technical experience will take years to develop. A senior advisor at ICG cautions that, “local ownership is not something that can be imposed and it will take time to develop.” Also, research has shown that while decentralization in certain state contexts may be beneficial “where the central government is not fulfilling its basic functions, decentralization could be counterproductive and therefore should not be a donor priority” (Jutting et. al., 2004:7) and may do more to increase poverty than alleviate it. The study shows that state context is highly important and the link between decentralization and poverty reduction greatly differs between poor countries and emerging economies (Jutting et. al., 2007).⁹⁰

Besides decentralization, research has shown that investing in particular sectors such as health and education and especially at the local level through institutions and civil society may garner some positive results (Chauvet & Collier, 2004). USAID is following such advice and is working in a range of different projects: classic health programs such as HIV prevention care and support and family planning initiatives; “livelihoods promotion” through agriculture and; education programs aimed at improving primary education and trying to reduce the costs for children to attend school.⁹¹ The DGDC works similarly where it supports basket funds, trust funds, and is involved in projects executed by the BTC such as in basic health, basic education, food security and civil society. Although sector support can be positive, there are still negative experiences in fragile states and donors must pay careful attention to the environments they are working in (Foster, 2000).

In the eyes of one donor representative, key sectors are being supported, “however the debate is not ‘are we engaged in enough sectors’ but more centered on ‘are we giving enough money to make a difference?’”. Regarding infrastructure, the country is so huge, how much money should be given for roads to really make a difference. The same can be said for the health, education and security sector. There is also the question of time. Is it possible to make a difference in such a large country that requires a large amount of investment in a time span of five or even 10 years?

2.4. Analysis of the Principles in the DRC

In the introduction, three questions were asked that will now provide a base for analysis. The first question was: In general, how effective and useful are the Principles to the donors? It is clear in reading the Principles that they establish a good set of recommendations for donors and engagement in fragile states, but they are also very broad and leave much space for interpretation.

As mentioned by the senior operations analyst at the WB, how can any donor really argue against the Principles? The EC is looking to adopt them into their new fragile state policy, the DGDC has the intention of integrating them into their policy framework⁹², and USAID even pays homage to the Principles in its budget profile for the DRC (USAID, 2005). It seems clear that the donors are buying into the rhetoric of the Principles. It also seems

⁸⁹ Author interview, WIP, June 2007.

⁹⁰ Jutting et. al. (2007) find that decentralization in weak states may increase poverty rather than reduce it while a functioning state committed to devolution of powers to local government may be an excellent means to improve the participation of the poor.

⁹¹ Author interview, donor representative, July 2007.

⁹² Ibid.

important to the donors that they show to the outside community that they are attempting to follow the Principles by integrating them into policy documents and pamphlets. This gives donor governments a certain aspect of accountability amongst one another. Most likely, the broadness is what attracts donors to the Principles, and they are left with the option to pick and choose the Principle or a particular section of a Principle to focus their attention.

If followed word for word and each donor adhered to the Principles then donors would be highly effective in engagement. Of course, this is not the reality and it is clear from the DRC example that the application of the Principles is spotty at best. The Principles are useful as goal setters, ideals that donors “should” work towards following but they do not always translate as action on the ground. One donor acknowledged that there was a large focus on the Principles in 2005 during a case study that was being worked on by Belgium and the US in the DRC, “but shortly thereafter, the study dropped off everybody’s radar screen and [donors] did nothing with it after all.”⁹³ So why the fall off by the donors? The simple answer is “priority of the donor”. What the donor wishes to accomplish and sees as important, will be tackled. What the donor is not certain of and unwilling to take part in, will not. The Principles do not change the behavior of donors and this is an important change that needs to occur.

This discussion then flows into the second question: Which Principles show areas of contention for engagement in fragile states and how can the contention be avoided? In discussions with donors, Principles 3, 5, 7 and 8 seemed to be the areas where the most activity and the most bottlenecks are forming (see Table 3). All share the themes of difficulty with the management of donor policy coherence. Picciotto et. al. (2005) explain policy coherence in four dimensions. The first two deal with the donors internal policies and the second two deal with the donors external policies. The first is internal consistency of aid programs in the donor country; the second is the WGA and coherence between departments involved in aid and non-aid policies in the donor country; the third is policy coherence between aid and non-aid policies across donor countries (harmonization); and fourth is the policy consistency between the donor country and the recipient country (alignment). Table 3 attempts to address the various areas that gridlock is being experienced amongst the donor community, specifically in the DRC case. As mentioned in the introduction, internal and external are differentiated in such a way: the Principles call on the donors to not only change their policies and strategies in working externally with other donors (through increased harmonization and coordination), but also, donors are expected to begin cleaning up their own house by changing internal policies and strategies (as in the whole of government approach). The fragmentation between the various departments working in development is one such example.

Internal policy changes appear to be obstacles and transformations that will not take place within a short time frame. DFID is one of the few donors that seem to be more departmentally integrated while the other donors have progress to make.⁹⁴ The OECD Peer Review might be the best opportunity for the multilateral to push bilaterals into changing their internal policies and coordinating the various departments that work in development. While the table constructed is limited, the objective is to make the Principles slightly clearer and to highlight some of the immediate issues that donors appear to be experiencing on the ground in the DRC. The table is based on perceptions and interviews with various WIPs.

⁹³ Author interview, donor representative, July 2007.

⁹⁴ The UK’s good practices of “a joined up approach” were also highlighted along with Sweden and the Netherlands in Picciotto et. al, 2005.

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Table 3: Breakdown of the Principles *The Principles call for not just external policy change on behalf of donors, but the changing of internal policy as well.⁹⁵ Judging from the donor's various responses to the Principles, I have attempted to capture some of the bottlenecks and issues.*

OECD-DAC Principle	Donor Policy Coherence Area	Experienced Donor Difficulty
Principle 1 - Context	Change of internal and external policy	Political analysis is difficult to share as each donor will have a different viewpoint. Plus what is analyzed by the donor may not be chosen as a priority.
Principle 2 - Do no harm	Change of internal policy	Donors not becoming involved in politics of DRC, could be a setback. Positive is donors are staying engaged even though all is not stable in DRC. Multilaterals need continued role because of potential business protection from bilaterals.
Principle 3 - Statebuilding	Change of external policy	Donors are able to set their priorities but coordinating with the other donors is highly difficult because each donor will share different priority.
Principle 4 - Prevention priority	Change of internal and external policy	Donors can analyze a conflict but engagement will be based on the political interest of the donor government. "Addressing root causes of state fragility" is no easy feat.
Principle 5 - WGA	Change of internal policy	Not all donors have integrated department mechanisms in place. Internal fiefdoms and resistance will have to be overcome.
Principle 6 - No discrimination	Change of internal external policy	Requires maintaining a balance and inclusion of groups by donors. Related to second and fifth Principle.
Principle 7 - Align locally	Change of external policy	Donors are working towards alignment but still on their terms. DRC not ready for budget support. Must find means to strengthen the government without creating parallel systems.
Principle 8 - Donor coordination	Change of external policy	Technical cooperation possible but political coordination with other donors is difficult (not including election time period). Future of CAF will be highly interesting.
Principle 9 - Stay engaged	Change of internal policy	Changing budget/aid giving cycles in donor governments not always possible because of government structure.
Principle 10- Avoid exclusion	Change of internal and external policy	Donors in general will concentrate on countries that are strategically important to them, "aid orphans" will not vanish. Once engaged donors wish to work throughout the country but security must be addressed. Until that time, expect neglected areas.

⁹⁵ According to Merriam-Webster Dictionary (2007) a policy is defined as "a definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions".

In general the call for political harmonization, coordination and alignment are all very just in theory but as noted in the DRC case study, putting them into practice is not that easy. As seen by the creation of CAF, technically it can happen and the future of CAF will be highly interesting to monitor but since it will just be implemented in October 2007, it is impossible to tell at this moment if it will be successful. Certainly the fact that CAF was even created is a step in the right direction of donor coordination. There are hurdles to overcome with coordination because donors are sacrificing not only a certain aspect of control in a project but also their visibility and political leverage with the recipient country (Birdsall, 2005).

The reason for difficulty can essentially be blamed on politics; either the inability of the donor to harmonize with other donors because of difference in political view of how the problem should be solved, or the donor is simply unable to align to the recipient government because the politics of the recipient are not in order at the moment. Also, harmonization and coordination are important, however as stated by a WIP "Coordination is important, but donors should not coordinate simply for coordination's sake."⁹⁶ There are benefits at times to not have coordination take place. An example is the MDRP where there were 13 different donors involved, except for the US. As a result, US was able to play the role of good cop/bad cop with the DRC government and help to bridge some gaps between the two camps.⁹⁷ The US was able to admonish publicly the Kabila government if things were not going a certain way, whereas if they were a member of MDRP, they would be expected to speak with one voice. The progression of donor coordination and making the transition to harmonization and alignment is a gradual change that should coincide with the strengthening of the commitment and capacity of the fragile state (Leader & Colenso, 2005).

Although some may argue that the areas of contention can be avoided, the bottlenecks are more than just mere technical problems. Differences in political opinions and priorities will always exist and are part of the organizational culture. Even when attempting to work through the cluster approach⁹⁸, it has been reported that several actors found it impossible to believe that agencies which were chairing a particular cluster suddenly lost their desire to not have their projects receive more funding over the others (Bennett, 2007). No matter how much the Principles and even the Paris Declaration push for donors to converge, it will remain a slow process. At this point in time, besides a few humanitarian projects, donors in the DRC still seem to be marching to the beat of their own drums, largely due to the current political environment (Kabila preferring to work with the donors bilaterally) and due to the vast land size of the DRC. With such a huge area and so much to be done- it is overwhelming.

There are some clear issues with implementation of the Principles by the donors, so the third question: Can the Principles be improved by the OECD and made more useful for the donors? An important addition that was mentioned by DFID was that the Principles should not only apply to those working in development but to the whole of the donor government. Since many of the principles touch on the need of internal strategy and policy changes in donor governments and increased departmental interaction, to be truly effective they have to be applied in every department, including defense and diplomacy.⁹⁹ This is a procedural step that the OECD-DAC can take by including all three of the

⁹⁶ Author interview, WIP, July 2007.

⁹⁷ Ibid.

⁹⁸ The cluster approach was devised to improve coordination between international and locally based humanitarian agencies. The clusters in the DRC are broken down into sectors, for example education, health and food security and then chaired by organizations such as the World Health Organization or a United Nation's organization (Bennett, 2007).

⁹⁹ To demonstrate an incoherent donor policy and strategy, Lockhart (NO DATE) provides the hypothetical scenario of an OECD country selling weapons that could prolong a civil war and directly undermine methods attempted to reduce the conflict.

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departments in discussions; however the process would be pointless unless the member states themselves had the internal procedures institutionalized for the integrated work.

Another aspect to consider is the tying of aid or establishing of conditionalities. The Paris Declaration is making a large push for the untying of aid and in 2004, 90% of the aid to the DRC

was untied (OECD, 2007c). However, while the untying of aid may be a positive step in some environments, perhaps the tying of aid in fragile states is not such a bad idea. The EC has an innovative approach of introducing the “positive” conditionality that allows for more funds to be given if certain good governance objectives are met. Essentially, the “positive” conditionality is not perceived as a conditionality in the dirty sense because it is pushing for something that all donors have agreed on, which is improving good governance. Although attached conditionalities can be political in nature, so is the giving of aid, so what is the point of trying to hide this fact? Perhaps if the DRC does not exhibit improvements as set out in the Governance Contract then aid should start to be tied to the improvements. As mentioned before, the partnership that exists between the donor and recipient country is a two way street and both partners need to be held accountable for their actions.

Conclusion

As illustrated, the fragile state dilemma and the proper responses are continuously being debated and altered. Donors have mixed definitions, analysis, policies as well as reactions to fragile states. New Aid Approaches have materialized to improve aid and development effectiveness and will no doubt be replaced by alternative measures in the next ten years. The DRC has emerged from conflict and into transition just at the right time where the modeling of new programs such as the Principles can be weighed and measured for effectiveness.

The Principles are a good attempt at organizing donors to strive for the same positive effects of engaging in fragile states. However they are also very broad and leave much space for interpretation. They are not the panacea that donors are looking for but more a list of recommendations for donors. They do offer helpful reminders and if administered wholly they can offer a better approach in a fragile state. However, adherence to the Principles is spotted. As demonstrated through the example by the DRC, some Principles are more easily achieved while others are difficult either because of internal fragmentation of donor departments, the politics of the donor or simply because of donor indifference.

Exactly why do the donors act the way they do in relation to the Principles? Throughout the assessment and the analysis of the Principles, there are clear areas that emerge as “do able” and those on the flip side as the “more difficult”. The term “more difficult” notes the increased complication that the donor experiences in achieving a particular objective as compared to the more “do able” objective. For example, “do able” areas are getting involved with the rhetoric of good governance and participation as well as technical coordination. Generally, donor organizations want to help make a difference. It is also important that they are perceived positively in the international community. Development work increases the political influence and notoriety of the donor government. Following the Principles helps to increase the donor organizations’ accountability.

A few of the Principles also highlighted some examples for the “more difficult” category. Although donors are attempting to coordinate, harmonize and align with one another as well as the recipient government, these actions are clearly not without their problems and complications. Time will be needed for donors to institutionalize such practices. There must also be the realization that not all donors will be willing to rescind their control. Some of the objectives within the “more difficult” have shown that they are near impossible to modify. For example, the altering of organizational cultures in the donor country is extremely intricate as well as burying the political motivations of donors and competition between donor departments and agencies, even in the “just” name of coordination and harmonization. In order to overcome the organizational gridlock, it will take strong leadership from the top to push particular agencies in the desired direction of policy coherence. This is where the OECD-DAC could also play a role by continuing and enhancing the Peer Review and assessments of donors in development. There may not be a “punishment by law” for donors, however “the name and shame” method can be highly effective in an international community where all participants want to be perceived as acting in accord to the standards.

This paper is just the beginning of analyzing the Principles and their application in the DRC. Further field research could be conducted to base an assessment of donor coordination and harmonization amongst local realities. A longer duration of assessment for the Principles in the DRC would also prove to be interesting. It could show which bottlenecks are surmountable over time and test the donor organization’s true “staying power” and attention span in following the Principles. A longer time period would also

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allow for interviews from a wider range of representatives in various donor departments. An assessment could be made on the Principles that relate to internal procedural change in the donor governments and if the suggested changes are being altered (or if it is even feasible).

Donors look for practical examples and tool boxes on how to best engage in fragile states, but there is no such tool box; nor will there be. Engagement will have to be varied, depending on the context and there is no one “right” way. The Principles are not meant to be such a blue print but they do force donors to be more aware of their actions and to use some creativity for engagement in fragile states. All guidelines are up for interpretation and at this moment in time, the Principles prove to be no different.

Annex 1: Sample Interview Questions

Donor Specific

- 1) What is the depth of departmental involvement in the DRC? (Is department of state/trade/agriculture/defense/development all involved or more specifically just a few departments?) (Principle 5)
- 2) What sort of aid modalities is the –donor- taking part in as a donor in the DRC? (Budget support? Sector support? Civil society? Projects?) (Principle 10)
- 3) IF doing budget support what sort of alignment is taking place in the DRC? (Principle 7)
- 4) When working in a fragile state two theories usually apply: the state has political will and the state has the capacity to reach out to the citizens. What are the benchmarks that you will use to help you monitor the state's political will? (Do you have internal indicators to use or will you use WB/IMF indicators?) (Principle 1)
- 5) When working in a country such as the DRC that is rich in resources, many donors have experienced problems in balancing the interests in regard to multi-national companies, the recipient government and ideally doing what is best for the people of the country. As a major donor in the DRC does –the donor- require any extra assurances from companies working in the country? (i.e., code of conduct/adherence to good governance workshops) (Principle 2)
- 6) Are there joint assessments that are made between the donors regarding the DRC or do you use your own country assessments? (Principle 8)
- 7) Is –the donor- employing the OECD-DAC Principles for Good International Engagement in Fragile States on the ground?
 - a. In what way is this happening?
 - b. Would you say the Principles call for more internal or external changes in strategy and policy?
 - c. What are potential bottlenecks with the Principles?
 - d. Have official policy changes happened yet?

Well Informed Person (WIP) Specific

- 1) In your opinion and focusing specifically on the DRC what would you say are some of the major obstacles for achieving donor coordination?
- 2) Within the past five years what are some of the largest changes that you have seen take place as a result of donor interaction? (both positive and negative)
- 3) What do you see as the relationship between donor and recipient-is it a partnership or slightly tilted?
- 4) With your experience in the DRC, what do you think is the best approach for donors to engage in working with the state? What form of aid modality? (Sector, technical, budget support?)
- 5) Do you believe that donors will ever be able to fully harmonize with other donors realizing the costs that are involved with it? (time consuming to coordinate/diluting own policy objectives and weakening department visibility)
- 6) The Principles are a good starting point at reminding donors not to shy away from involvement with fragile states but to also be aware of their actions when engaging;

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however how enforceable are the Principles?

- 7) In a fragile state, there is an increased importance for security, some would even argue that it is a pre-condition to development. Do you think there will ever be restructuring of the ODA definition regarding military aid from donors to recipient countries? (Perhaps create a “non-ODA” fund/and of course still have strict principles on what can be given, i.e. not to militias.)

Recipient Specific

- 1) Focusing specifically on your sector, how many donors are you working with? What kind of aid modalities are present? Out of those donors, how many do budget support?
- 2) What are some positive and negative experiences that you have working with donors?
- 3) When a donor begins to work in the DRC, do you find that you are working with them as a partner or do you find that the relationship is slightly tilted?
- 4) Do you believe that it is a positive change to have donors harmonize or do you find that it was easier to work when they did not harmonize?
- 5) What do you think about the term “fragile state” being used to describe the DRC?

Annex 2: 2007 Failed State Index

Top 25 Failed States

Rank	Country	I-1	I-2	I-3	I-4	I-5	I-6	I-7	I-8	I-9	I-10	I-11	I-12	Total
1	Sudan	9.2	9.8	10	9	9.1	7.7	10	9.5	10	9.9	9.7	9.8	113.7
2	Iraq	9	9	10	9.5	8.5	8	9.4	8.5	9.7	10	9.8	10	111.4
3	Somalia	9.2	9	8.5	8	7.5	9.2	10	10	9.7	10	10	10	111.1
4	Zimbabwe	9.7	8.7	8.8	9.1	9.5	10	9.5	9.6	9.7	9.5	9	7	110.1
5	Chad	9.1	8.9	9.5	7.9	9	8.3	9.5	9.1	9.2	9.6	9.7	9	108.8
6	Cote d'Ivoire	8.6	8.3	9.8	8.4	8	8.9	9.5	7.9	9.2	9.6	9.3	9.8	107.3
7	Democratic Republic of Congo	9.4	8.9	8.8	7.6	9.1	8	8.3	8.7	8.9	9.6	8.6	9.6	105.5
8	Afghanistan	8.5	8.9	9.1	7	8	8.3	8.8	8	8.2	9	8.5	10	102.3
9	Guinea	7.8	7.4	8.1	8.3	8.5	8.5	9.6	8.9	8.6	8.1	9	8.5	101.3
10	Central African Republic	8.9	8.4	8.8	5.5	8.6	8.4	9	8	8.2	8.9	9.3	9	101
11	Haiti	8.6	4.2	8	8	8.2	8.4	9.2	9	9.1	9.3	9.3	9.6	100.9
12	Pakistan	8.2	8.5	9	8.1	8.5	5.8	8.7	7.1	8.7	9.5	9.5	8.5	100.1
13	North Korea	8	6	7.2	5	8.8	9.6	9.8	9.5	9.7	8.3	7.9	7.9	97.7
14	Burma/Myanmar	8.5	8.5	9.1	6	8.9	7.6	9.1	8.3	9.8	9	8.2	4	97
15	Uganda	8.1	9.4	8.5	6	8.5	7.5	8.5	8.2	8.2	8.3	7.8	7.4	96.4
16	Bangladesh	8.6	5.8	9.6	8.4	9	6.9	9	7.4	7.8	8	9.5	5.9	95.9
17	Nigeria	8.2	5.6	9.5	8.5	9.1	5.4	9.1	8.7	7.1	9.2	9.5	5.7	95.6
18	Ethiopia	9	7.9	7.8	7.5	8.6	8	7.9	7	8.5	7.5	8.9	6.7	95.3
19	Burundi	9.1	8.9	6.7	6.7	8.8	8.2	7.1	8.9	7.5	6.8	7.5	9	95.2
20	Timor-Leste	8.1	8.5	7.1	5.3	6.5	8.5	9.5	7.9	6.9	9	8.8	8.8	94.9
21	Nepal	8.1	5.2	8.9	6.1	9.2	8.2	8.5	6.6	8.8	8.3	8.5	7.2	93.6
22	Uzbekistan	7.7	5.4	7.1	7.1	8.6	7.5	9.2	6.8	9	8.9	9.2	7	93.5
23	Sierra Leone	8.6	7.4	7.1	8.7	8.7	8.7	8	8	7	6.5	7.7	7	93.4
24	Yemen	8	6.7	7.3	7.2	8.7	8	7.8	8.1	7.2	8	9	7.2	93.2
25	Sri Lanka	7	8.6	9.5	6.9	8.2	6	8.9	6.5	7.5	8.7	9.2	6.1	93.1

To view a full list of the 177 ranked countries along with descriptions of the 12 indicators, please visit The Fund For Peace,

www.fundforpeace.org/web/index.php?option=com_content&task=view&id=229&Itemid=3

Annex 3: OECD Principles for Good International Engagement in Fragile States & Situations

- 1. Take context as the starting point.** It is essential for international actors to understand the specific context in each country, and develop a shared view of the strategic response that is required. It is particularly important to recognize the different constraints of capacity, political will and legitimacy, and the differences between: (i) post-conflict/crisis or political transition situations; (ii) deteriorating governance environments, (iii) gradual improvement, and; (iv) prolonged crisis or impasse. Sound political analysis is needed to adapt international response to country and regional context, beyond quantitative indicators of conflict, governance or institutional strength. International actors should mix and sequence their aid instruments according to context, and avoid blue-print approaches.
- 2. Do no harm.** International interventions can inadvertently create societal divisions and worsen corruption and abuse, if they are not based on strong conflict and governance analysis, and designed with appropriate safeguards. In each case, international decisions to suspend or continue aid-financed activities following serious case of corruption or human rights violations must be carefully judged for their impact on domestic reform, conflict, poverty and insecurity. Harmonized and graduated response should be agreed, taking into account overall governance trends and the potential to adjust aid modalities as well as levels of aid. Aid budget cuts in-year should only be considered as a last resort for the most serious situations. Donor countries also have specific responsibilities at home in addressing corruption in areas such as asset recovery, anti-money laundering measures and banking transparency. Increased transparency concerning transactions between partner governments and companies, often based in OECD countries, in the extractive industries sector is a priority.
- 3. Focus on state-building as the central objective.** States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations. International engagement will need to be concerted, sustained, and focused on building the relationship between state and society through engagement in two main areas. Firstly, support the legitimacy and accountability of states by addressing issues of democratic governance, human rights, civil society engagement and peacebuilding. Secondly, strengthening the capacity of states to fulfill their core functions is essential in order to reduce poverty. Priority functions include: ensuring security and justice; mobilizing revenue; establishing an enabling environment for basic security delivery, strong economic performance and employment generation. Support to these areas will in turn strengthen citizen's confidence, trust and engagement with state institutions. Civil society has a key role both in demanding good governance and in service delivery.
- 4. Prioritize prevention.** Action today can reduce fragility, lower the risk of future conflict and other types of crises, and contribute to long-term global development and security. International actors must be prepared to take rapid action where the risk of conflict and instability is highest. A greater emphasis on prevention will also include sharing risk analyses; looking beyond quick-fix solutions to address the root causes of state fragility; strengthening indigenous capacities, especially those of women, to prevent and resolve conflicts; supporting the peacebuilding capabilities of regional organizations, and undertaking joint missions to consider measures to help avert crises.
- 5. Recognize the links between political, security and development**

objectives. The challenges faced by fragile states are multi-dimensional. The political, security, economic and social spheres are inter-dependent. Importantly, there may be tensions and trade-offs between objectives, particularly in the short-term, which must be addressed when reaching consensus on strategy and priorities. For example, international objectives in some fragile states may need to focus on peacebuilding in the short-term, to lay the foundations for progress against the MDGs in the longer-term. This underlines the need for international actors to set clear measures of progress in fragile states. Within donor governments, a “whole of government” approach is needed, involving those responsible for security, political and economic affairs, as well as those responsible for development aid and humanitarian assistance. This should aim for policy coherence and joined-up strategies where possible, while preserving the independence, neutrality and impartiality of humanitarian aid. Partner governments also need to ensure coherence between ministries in the priorities they convey to the international community.

- 6. Promote non-discrimination as a basis for inclusive and stable societies.** Real or perceived discrimination is associated with fragility and conflict, and can lead to service delivery failures. International interventions in fragile states should consistently promote gender equity, social inclusion and human rights. These are important elements that underpin the relationship between state and citizen, and form part of long-term strategies to prevent fragility. Measures to promote the voice and participation of women, youth, minorities and other excluded groups should be included in state-building and service delivery strategies from the outset.
- 7. Align with local priorities in different ways in different contexts.** Where governments demonstrate political will to foster development, but lack capacity, international actors should seek to align assistance behind governments strategies. Where capacity is limited, the use of alternative aid instruments- such as international compacts or multi-donor trust funds- can facilitate shared priorities and responsibility for execution between national and international institutions. Where alignment behind government-led strategies is not possible due to particularly weak governance or violent conflict, international actors should consult with a range of national stakeholders in the partner country, and seek opportunities for partial alignment at the sectoral or regional level. Where possible, international actors should seek to avoid activities which undermine national institution-building, such as developing parallel systems without thought to transition mechanism and long term capacity development. It is important to identify functioning systems within existing local institutions, and work to strengthen these.
- 8. Agree on practical coordination mechanisms between international actors.** This can happen even in the absence of strong government leadership. Where possible, it is important to work together on: upstream analysis; joint assessments; shared strategies; and coordination of political engagement. Practical initiatives can take the form of joint donor offices, an agreed division of labor among donors, delegated co-operation arrangements, multi-donor trust funds and common reporting and financial requirements. Wherever possible, international actors should work jointly with national reforms in government and civil society to develop a shared analysis of challenges and priorities. In the case of countries in transition from conflict or international disengagement, the use of simply intergraded planning tools, such as the transitional results matrix, can help set and monitor realistic priorities.
- 9. Act fast... but stay engaged long enough to give success a chance.** Assistance to fragile states must be flexible enough to take advantage of windows of opportunity and respond to changing conditions on the ground. At the same time, given low capacity and the extent of the challenges facing fragile states, international engagement may need to be of longer-duration than in other low-

income countries. Capacity development in core institutions will normally require an engagement of at least ten years. Since volatility of engagement (not only aid volumes, but also diplomatic engagement and field presence) is potentially destabilizing for fragile states, international actors must improve aid predictably in these countries, and ensure mutual consultation and co-ordination prior to any significant changes to aid programming.

- 10. Avoid pockets of exclusion.** International actors need to address the problem of “aid orphans”-states where there are no significant political barriers to engagement, but few internal actors are engaged and aid volumes are low. This also applies to neglected geographical regions within a country, as well as neglected sectors and groups within societies. When international actors make resource allocation decision about the partner countries and focus areas of their aid programs, they should seek to avoid unintentional exclusionary effects. In this respect, coordination of field presence, determination of aid flow in relation to absorptive capacity and mechanism to respond to positive development in these countries, are therefore essential. In some instances, delegated assistance strategies and leadership arrangement among donors may help to address the problem of aid orphans.

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