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Conceptualising the fragile states 'policy operations gap': EU engagement with fragile and conflict-affected countries

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Abstract

An international consensus on the principles of engagement with fragile and conflict-affected countries has emerged in recent years. Engagement should be conceptually holistic regarding policy objectives, comprehensive in terms of instruments deployed, more tailored to individual cases than policy towards stable developing countries, and robust enough to cope with setbacks. As these principles have emerged it has become clear that a 'policy-operations gap' exists between intentions expressed at the policy level and the reality of country-level operations. The peacebuilding and statebuilding literature debates several explanations for this multidimensional gap without reaching consensus. Drawing on insights from this literature, this article argues that three sets of factors intervene between the policy and operations levels: cognitive factors related to turning knowledge of domestic politics and conflict into appropriate actions, issue-related conflicts of interest and trade-offs, and system-related factors concerning capacity and coordination. Conceptualising these challenges in this way helps understanding of why interventions struggle to achieve their objectives. This article discusses how the operations of one of the world's most important and active peacebuilding and statebuilding actors, the European Union, are affected by these factors, with reference to EU engagement with three fragile and conflict-affected countries: South Sudan, Nepal and Liberia.

Keywords

European Union, conflict, peacebuilding, intervention, fragile states, statebuilding

1. Introduction

In recent years the international community has become more focussed on fragile and conflict-affected (FCA) countries, which face greater obstacles to setting their development on a sustainable path than more peaceful countries (World Bank, 2011).¹ Since about 2000, an international consensus on the broad principles of engagement with FCA countries has been emerging. Engagement needs to be conceptually holistic in terms of policy objectives, comprehensive in terms of instruments deployed, and more specifically tailored to the individual case than policy towards stable developing countries. International actors need to deploy a range of instruments and resources, including humanitarian aid, the military and police, diplomacy, technical and capacity support, development aid, civil society and the private sector, and they need to prepare for long-term engagements and setbacks along the way (USAID, 2005; ERD, 2009; DfID, 2011; OECD, 2011 a; AA, BMVg and BMZ 2012). Despite the emerging consensus on what should be done, a gap between the theory and practice of engagement with FCA countries has been widely noted (Chandler, 2007; Faust, Grävingsholt and Ziaja, 2013; Carment, Samy and Landry, 2013; Richmond, 2013). And yet, few efforts have been made either in research or in policymaking circles to look systematically at why this is the case.

European Union engagement with FCA countries provides an example of how an international actor faces challenges that intervene between the policy and operations levels. The EU is one of the world's most important and active actors in support of peacebuilding and statebuilding. At the policy level, while the EU does not drive the global fragile states agenda and is not considered an intellectual leader by the other major players, its policy frameworks have evolved in tune with international best practices and reflect the most up-to-date thinking. The EU aspires to make the most of its perceived comparative advantages with regard to other international actors and its own member states. These include 'hard' advantages such as global reach, technical expertise and military, diplomatic, financial, and human resources; and 'softer' factors such the EU's history as a peacebuilding project, its reputation as an honest broker without hidden agendas, and its cultural and historical ties with many FCA countries.

Since the 2009 Lisbon Treaty, the EU has been developing its 'comprehensive approach' to crisis response, peacebuilding and statebuilding (EC, 2013). The comprehensive approach involves policy-level processes, such as the design of objectives, legal frameworks and sequencing planning for the EU's various financial instruments and civilian and military assets. It also involves coordinating operations at the country level where the EU's delegations, member state embassies and implementation agencies endeavour to make a positive difference. And yet, as with other international actors, the EU's difficulties in turning high-minded policy into practice have been widely noted (Vines, 2010; Hout, 2010).

¹ There is no universally accepted definition for the contested term 'fragile state.' Some countries that are high on fragility indexes do not consider their institutions to be 'fragile.' Examples include Ethiopia and Rwanda. Others, especially those that signed the New Deal, have accepted the term – including the three case countries covered in this article. The term 'post conflict' is also widely used, but underlying socio-political conflicts do not usually end just because a peace deal has been signed, violence has subsided and peacebuilding is underway. 'Fragile and conflict-affected countries' is the preferred term for this article.

This article argues that three sets of factors intervene between the policy and the operations level: *cognitive factors* related to turning knowledge of the politics of conflict processes into appropriate actions, *issue-related* conflicts of interest and trade-offs, and *actor-related* factors concerning capacity and coordination. The rest of this article is arranged as follows. The next section establishes a three-dimensional analytical framework for conceptualising the operational challenges of FCA country engagements. Section 3 discusses the implementation of the EU's policy frameworks with reference to three FCA countries: South Sudan, Nepal and Liberia. The concluding section considers some implications for international engagement in peacebuilding and statebuilding.

2. International best practices and three challenges for translating policy into operations

Questions about how to define and measure state fragility, how to predict when a country will descend into violent conflict, and what kind of engagement can best help to resolve conflict have received a lot of scholarly attention. There is an emerging consensus among the research community that state fragility has three interlinked dimensions: authority, legitimacy and capacity (Stewart and Brown, 2010; Carment and Samy, 2011; Werther-Pietsch and Roithner, 2011; Grävingsholt, Ziaja and Kreibaum, 2012; Carment, Samy and Landry, 2013). These illustrate the multidimensional nature of state fragility and the fact that countries can perform better on one or two dimensions but remain seriously deficient elsewhere.²

Recognition that the interlinked dimensions of fragility pose complex challenges has inspired several high-profile international efforts to define standards for engagement in fragile states and a policy 'tool kit' for supporting peace-building and statebuilding processes. Several studies and reports have asked how to judge whether a state is fragile, how to design interventions, whether lessons can be learned that have wider applicability, and how best to monitor programmes, increase aid effectiveness and reduce the threat that poorly-governed countries may pose (ERD, 2009; DfID, 2011; OECD, 2011 a; World Bank, 2011; UNDP, 2012). The OECD has been particularly active in advancing policy-oriented knowledge, and its 'principles for good engagement in fragile states' have become reference points for several of its members (OECD, 2007).³ The latest OECD-inspired initiative, the 'New Deal' for international engagement in fragile states, was signed off at the November 2011 Busan High-Level Forum on Aid Effectiveness by the G7+ group of fragile states and key development partners. The New Deal set out a country-owned strategy based on three pillars: the

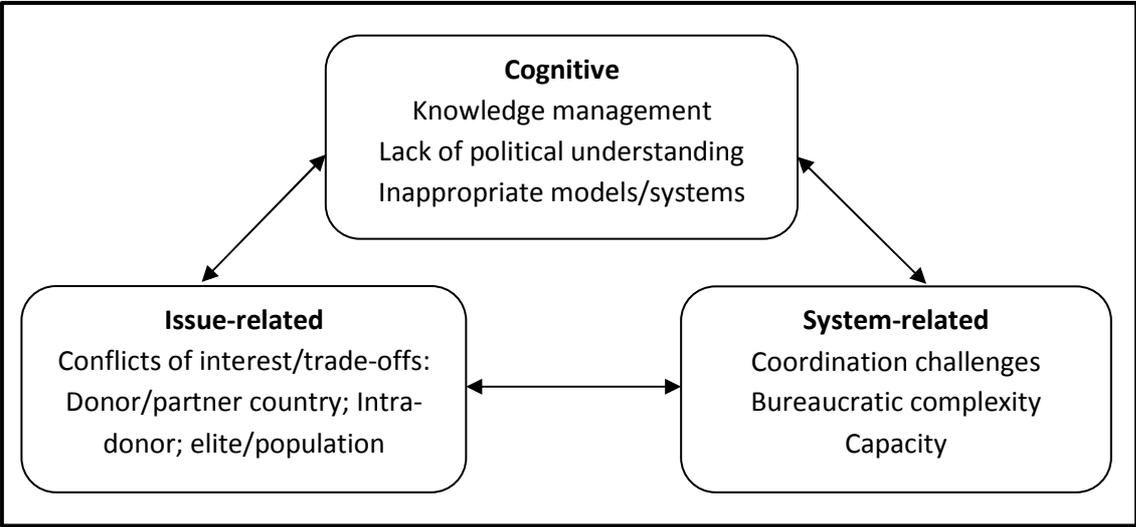
² 'Fragility' does not only concern 'the state'. Societal fragility, marginalisation and vulnerability go much deeper. External actors' support for the authority, capacity and legitimacy dimensions of the state and public institutions can help FCA countries in the generational task of resolving – or at least learning to live with – deep societal tensions.

³ The OECD calls on international actors to observe 10 principles in fragile states: 2 basic principles (take context as the starting point and do no harm), 4 peacebuilding/statebuilding principles (focus on statebuilding; prioritise prevention; link political, security and development objectives; and promote non-discrimination) and 4 practicalities (align with local priorities; agree on practical coordination mechanisms; act fast but commit to long engagements; and avoid pockets of exclusion).

peacebuilding and statebuilding goals, country-led solutions, and mutual trust. The New Deal has been welcomed, but several concerns have been expressed, including that it risks imposing a straightjacket for processes that are supposed to reflect local contexts (Locke and Wyeth, 2012).

Taken together, the advances in conceptual thinking, bilateral and multilateral initiatives, declarations of principle and official reports represent a comprehensive and growing body of expertise to guide international engagement in FCA countries. Scepticism that principles and guidelines are actually being implemented remains, especially given that few actors have looked systematically at reasons why their programmes struggle. In an assessment of the implementation of its own principles, the OECD concluded that "performance... is seriously off-track" (OECD, 2011 b: 11).

Figure 1: Three sets of challenges for translating policy into practice



The peacebuilding and statebuilding literature debates several explanations for the policy-operations gap without reaching consensus. Most observers stress the interaction of many factors in complex socio-political settings, where success or failure cannot be reduced to single explanations. These factors can be grouped into three interlinked sets of challenges (figure 1): *cognitive explanations* around the availability, processing and use of knowledge and information; *issue-related explanations* that highlight conflicts of interest and difficult trade-offs, and *system-oriented explanations* that focus on actor capability and the coordination challenges. Although these categories overlap and are mutually reinforcing, they are conceptually distinct and can be discussed in turn (Page, 2008). These challenges arise in varying degrees with most development engagements. They are, however, sharper and more difficult to overcome in FCA countries.

2.1 Cognitive challenges: translating knowledge into action

Every FCA country faces a unique set of challenges and vulnerabilities, and every international engagement involves hundreds of decisions, most of which are affected by context. Many observers argue that international actors often lack sufficient understanding of

the political situation or conflict dynamics of the countries where they intervene (Hout, 2010; Vines, 2010; Allouche and Lind, 2013). Donor organisations are sometimes guilty of reducing complex situations to a simpler set of problems that fall within their own understanding of what they can achieve (Ramalingam, 2013). Some consider poor understanding of conflict a symptom of a wider issue in development policy circles, where aid agencies deliberately ignore the political dimension in a vain search for 'neutral' forms of engagement (Unsworth, 2009; Carothers and De Gramont, 2013). When attempts are made to get to the roots of a country's fragility, disagreements about the nature of the problem and what to do about it sometimes emerge (Faust, Grävingholt and Ziaja, 2013). Peacebuilding engagements tend to be planned in a linear fashion, which fails to get to grips with multidimensional conflict situations (Loode, 2011).

For major development organisations the issue is not usually lack of knowledge *per se*, but rather the difficulty of processing and translating information into good policy choices and effective programmes (Clark, 2013). International engagements are invariably multilateral, requiring shared understanding of a country's conflict dynamics. But this is difficult even among the constituent parts of a single actor: as international actors move towards whole-of-government or comprehensive engagements, knowledge-sharing between different parts of an actors' bureaucratic machinery, such as the structures for military, diplomacy and development instruments, has been shown to be a weak suit (AA, BMVg and BMZ, 2012). This can lead to the imposition of inappropriate institutional models, technocratic approaches to political problems, activities that exacerbate conflict situations and programmes that cannot adapt to changing circumstances (Mac Ginty, 2012; Andrews, 2013).

2.2 Issue-related challenges: managing conflicts of interest and trade-offs

International actors can experience conflicts of interest that undermine engagements in fragile and post-conflict countries (Brinkerhoff, 2009). Perhaps the most significant conflict of interest that affects international engagement with FCA countries stems from the central importance of partner country ownership of their own processes (Donais, 2009). The relationship is often tense: a partner government's interest in entrenching its often fragile hold on power can clash with established ideas about how peacebuilding and statebuilding ought to be done. Conflicts can emerge between Western interests expressed as values or principles and the reality of country-level operations. These manifest themselves in many ways, from direct conflicts between donor and partner country economic or security interests to more subtle conflicts between macro-level donor objectives such as peace and democracy (Grimm and Leininger, 2012). On the partner country side, significant conflicts of interest are common, such as those between elites and general populations, or between communities that had been on opposing sides in the civil war (Jung, 2012).

The prevalence of conflicts of interest creates the need for trade-offs between different options. Partner country priorities for building infrastructure or focussing on particular economic sectors may not square with the economic interests of donors. Some trade-offs, such as that between helping those most in need and improving aid effectiveness, are multidimensional and extremely difficult to resolve satisfactorily (Bold, Collier and Zeitlin,

2009). Furthermore, the nature of engagement in FCA countries necessitates that external actors work with non-governmental actors as well as, and sometimes instead of, the partner government. Civil society comes in many forms, and some embody values inimical to those promoted by the EU and other Western donors (Salih, 2009).

2.3 System-related challenges: coordination and capacity

The fact that many FCA countries are highly aid dependent has raised questions about the effectiveness of aid and donor coordination in conflict-affected countries (OECD, 2011 a; Faust et al., 2013). Poor donor coordination is widely considered a problem at all stages of the process, from aid allocation and planning through to implementation at the country level. Arguably, coordination is a greater challenge for the EU than for other donors, with the possible exception of the UN system. The EU must coordinate the activities of its constituent (sovereign) actors as well as engage in country-level coordination with other donors and partner country systems (Carbone, 2013).

Many factors can undermine coordination, from a failure to appreciate the practicalities of implementing a programme that looked plausible on paper, to misunderstandings between headquarters and actors in the field, to time-lags caused by decisions that must be taken by several organisations. Coordination even has a psychological dimension, in that the motivations and strategies of other actors, which may or may not appear rational, have to be taken into account (Campbell, 1988). Coordination can fall victim to factors that are intrinsic to donors, such as siloing and turf wars between actors or even the different parts of a national or multilateral bureaucracy (Stepputat and Greenwood, 2013). The resulting aid fragmentation poses a challenge to weak partner country institutions and governments faced with a plethora of international actors.

Coordination challenges can also stem from issues on the partner country side. In some fragile countries national development strategies are poorly designed and it is hard for external actors to align with them. Sometimes this is the result of deliberate decisions to allow programmes to proceed in an uncoordinated, and therefore ineffective, manner (de Coning and Friis, 2011). Often, key factors are ‘softer,’ such as the capability of the people managing a project or the decision of local leaders to accept external support. Low capacity is by definition an issue for FCA countries, but it is often cited by international actors as a reason for implementation failures (Basler, 2011).

3. The operations level: EU engagement in 3 fragile and conflict-affected countries

A considerable amount of research on international engagement with FCA countries focusing on the implementation level has dealt with single cases, producing valuable insights. There have been fewer efforts to draw broader implications for international support for peacebuilding and statebuilding by comparing country-level engagements across cases.

Figure 2: South Sudan, Nepal and Liberia at a glance

	<i>South Sudan</i>	<i>Nepal</i>	<i>Liberia</i>
<i>Independence</i>	2011	1768	1847
<i>Most recent violent conflict</i>	2 nd Sudanese War 1983 – 2005	Nepalese civil war 1996 – 2006	2 nd Liberian civil war 1999 – 2003
<i>Population (2013 est.)</i>	11,090,104	30,430,267	3,989,703
<i>Life Expectancy at birth</i>	62	69	57
<i>Formal Peace Agreement</i>	2005	2006	2003
<i>GDP / capita (2012)</i>	\$US 1000	\$US 1300	\$US 700
<i>Poverty % (nat. poverty line)</i>	50.6 %	24.8 %	83.8 %
<i>World Bank IRAI score</i>	-	3.3	3.0
<i>HDI (rank)</i>	-	0.463 (157)	0.388 (174)
<i>ODA-GNI % (2011)</i>	7%	4.7%	53.6%
<i>ODA per capita (2011)</i>	\$US 105	\$US 33	\$US 188

Sources: UNDP, 2013; 2011 IDA Resource Allocation Index; World Bank World Development Indicators, Wikipedia Commons, CIA World Factbook.

South Sudan, Nepal and Liberia share four principle characteristics. First, they are all ‘typical’ fragile states: low income, small(ish) countries recovering from serious violent conflict. All three countries have major deficits on all three fragility dimensions: authority, legitimacy and capacity. Lessons can therefore be learned from these cases that are applicable to engagements in similar FCA countries. Second, while in all three countries a formal peace agreement is being implemented with the assistance of the international community, the underlying conflicts remain and all will require international support for some time.⁴ Third, the EU delegation has a prominent role in all three countries and the EU’s country programmes are likely to continue for the next decade at least. Fourth, contrasts between EU-level and country-level framework conditions for the three countries enable comparisons of how cognitive, issue-related and system-related factors intervene between the policy and operations levels.

3.1 South Sudan

Background to the EU’s engagement: The Republic of South Sudan seceded from Sudan in July 2011 after decades of civil war. Politically, South Sudan is a one party state, but the Sudan Peoples’ Liberation Movement (SPLM), the country’s ruling political movement, is split by factions whose power-bases are regional and tribal. Fears that the country risks a dangerous conflict between its two largest ethnic minorities proved well founded in mid-December 2013, when the SPLM’s internal feuds turned violent and escalated into a

⁴ All countries have formal CPAs: either a Comprehensive Peace Agreement (Liberia and South Sudan) or a Comprehensive Peace Accord (Nepal).

devastating civil conflict that levelled several towns, reportedly killed more than ten thousand people, and forced hundreds of thousands to take refuge in UN compounds and neighbouring countries (Stigant, 2013; International Crisis Group, 2014). The peace agreement signed in Addis Ababa on 23 January 2014 did not hold, leading observers to express scepticism for the country's future without reconciliation between the rival factions (Green, 2014).

South Sudan was a test case for the EU's comprehensive approach between independence and the December 2013 outbreak of violence. In preparation for independence, the EU inaugurated the European compound in Juba, where the EU delegation and member states share facilities. South Sudan was a pilot country for EU joint programming: the EU's engagement was based on the Single Country Strategy, agreed in consultation with the Government of the Republic of South Sudan (GRSS) and EU member states. The strategy identified the principal sectors for EU and member state engagement as rule of law, health, education, infrastructure (mainly water and sanitation) and agriculture/food security. Since the 2005 CPA, all EU-level instruments except military intervention have been deployed in the country: an EU Special Representative for Sudan and South Sudan, a CSDP aviation security mission at Juba airport, Instrument for Stability financed initiatives, a large humanitarian assistance programme and European Development Fund-financed programmes and projects (Council of the EU, 2012).

Cognitive factors: The EU's experience in South Sudan provided a telling example of how rapidly changing political and economic circumstances can upset best laid plans. Following the GRSS' decision to suspend oil exports in January 2012, GDP fell by 52%, forcing the government to stop capital investments and implement an austerity package. EU officials were “amazed that [the GRSS] had shot themselves in the foot” (interviews, February 2013). Ironically, the EU reacted to shifting circumstances by shelving (unofficially) its own joint strategy, which was aligned with the GRSS' August 2011 national development plan, itself based on the assumption that oil revenues would enable ambitious development projects. The government cancelled the meeting at which the Single Country Strategy was to have been presented, and EU donors shifted their focus to assisting South Sudan through the ‘fiscal cliff’ the GRSS was expected to face when petrodollar reserves ran out.

Officially, the Single Country Strategy was left to stand, partly in hope that the oil crisis would be short-lived, but also because of the risk that a *de facto* suspension of the EU's joint programming exercise for a pilot country might have had for the whole EU process. But joint programming was hardly referred to in the wake of the oil suspension, principally because revising and re-ratifying the Strategy would have taken too long, but also because the systems supporting joint programming were not established enough for it to be the go-to crisis management framework for the EU delegation and member state representations. The oil shut off did, however, provide the EU with an opportunity to engage in serious dialogue about institutions, governance, fiscal reform and accountability, which EU officials expected would benefit from added leverage that increased aid dependence during the austerity period would provide (interviews, February 2013). Tragically, dialogue could not prevent the violence that has set the country's development back by several years since December 2013. Instead, the

EU's has returned to the country's humanitarian crisis and international efforts to broker a genuine ceasefire (European Council, 2014).

Issue-related factors: The EU's experience in South Sudan prior to December 2013 illustrates the crucial importance of a country's political elite to the success of any international engagement. The violence that gripped the country has indicated the preoccupation of some in the elite with their own political battles rather than the development of the country and the wellbeing of its people. The commitment of some elements of the GRSS to peacebuilding and statebuilding was questioned by many experts following independence. The view that the some of the SPLM leadership believed they not need to build legitimacy through public services because, after such a long war, merely having peace and independence was sufficient for most people, was widespread (interviews, February 2013).

Even before the conflict turned violent, several factors stemming from the sheer magnitude of the GRSS' task shaped its engagement with the EU and the international community. South Sudan has two linked, and yet distinct, political systems: the government in Juba and the state capitals, and the tribal system which is more important to most of the population. In order to balance these systems and keep the peace, clientalism has been the preferred means of organising public procurement and distributing government jobs. Many senior government officials were former soldiers uninterested in dealing with donors and discussing sensitive issues like human rights and rule of law. Even before December 2013, many state functions, from the provision of humanitarian aid, basic services and security to the drafting of the country's national development strategy, were taken over by the international community (Morton, 2013). Some international agency staff argued that the GRSS was unable to use its potential leverage with donors strategically. Others questioned whether the GRSS had a strategy at all, and attributed this to the lack of unity within the SPLM. As one official remarked, "the government wants to move carefully, to discuss some things with everyone, some things with no-one" (interviews, February 2013).

Systemic factors: The GRSS' efforts to coordinate donors were detailed in its November 2011 Aid Strategy, which was aligned with the New Deal and emphasised GRSS ownership and use of country systems. The Aid Strategy outlined the GRSS' coordination mechanisms, starting with an international High-Level Partnership Forum, a country-level Quarterly Government-Donor Forum, an Inter-Ministry Appraisal Committee and Sector Working Groups co-chaired by the GRSS and a lead donor. These were underpinned by the Aid Information Management System, a database to which all donors could provide information on their activities (Republic of South Sudan, 2011). The aid architecture was said to be working better in some sectors than in others: health and education were generally considered functional to the extent that the GRSS were meeting regularly with donors to discuss planning, budgeting, monitoring and evaluation. In the politically sensitive security and rule of law sectors, progress was much slower, largely due to the difficulty of implementing reforms amid intra-elite political tensions, ethnic mistrust, poor command and control systems and a lack of jobs for ex-soldiers (Blanchard, 2014).

The EU made a major effort to coordinate community and member state programmes through its joint programming exercise in 2011 and 2012. The EU delegation saw joint programming as an opportunity to demonstrate to the donor community and the GRSS the added value of EU leadership. Most EU member states, however, regarded joint programming as an add-on to their bilateral engagement rather than as an overarching coordination mechanism. Some reportedly saw the exercise as a chance to get EU money to support bilateral programmes and agencies (Furness and Vollmer, 2013). Joint programming proved useful for sharing information among EU member states and the delegation, but the lack of member state buy-in limited the exercise's impact on country-level coordination.

3.2 Nepal

Background to the EU's engagement: The declaration of a Federal Democratic Republic of Nepal in May 2008 ended 240 years of monarchy, but did not resolve deep rooted ethnic and class conflicts that pushed the country into civil war. Nepal's Maoist war, although extremely serious, was not as destructive as the conflicts in Liberia and between the two Sudans. Nepal emerged from war with a functioning and professional civil service in Kathmandu which could partner the international community, although in the regions state capacity was lower. Economic growth since the CPA has been slow, limiting the "peace dividend" for ordinary people (Malik, 2012). Although extreme poverty has fallen since 2003, economic inequality in Nepal is among the highest in Asia (World Bank, 2013b). Nepal remains a fragile country, vulnerable to internal political shocks, external economic shocks, regional food shortages and natural disasters.

The main statebuilding issues for Nepal arise from the dysfunctional constitutional process, which has been undermined by major divisions over decentralisation and federalism. Political parties and organised social groups have not been able to reach agreement on the basis for federalism (whether states should be organised along ethnic, geographical or economic viability lines) or on the type of electoral system (Hachhethu, 2009). Nepal has held elections and managed to integrate former Maoist rebels into mainstream politics, but consensus is fragile and formal steps forward have frequently been postponed. Public frustrations have been aired in wildcat strikes and protests in Kathmandu and other cities.

The 2007–2013 EU country strategy allocated €120 million in aid to Nepal (EEAS, 2010). The EU delegation focussed on three sectors: education, peacebuilding and economic cooperation. Most EU aid has been disbursed through two large programmes: a contribution to the Nepal Peacebuilding Trust Fund (NPTF) and an education budget support programme. The delegation has also been involved in a large number of smaller projects, mostly related to governance in the peacebuilding sector. Efforts in the economic sector, dubbed 'trade,' focussed on Nepal's integration in the global, economy. Nepalese observers have praised the EU's constructive interventions in support of conflict resolution, democracy, rule of law and human rights (Hachhethu, 2009). The EU Delegation in Nepal has been regarded as a model for EU engagement in other FCA countries and its work in Nepal appears to have made a positive contribution to change in the country without risking major reversals (interviews, March and April 2013).

Cognitive factors: Nepal has provided a relatively safe environment for international staff to live and work, and many have more than a decade of experience in the country. Nevertheless, some long-serving expatriates in Kathmandu point out that lots of things have happened that surprised donors (interviews, March 2013). The Maoists, for example, became part of the political system in ways that few outsiders expected. Political parties have been adept at giving different messages to the international community and to their own supporters. The failure to reach agreement on the constitution in May 2012 was a watershed moment for many diplomats in Kathmandu, who realised only then the importance of the regions outside the capital (interviews, March 2013).

Nepali society is made up of more than 100 caste and ethnic groups.⁵ The 'high-caste' Brahmin/Chhetri groups have dominated the country for hundreds of years. Although most people have recognised that society must become more inclusive, the ancient socio-political structure is unlikely to change quickly. The leaders of the main political parties, officials in the bureaucracy, media and academia are virtually all Brahmin/Chhetri. Most international agencies and embassies employ local staff from the dominant castes. This has not meant that donors have been misinformed or misled about local issues involving indigenous or Dalit groups. Many local staff have chosen to work for foreign embassies and aid agencies precisely because they want to engage with these issues, and the EU delegation has been kept well informed, including through its local staff. But the background of foreign embassy and aid agency staff has widely been considered to be an issue for their understanding of the country's socio-political intricacies. As one (Western) interviewee remarked, "Nepalis with Harvard PhDs don't speak local languages" (interviews, March 2013).

The EU delegation and the wider donor community in Nepal have clearly learned from some chastening experiences. The contradictory environment has led to the risk-averse avoidance of areas where problems may arise, in favour of a tendency to pick easy to explain stories. According to some experts, this explains the decision of many donors to prefer smaller, easier to monitor projects which cause less embarrassment if they have to be closed down (interviews, March 2013).

Issue-related factors: The main conflict of interest between the EU and the Nepali elite has arisen from the donors' support for inclusiveness, indigenous groups and lower castes. There is a perception among some sectors of Nepali society, particularly the intelligentsia, that Europeans have involved themselves in issues that have created animosity and misunderstanding in certain communities. European calls to respect freedom of religion have even been criticised in the press for "proselytising Christianity." Some Nepalese even blame Europeans for the failure of the constitutional process, because promotion of inclusiveness led to disharmony that caused the process to founder on the federalism issue (interviews, March 2013). The donors' response to these criticisms has been to remind Nepalis that they have

⁵ The ethnic communities are divided in four main groups: Hindu Brahmin/Chhetri 'high castes,' indigenous Janajatis, Madheshi peoples from the plains and Dalits.

followed the CPA's provisions that marginalised groups needed to be empowered (Grävingholt et al, 2013).

Mistakes were certainly made. In May 2011, aid to the Nepal Federation of Indigenous Nationalities (NEFIN) was stopped after the umbrella organisation for 56 ethnic groups started using violence to enforce strikes. Nepalis accused donors of "implanting ethnic divides" and promoting rights but not responsibilities (interviews, March 2013). The donor most caught up in the scandal was DFID, but the EU Delegation, which had funded NEFIN indirectly, was also tainted. European donors swiftly withdrew funding for NEFIN, but the accusation that 'Europeans' were fomenting conflict stuck. The NEFIN scandal led to more risk-aversion on social inclusion and caste issues. Donors moved away from discussing inclusiveness around ethnicity or class and started instead to talk in terms of wealth quintiles. EU delegation officials acknowledge that the NEFIN affair led to a realisation that a mixed approach is likely to be more successful. As one official said, "maybe we're a bit more sensitive and we try to explain more what the EU funds and what it doesn't" (interviews, March 2013).

Conflicting interests around inclusiveness have created trade-off dilemmas for donors between 'hard' objectives in the infrastructure, education and health sectors, and 'soft' objectives on socio-political participation and human rights. Many Nepalis in government and academia have argued that the donor community, including the EU, should focus less on inclusiveness as such, and more on improving the living standards of marginalised people. One Nepali interviewee remarked "instead of giving lots of rupees for constitution-building, we should invest in 100MW of hydropower" (interviews, March 2013). This view was also shared by many in the donor community, who argued that the government needs support in delivering peace dividends in the form of schools, clinics, water treatment plants, roads and bridges, at least until there is more will to "do the soft stuff" (interviews, March 2013).

Systemic factors: Donor coordination in Nepal functions in a manner acceptable to most experts, in marked contrast with the South Sudan and Liberia cases. One expert from outside the official scene in Kathmandu described the main incentive for coordination as a "need for safety in numbers" (interviews, March 2013). Perhaps more important is the Nepal government's capacity to coordinate donors, especially around the NPTF. The government has expressed strong expectations that donors will honour coordination commitments in the 2005 Paris Declaration on aid effectiveness, the OECD fragile states principles and the New Deal.

Coordination has been mostly organised by the UN in accordance with its Basic Operating Guidelines (BOGs) and by Switzerland under the NPTF. The BOGs were signed by the UN, the European Commission, EU member state donors, Japan, Australia, Canada and the Association of NGOs in Nepal. Despite the BOGs, some donors, such as USAID and the Asian Development Bank, have reportedly done their own thing (interviews, March 2013). Nepali experts have criticised donors for failure to support local ownership: several observers have pointed out that aid has not always been programmed through Nepal's country systems but rather through programmes and projects implemented by the many international NGOs present in the country (Chaulagain, 2012).

3.3 Liberia

Background to the EU's engagement: Liberia is a small country that has received a lot of international attention. This has partly been due to President Ellen Johnson-Sirleaf, a prominent multilateralist and darling of the international community. The President has set Liberia the goal of being free from aid within a decade and a middle income country by 2030 (USAID, 2013). Liberia's post-conflict reconciliation and justice processes have been closely followed internationally, particularly the arrest and ICC proceedings against former President Charles Taylor. Economically, the recent discovery of oil has international observers excited about Liberia's medium-term prospects, but the country remains vulnerable to external shocks and internal weaknesses (World Bank, 2013a).

While most experts recognise the magnitude of Liberia's challenges, many express frustration with the country's sluggish progress. The wars left individuals and communities with deep psychological and sociological wounds that will take decades to heal. The security situation in border areas towards Côte D'Ivoire has been fragile, with bands of former soldiers and mercenaries challenging state authority. Several peacebuilding issues remain highly challenging, including the national reconciliation process, gender equality and land rights (UN Peacebuilding Commission, 2013). The country's model of government has not changed, dominance remains with the elites that have always had it. Ten years after the CPA, the President hand-picks the holders of every important post in the country. Most people who could leave the country during the wars did so, creating not only a brain drain but also a legacy of a divided society where elites have dual citizenship and houses in the USA, Europe and elsewhere in Africa.

Cognitive factors: Although the EU's presence in Liberia is small compared to the US and UN, the Delegation has been regarded as a valuable partner by the donor community, the Liberian government and local civil society organisations. The EU's main focus has been on governance, support for elections and civil society. Its budget support for public financial management has been praised by donors as an example of a well-functioning programme (interviews, April 2013). The EU delegation was widely considered to have excellent knowledge of the country, its people and its politics. Several EU member state officials have said that they rely on the Delegation's political section for information and analysis (interviews, April 2013).

EU Delegation officials have also made a point of keeping abreast of developments in sectors the EU is not involved in. The EU has not contributed to Liberia's PBTF, but officials followed proceedings closely and attended PBTF meetings. With regard to the crucial security sector reform process, the EU has not been involved in the Justice and Security Hubs, which the Liberian government has started to establish in regional centres (Keane, 2012). The hubs have presented considerable cognitive challenges to the donor community and the Liberian government, both with regard to the hubs concept itself and how they are to function (Sherif and Maina 2013). In recognition of the importance of the process, officials followed the hubs' development closely in case the EU decided to engage (interviews, April 2013).

Issue-related factors: The EU has seen itself as a development actor in Liberia, rather than as a political player. The delegation does not aspire to a role similar to that of the UK in Sierra Leone or France in Mali, where a major external actor has both a key development role and a political agenda in the country. Accordingly, the delegation's approach has been to engage in policy, rather than political, dialogue with the Liberian government. Delegation officials considered cooperation with the government to be open and frank, including on good governance and human rights issues (interviews, April 2013). But the Liberians have not shown strong interest in engaging in the sort of political dialogue that implies binding obligations on both sides. Dialogue under Article 8 of the Cotonou Agreement recommenced in 2012, but follow-up meetings have been delayed, reportedly due to organisational difficulties on the Liberian side. The EU delegation's approach to politically sensitive questions has been criticised as over-cautious by officials from the donor community (including EU member state embassies), the local NGO community and even the Liberian government. Many considered that the EU could have exercised greater political leverage on issues like resources, corruption and governance (interviews, April 2013).

An important trade-off between EU-level and country-level priorities has arisen around EU support for local civil society organisations. Liberian civil society has had an important peacebuilding role. The country has a mostly free and vibrant press and the government has generally been open to criticism and new ideas, meaning that CSOs' potential to make a real contribution is considerable (Africa Governance Initiative, 2013). Civil society organisations have acted as important watch-dogs: a scandal over forestry sector Private Use Permits (PUPs) was blown open by a CSO investigation in 2012 (Global Witness, 2012). Despite these successes, most donor agency staff recognise that local CSOs remain weak and several have made them a high priority. USAID, for instance, pledged to provide more support for local CSOs to accept funding directly under 'USAID Forward' (USAID, 2013).

The EU Delegation has funds for supporting local CSOs and officials have recognised the challenges CSOs have faced (interviews, April 2013). But EU funding criteria, such as requirements for CSOs to have previously managed large projects and standards of financial capacity, are set far too high for local CSOs. The online registration process alone is beyond the physical capability of the Liberian internet and delegation staff are not able to give feedback on proposals. There is, however, little that the delegation can do about this. The call and propose model for funding CSOs has been set by Brussels and changing the criteria would be a major task requiring ratification by member states.

Systemic factors: Ad-hoc donor coordination in Liberia has not satisfied anyone at the country level. Liberia has no formal forum to coordinate development cooperation, and coordination consequently varies from issue to issue through technical, sector-level working groups, sometimes but not always including Liberian representatives. The system is not structured enough to have an impact at the political level, despite intensive and fruitful cooperation on specific issues. Staff from several donor agencies have been poorly informed about the activities of other donors. USAID officials have said that they do not have much formal interaction with the EU delegation and member states, and the Europeans have said they do

not always know what the Americans are doing. American officials would have liked the EU to do more to organise donor collaboration, while EU delegation officials considered this responsibility should have been taken up by the massive US embassy or the UN (interviews, April 2013). Consequently, key peacebuilding processes, including decentralisation, UNMIL withdrawal and the Justice and Security Hubs, have been treated separately.

The Liberian public sector has been difficult to coordinate with. The Liberian ministry of finance asks donors for a quarterly report, and donors meet with the ministry, but the President's office takes the main decisions. Some donor agency officials have blamed this on the Liberian government's weakness, but have recognised that the onus to improve is on the donor community, because "this is what they do for a living and the Liberian government doesn't know what it looks like" (interviews, April 2013). Donors have recognised the need for donor coordination around strengthening the government's administrative capacity. There have been efforts to coordinate USAID's Human and Institutional Capacity Development programme with EU, SIDA and World Bank capacity development initiatives.

Liberia has been an unusual case for the EU in that no member state is a former colonial power, and all member state presences, with the exception of Sweden, have been very small. The EU Delegation has had a large budget in Liberia and many believe that it could and should have played a more prominent coordinating role among EU actors. However, few coordination meetings among EU donors below the HOMs level have taken place, largely because of EU Delegation officials' awareness of the lack of member state capacity. While the potential for an EU joint country strategy has been noted, country level officials have pointed out that the challenge of synchronising programmes, and the limited time horizons of several member states, remain barriers to a joint EU approach. A further obstacle was that country programming for the 11th European Development Fund was already well advanced when joint programming commenced, and there was reluctance to start the process again (interviews, April 2013).

4. Conclusions

This article has discussed three types of challenge that undermine the EU's efforts to support FCA countries through their peacebuilding and statebuilding processes. Evidence from the EU's engagements in South Sudan, Nepal and Liberia suggest that these challenges interact to create a multidimensional 'policy-operations gap.' The gap has proved very difficult to close, not least because the EU (and other international actors in FCA countries) rarely conceptualise these challenges in this way.

With regard to cognitive issues, the main problem has not been the lack of knowledge itself but rather in translating it into programmes adaptable enough for when circumstances change, as they inevitably do in FCA countries. In all three case countries, officials were well informed about domestic politics and conflict issues. They were also aware of the strategic implications of the country's politics for the international community and for the country's neighbours. They were sensitive to the at times delicate politics among EU donors around the intervention itself. Nevertheless, although local knowledge is essential, uncertainty cannot be

eliminated entirely – many experts acknowledged that it is difficult to know in advance if an initiative is going to work, while systems for sharing knowledge do not always work as intended. Some scenarios, such as the tragic collapse of security in South Sudan, are virtually impossible to plan for, even if many experts see them coming.

Difficult, issue-related challenges have prevented the EU delegation and other actors from doing things that officials know should be done. Two main types of conflict of interest have arisen in all three case countries: first, ownership conflicts between the EU's preferences for peacebuilding and statebuilding in accordance with internationalist norms, and partner government/elite preferences for policies that solidify their position (and sometimes their genuine conviction about their country's best interests). While donor interests are often held to be at odds with those of the FCA country, improving ownership only produces results when elites are truly committed to working through conflicts and developing their countries to benefit their own people. Sadly, this was not always the case. Tension can overshadow ostensibly peaceful situations when the frustrating progress of reconciliation delays peace dividends, when conflicting groups cannot work together, or when powerful people take advantage of weak institutions to further narrow interests at the expense of everyone else. Second, EU engagements have been affected by intra-EU conflicts of interest around the role of the EU vis-à-vis member states, which mostly do not consider that the EU Delegation's central coordinating function implies a leadership role that supersedes their bilateral interests. In all three cases, country-level officials were aware of the need for trade-offs and have tended to take a pragmatic approach that makes the most of opportunities. Nevertheless, many trade-offs have simply been avoided for fear of fall-out.

Complex systemic challenges are rooted in conflicting interests and exacerbated by capacity constraints. Country-level officials have been well aware of the limits of coordination and wary of top-down initiatives, which tended to add extra meetings to an already busy schedule. Coordination efforts have been kept as simple as possible and coordination meetings tended to be on the level of exchange of information. Country-level officials commonly blamed coordination difficulties on the partner government's low capacity. This has certainly been an important factor – coordination worked better when the government could tell donors what to do, as was evident to some extent in Nepal and is shown more clearly in countries like Rwanda. This is, nevertheless, a tautological viewpoint. A country is by definition fragile because of capacity deficits, and it makes little sense to blame these for lack of progress in implementing programmes and projects. Clearly, donors have not done enough to coordinate themselves, including by supporting partner-country capacity-building, both through the use of national systems and targeted technical assistance.

These findings have several implications for debates on international engagement in FCA countries. The framework helps illustrate the deep-rooted uncertainties, difficulties and complexities that international engagements invariably face, and thereby the limits to which external actors, like the EU, can engage in a coherent and coordinated manner. International engagements will inevitably be 'works in progress' that must both anticipate and react to forces that undermine what external and partner country peace- and statebuilders are trying to achieve. Recognition of this does not, of course, absolve the EU and the rest of the

international community from responsibility to understand, and if possible overcome, the challenges they face, and to thereby improve the effectiveness of their engagements measured against standards they have set for themselves.

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