

MODULE I

Why FCV Matters for Development



PURPOSE: Fragility, conflict and violence (FCV) are associated with sharp and sustained declines in core development achievement. An expanding coalition of international partners – including the International Dialogue on Peacebuilding and Statebuilding – is calling for a radical change in how investments are prioritized, implemented and measured in these settings. This module reviews some of the ways in which the international community is responding to FCV, including emerging principles and practices for engagement.

Achieving real and meaningful development progress in the twenty-first century requires facing up to the hard reality that as many as 1.5 billion people live in FCV-affected settings. Despite impressive global gains in poverty reduction in many middle- and low-income countries over the past decade, 40 to 50 states are stalling and, in some instances, moving in reverse. As the latest IDA17 report observes, they are also significantly behind in making progress on the Millennium Development Goals (MDGs).

Moreover, a number of subnational regions in otherwise stable and middle-income states are also lagging in development achievements, as are urban poor affected by criminal and gang-related violence. Many of these countries are not only failing to achieve progress in basic development goals, they are at a risk of relapsing into conflict and generating instability in neighboring countries. The ongoing debates about sustainable development goals beyond 2015 are attentive to the specific challenges confronting these countries. A coalition of governments, international agencies, and civil society groups is calling for new approaches to development in these settings.

The international aid architecture is transforming to account for the varied and extensive needs and capacities of FCV settings. For example, in the past decade the United Nations established new agencies, such as the Peacebuilding Commission and Peacebuilding Fund, to move the agenda forward. Donor agencies created new departments and funds devoted to FCS, peacebuilding, and state-building.

Meanwhile, political progress in rethinking the terms by which aid is provided is being facilitated by an International Dialogue on Peacebuilding and State-building (hereafter referred to as the International Dialogue) started in 2008 as a conversation between leaders of a group of 20 self-described fragile countries, known as the g7+, and a wide range of multilateral and bilateral agencies and civil society groups.⁹ While donor countries are urging more accountability and transparency, client countries are also demanding more ownership and engagement over their own development agendas.

Donor and client countries are beginning to work toward a common vision when it comes to investing in FCV environments in general, and peacebuilding and state-building in particular. At a minimum, they take the Paris Declaration on Aid Effectiveness seriously and recognize that while short-term results in FCV settings are critical, it can take generations to achieve lasting results. The recently crafted New Deal framework explicitly builds in mutual accountability and shared responsibilities; meanwhile, the g7+ is working with bilateral donors and multilateral and nongovernmental partners to implement a New Deal Roadmap agreed in 2011.

The overarching development objectives that have guided the aid sector for the past decade and a half—the Millennium Development Goals—are also being revisited in 2015 (see Box 1). For example, a High-Level Panel on the post-2015 agenda set out 12 bold goals, including a focus on peace, security, justice, and governance. Its members also called for a data revolution to ensure more evidence-based decisions.¹⁰ Meanwhile, a follow-up Open Level Working Group (OWG) expanded these goals to 17, with a focus on building peaceful societies and promoting access to justice. The UN Secretary-General and member states likely will reduce the number of goals considerably, but the emphasis on peace, security, justice, and governance is clear.

9 The International Dialogue emerged from the Paris Declaration of 2005 and Fragile States Principles established in 2007. Findings from deliberations of the International Dialogue, 2008–2011, were presented at a High-Level Forum in Busan and subsequently led to the *New Deal*.

10 “Better data and statistics will help governments track progress and make sure their decisions are evidence-based; they can also strengthen accountability. This is not just about governments. International agencies, CSOs and the private sector should be involved. A true data revolution would draw on existing and new sources of data to fully integrate statistics into decision making, promote open access to, and use of, data and ensure increased support for statistical systems” (HLP Report, P23).



Box 1. Setting Out Goals, Targets, and Indicators for the Post-2015 Agenda

The successor framework to the MDGs is being produced through an inclusive, consultative process, which consists of several phases. The first phase was completed in September 2013, when the President of the UN General Assembly convened a special event. A second phase included the convening of an open-ended working group in 2014. The third phase will involve the Secretary-General's report on the subject before the General Assembly decides the final text. A number of parallel activities are also relevant:

- The **UN system Task Team** produced a report to the Secretary-General in June 2012.
- The Secretary-General's **High-level Panel** of Eminent Persons on the Post-2015 Development Agenda delivered its report in May 2013.
- The UN supported **national consultations** in up to 100 countries along with 11 **thematic global consultations**.
- **Civil society** is actively contributing, including through multiple websites and extensive lobbying around the world.
- The UN General Assembly's **Open Working Group** submitted its final report to the UN in July 2014.

While still far from concluded, preliminary discussions at the United Nations indicate that the vast majority of member states are in favor of including peace and justice as goals. They are also committed to generating targets that reduce violent deaths, end abuses against children, promote access to justice, prevent corruption, and enhance transparency.

The World Bank's Response to FCV and its Commitment to Monitor Results

The World Bank's *2011 World Development Report* and its accompanying WDR Operationalization strategy set out an initial plan to improve strategic direction, effectiveness, and efficiency in FCV settings. The 2011 WDR called for more attention to peacebuilding and state-building priorities, including building institutions capable of delivering citizen security, access to justice, and meaningful jobs. Central to this shift is better monitoring, measuring, and evaluation of results. The WDR operationalization strategy explicitly calls for "developing metrics that are sensitive to conflict and fragility."

A 2013 review by the World Bank Independent Evaluation Group prescribes a change in the Bank Group's approach to engagement with FCV-affected environments. The evaluation indicates that while some progress was achieved

since the 2011 WDR, knowledge gaps remain.¹¹ At a minimum, the report says, Bank strategies need more attention to the drivers of fragility and violence and understand threats and capacities in these settings. The assessment also emphasizes the critical place of investment in institutional capacities, including national and subnational data collection. It also urges a rethink in how the impacts of World Bank investments are measured in these environments.

The IDA17 replenishment in 2013 also includes a series of policy and financing commitments to fragile states that underscore the importance of development progress in these countries to the World Bank and its shareholders.¹² IDA 17 commitments include a commitment to enhanced evaluation and monitoring in FCV environments. With fragility now acknowledged as among “the most pressing challenges to development,” the World Bank and a range of international partners are increasing their financial commitments and operational capabilities. However, the struggle continues on how to define measures of progress and track results in these challenging environments.

Measuring Progress—The *New Deal* as a Starting Point

As a consensus set of principles and commitments agreed between g7+ leadership and international partners, the *New Deal for Engagement in Fragile States* offers a useful starting point for thinking about measuring, monitoring, and evaluating results in FCV contexts. The *New Deal*, agreed in 2011, includes **five basic Peace and State-building Goals (PSGs)**:

- **PSG 1: Legitimate politics**—the fostering of inclusive political settlements and conflict resolution.
- **PSG 2: Security**—establishing and strengthening citizen security and perceptions of safety, especially following widespread conflict.
- **PSG 3: Justice**—addressing injustices, often related to legacies after conflicts, and increasing access to justice.
- **PSG 4: Economic foundations**—generating employment and improving livelihoods.
- **PSG 5: Revenues and services**—managing revenue and building capacity for fair and accountable social service delivery.

11 See, for example, the 2013 IEG evaluation of assistance to low-income fragile and conflict-affected states at World Bank (2013a). The management response is at <http://documents.worldbank.org/curated/en/2013/10/18530981/report-board-executive-directors-committee-development-effectiveness-world-bank-group-assistance-low-income-fragile-conflict-affected-states-ieg-evaluation-draft-management-response>.

12 Ibid.



Box 2. Establishing *New Deal* PSG Indicators

The *New Deal* includes a commitment to advance efforts to measure progress against five Peacebuilding and State-building Goals. An Indicators Working Group was established in 2012 and preliminary indicators were assembled by governments and technical experts based on several consultations. A final draft menu of indicators was developed and piloted by several countries—including Democratic Republic of Congo, Sierra Leone, South Sudan, and Timor-Leste—in 2013 and 2014.¹³ The PSG indicators are intended to serve a number of basic functions including tracking progress within countries; informing routine assessments; and establishing baselines for national development planning and priority setting. In this way, they could help international and national actors to better communicate results among themselves, as well as to citizens and constituencies.

Based on country-level *New Deal* implementation and g7+ experience, the International Dialogue has released a list of “common indicators” to guide *New Deal* implementation at country level. These include, for example, under the PSG 1, Legitimate Politics: (i) diversity in representation in core state institutions, (ii) perception of effective representation of all groups in government, (iii) level of participation and satisfaction in elections, and (iv) extent of participation in political processes and local-level civic engagement. Common indicators for PSG 2, Security, and PSG 3, Justice also emerged. These include: (i) violent deaths per 100,000, (ii) incidence of rape and sexual violence, (iii) percent of the population feeling safe, (iv) timely payment of the police/military, (v) public confidence in the performance of the judiciary, (vi) extent of pretrial detention, and (vii) proximity of formal and customary justice institutions to the public.¹⁴

Finally, a wide range of common indicators emerged in relation to PSG 4, Economic Foundations, and PSG 5, Revenue and Services. For example, (i) population with access to serviceable transport networks, energy, and water (basket); (ii) income inequality by region; (iii) percent of labor force unemployed; (iv) changes in an index of food prices over time; (v) perception of fair use of benefits from resources; (vi) state monopoly over tax collection; (vii) tax revenue as a share of GDP; (viii) quality of public financial management; (ix) distribution of services; and (x) level of satisfaction with services. In each of the countries where indicators have been tested, they have been adjusted to reflect local realities and administrative categories.

13 Each partner held consultations and developed a range of indicators appropriate to their national context: DRC (108), Sierra Leone (104), South Sudan (67), and Timor-Leste (50).

14 All of these metrics are included in the FCV indicators database.

As part of the implementation of the New Deal, some member countries are voluntarily conducting fragility assessments using the five goals as signposts.¹⁵ They are also working with partners such as the World Bank to establish meaningful compacts to guide peacebuilding and state-building priorities, investments, and activities and to track outcomes and impacts. The New Deal thus offers a strategic framework to World Bank country teams in FCV settings as they seek to support client counterparts and improve their own results-based capabilities. Moreover, a number of New Deal countries have agreed on a draft list of indicators since 2013 that they are piloting in a selection of countries (see Box 2). The World Bank, alongside other international partners, has supported New Deal implementation and metrics to track progress against peacebuilding and state-building goals (see Box 3).

Box 3. Piloting PSG Indicators in Selected Countries

A number of fragile states are undertaking country-led fragility assessments to measure progress in tackling fragility, conflict, and violence challenges. Sierra Leone and South Sudan, founding members of the g7+, pursued their reviews in 2012 and 2013. The goal of these assessments is to develop a clearer picture of how government officials, private sector representatives, and citizens understand fragility. They are also expected to generate local debate and eventual consensus on ways to exit fragility and measure progress. These assessments in turn can inform Poverty Reduction Strategies and compacts with development partners.

The approach adopted by the governments of Sierra Leone and South Sudan to conducting the fragility assessments are broadly similar. Both involve the establishment of multi-stakeholder committees to direct a series of consultations between government, experts, and civil society.¹⁶ In each country, numerous technical meetings were held to elaborate appropriate indicators to measure the five goals set out in the *New Deal*. A combination of output and outcome indicators were then selected according to agreed targets for each goal. The table below shows some of the indicators that emerged from the two assessments.

15 To date, fragility assessments have been conducted in Sierra Leone (<http://www.newdeal4peace.org/wp-content/uploads/2013/05/Fragility-Assessment-SierraLeone-border-180313.pdf>), South Sudan (http://www.newdeal4peace.org/wp-content/uploads/2013/03/South-Sudan_FA-Summary_Draft_121212.pdf), Timor-Leste (http://www.g7plus.org/storage/Final_version_Fragility_assesment_ENGLISH_Final.pdf), Somalia (http://www.newdeal4peace.org/wp-content/uploads/2013/05/Concept-Note_Fragility-Assessment-Somalia_070513_clean22.pdf) and are planned for many other *New Deal* partners.

16 In Sierra Leone, intensive consultations were held with hundreds of representatives over a one-week period. Meanwhile, in South Sudan, a weeklong workshop assembled the vice-president, ministers, advisers, and representatives from the central and 10 state governments, civil society, and academia.



Goal	Indicator type	Sierra Leone (sample)	South Sudan (sample)
Legitimate Politics	Political settlement	Diversity in representation in key decision-making bodies (World Development Indicators)	Diversity of representation in decision-making bodies (Ministry of Parliamentary Affairs)
	Political processes and institutions	Level of satisfaction in the quality of the election process	Participation in elections and political processes (Referendum Bureau)
	Societal relationships	Number of intragroup disputes producing violence (unavailable)	Number of intergroup disputes resolved peacefully (UN and international sources)
Security	Security conditions	Extent of violent deaths per 100,000 (UNODC, SLP)	Incidence of displacement and refugees (UNHCR and other bodies)
	Capacity/accountability	Presence of police/public security personnel across the territory (ONS, SLP)	Investigation and prosecution of police misconduct
	Performance/responsiveness	Percent of population that feels safe (JSCO)	Level of confidence in police and security forces (Gallup and other)
Justice	Justice conditions	Percent of victims reporting crime to authorities (source tbd)	Percent of trust in formal justice system (source tbd)
	Capacity/ accountability	Pretrial detention prison population (JSCO)	Percent of budget to justice sector services (Ministry of Finance)
	Performance/responsiveness	Percent of judges with fixed terms and guaranteed tenure (JSCO)	Perception of overall performance of the justice system (source tbd)
Economic foundations	Economic conditions	Income inequality across regions (World Bank)	Percent of population with access to roads and electricity (NBS and UN)
	Jobs, livelihoods, and private sector development	Percent change in food prices over previous three months (IFPRI)	Level of employment among youth and others (NBS and Census)
	Natural resource management	Existence of regulatory framework for NRM (EIT)	Ratio of natural resource revenue to total government revenue (Ministry of Finance and Economic Planning)
Revenue and services	Revenue	Tax revenue to GDP ratio (Ministry of Finance)	Tax revenue as share of total revenue (Ministry of Finance)
	Public administration	Percent of population reporting paying a bribe (TI)	Number of public officials sanctioned for corruption (Ministry of Justice)
	Service delivery	Distribution of a basket of services (electricity and water) per region	Social spending as share of total spending (Ministry of Finance and Economic Planning)

Source: Sierra Leone Fragility Assessment (July 2012) and South Sudan Fragility Assessment (December 2012)

Overcoming Challenges in Measuring Results in FCV Contexts

While they have some characteristics in common, FCV environments are distinct from ostensibly stable low- and middle-income settings. There is considerable evidence that the first 12–24 months of engagement after an active conflict are critical to avoiding the recurrence of conflict and violence. Support for peacebuilding and state-building is essential at this stage, but it may take a generation or more to register concrete dividends and that conflict and violence is cyclical, with frequent recurrence, and a straightforward period of stabilization is rare. This amounts to a serious challenge for clients, the World Bank, and its development partners who must demonstrate results in the short- and medium-term. It also creates dilemmas for government donors and recipients who must show positive gains to their citizens and taxpayers.¹⁷ Any M&E exercise must balance these competing dilemmas.

The World Bank has compiled thousands of indicators to measure inputs, outputs, outcomes, and impacts in low- and middle-income settings. In many FCV settings, however, administrative data are in very short supply and unreliable. In others, the available metrics are not the most appropriate ones to measure whether the intervention is making progress in addressing the target drivers and institutional weaknesses that are increasing FCV risk.

Data (and the data-collection process) can be very politically contentious and sensitive. When developing results frameworks and related metrics, it is important to plan carefully and from the start, with adequate preparation and resources. The World Bank advises that staff draw on “good enough” proxy indicators where necessary, and to draw on World Bank core sector indicators as available. Likewise, task teams should be creative when there are no data, including using innovative M&E methods (see Module VI on new digital tools).

Development experts follow several basic principles when monitoring and evaluating interventions in FCV environments. Acknowledging that there is no single way forward, development experts recommend the following:

- Take **context as a starting point** and invest in conflict and fragility analysis at a country or subnational level.
- Combine **multiple evaluation approaches or techniques** and triangulate findings.
- Take **conflict sensitivity** and the “do no harm” approach seriously as part of core development programming and monitoring.

17 A number of special funds and mechanisms—including the State-building and Peacebuilding Fund—have been specifically designed to encourage innovation and experimentation in the earliest stages. The SPF consists of a \$220 million trust fund established in 2008. This flexible grant mechanism complements IDA/IBRD investment and promotes catalytic and strategic engagements in FCV clients, including countries in arrears and nonmembers.



- Build in **gender awareness** and assessments of inclusion from the very beginning.
- **Manage expectations, set realistic goals** and adopt a **flexible approach**.
- Be sensitive to the actual and potential **data collection and analysis capabilities** of national counterparts.
- Emphasize **protection** and **ethical responsibilities**.
- Take account of professional **evaluation quality standards**.

Several **good practices** should be considered when planning FCV-related interventions and are therefore relevant when building the M&E arrangements and plans. A review of past practice suggests that:

- Where possible, **prioritize citizen security, justice and jobs** and effective and efficient institutions.
- Recognize that **service delivery can impact both positively and negatively**.
- Anticipate **external stresses** that may undermine interventions.
- Undertake **political economy, risk, and local market** assessments.
- Establish regional and national **partnerships** and **pool resources**.
- Deliver **short-term results (1–2 years)** but also recognize that lasting change takes time (15–30 years).
- Accept a **higher tolerance of risk** and recognize the possibility of multiple transitions and setbacks.

Risk warrants special attention. A key lesson emerging from World Bank and wider experience in FCV environments is the necessity of assuming higher risk to achieve transformational results. At the same time, the costs of not engaging often far outweigh the risks of involvement. This requires that agencies overcome their adversity to risk, including in project approval processes and M&E. It also requires developing mechanisms to appraise and distribute risks, including laying out scenarios and identifying pooled funding arrangements or shared risk arrangements.

The World Bank's effort to move toward results-based programming helps to shift the risk debate. However, for FCV settings, a higher tolerance for failure, the setting of more modest strategic and operational goals, more conscious relating of risks to results, and the building-in of safeguards to manage risk over time continue to be important. The overall risk framework should be established on a robust risk-monitoring framework. The indicators and the proposed monitoring and evaluation arrangements elaborated in this *pilot Toolkit* can also be used to that end.

What Types of Results Are We Tracking?

The core goals of results management in FCV settings are similar in many respects to stable settings. It is still necessary to deliver effective and efficient interventions with a coherent focus on results and a narrative for measuring change. However, there are also some important distinctions in FCV contexts when it comes to setting priorities, measuring results, selecting indicators, and ensuring adequate capacity to carry out and learn from monitoring and evaluation. The Bank response in FCV environments tends to be in one of two categories:

- Programming that directly targets an FCV challenge (e.g., reintegration of ex-combatants, support on the socioeconomic aspects of a peace process, gender-based violence, etc.); or
- Programming that does not explicitly involve FCV goals but needs to be sensitive to conflict and fragility (e.g., service delivery, infrastructure, energy, transport, CDD, etc.)

In the former case, monitoring efforts focus on whether the specifically designed interventions are achieving their desired FCV-related objective. In the latter, M&E focuses on whether the desired development objectives are being delivered in a manner that is sensitive to conflict and fragility.

Ultimately, results monitoring is required at three levels. At the project level, the focus is on tracking specific interventions. At the strategic level, monitoring tools can facilitate strategy development and the tracking and monitoring of impacts of national-level programming. And at the highest level, monitoring can facilitate the mapping of general conflict and violence patterns, allowing World Bank management and operational staff to better understand the trajectory and patterns of conflict and fragility in a given region, country, province, or city. Each level requires a different set of indicators and M&E arrangements that need to be selected with care.



Additional Resources

International Dialogue. 2013. International Dialogue on Peacebuilding and State-building. Dili: g7+ OECD. <http://www.pbsbdialogue.org/>.

International Dialogue. 2013. Peacebuilding and State-building Indicators—Progress, Interim List and Next Steps. April 19, Washington, DC. <http://www.pbsbdialogue.org/documentupload/03%20PSG%20Indicators%20EN.pdf>.

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