

## **DRAFT**

### **UNDERSTANDING AND RESPONDING EFFECTIVELY TO DETERIORATION IN FRAGILE AND CONFLICT-AFFECTED STATES**

#### **REPORT ON APRIL 8, 2009 HEADLINE SEMINAR DISCUSSIONS**

*This seminar, part of the World Bank's Headline Seminar and Research Series, was organized to help inform thinking within the Bank and in the international community by giving a better understanding of the difficult challenges and contributing factors underpinning deterioration in fragile and conflict-affected countries, and by examining more effective ways to respond in these situations. It is intended to be a critical source of ideas for the Bank's Corporate Strategy on Fragility and Conflict. The debate amongst distinguished experts is intended to provide insights to strengthen policy and operations, as well as to reveal areas of inquiry that could be pursued through future research. The seminar agenda and list of invited speakers are annexed to this report. Additional participants who contributed their views at the seminar came from a wide range of regional experiences and backgrounds.*

#### **Key Findings:**

- *Deterioration in fragile and conflict-affected countries involves a weakening of state legitimacy and state effectiveness across government activities. Where legitimate regimes wish to improve their effectiveness external support can be helpful, by contrast, where governments are contributing to the deterioration results from external support are harder.*
- *State legitimacy is multi-faceted and must be understood beyond the simple rational-legal dimension making international engagement with non-formal or hybrid actors potentially advisable.*
- *Although security is vital, it cannot be the only focus. Governance, the rule of law and legitimate institutions need to be equally prioritized to enhance durability.*
- *Human security concerns should drive the international engagement, but cooperation should be dependent upon the delivery of development results.*
- *The emphasis for international interventions needs to be on what works International actors need to work in tandem with the political realities on the ground. Development actors need to reach out more to beneficiaries to ensure ownership and legitimacy. Capacities in analysis, advance warning, operational response and strategic response frameworks all need to be increased.*
- *More collaboration between international organizations in terms of scenario planning for deteriorating or potentially deteriorating situations is necessary. Cooperation between political, security, humanitarian and development stakeholders is key. The Bank should benefit from more use of the UN's political analyses, and more inclusion of regional organizations in its interventions.*
- *The World Bank's mandate of apolitical technical development interventions needs to be seen in an inherently political context in fragile deteriorating environments.*
- *The World Bank should use its convening authority to bring stakeholders together, including where possible the actual and potential spoilers.*

## **Summary**

This Headline Seminar brought together many different ideas and concepts for the World Bank and other international actors to explore in what is undoubtedly a highly complex, but also a crucial area for development work. In seeking to understand the process of deterioration in fragile states the panelists focused attention on the ability of governments to effectively deliver the basic needs of their people and on the fundamental underpinnings of state legitimacy. The panelists also underlined a number of useful models and indicators which would be well received as methods for conducting analyses of deteriorating situations. Although the panelists differed on the issue of the primacy accorded to effectiveness versus legitimacy, they agreed on the mutually dependent importance of both. They were also strongly supportive of greater multilateral cooperation. They looked at issues to consider in terms of both political dimensions, such as the ambiguous role of elections, opening up political space, and dealing with de facto changes in government, and in terms of developmental dimensions. Many of the panelists emphasized working with traditional and indigenous institutions in fragile states, and the importance of not undermining local systems of governance by trying to impose nationalized systems.

## **1. Introduction**

The issue of deterioration in fragile and conflict-affected states is multifaceted and complex. It involves an intersection of corroding state legitimacy and effectiveness cutting across the political, economic, social and security realms. It makes it next to impossible for the weakening state to deliver core functions in terms of security, governance and the provision of public goods. In these situations a single minded focus on a development, governance or security agenda cannot address the intersecting problems which define deteriorating situations and contribute to their worsening.

Gaining a better understanding of what determines deteriorating situations is vital not just to sharpening the World Bank's responses, but to developing effective responses across relevant international actors. To this end the World Bank hosted a seminar on April 8, 2009, inviting leading academics, researchers and practitioners from a variety of backgrounds to explore the issues surrounding deterioration in fragile and conflict-affected countries<sup>1</sup>.

The seminar focused on three case studies: Pakistan, Somalia/the Horn of Africa, and Guinea/West Africa, all of which have suffered severe deterioration in recent years. For the World Bank this area of deterioration in fragile and conflict-affected states ties in strongly to the priority theme of fragile and post-conflict states and constitutes a core corporate priority.. This report and this Headline Seminar, aim to be a launching pad for ongoing research aimed at developing a better understanding and more effective approaches to addressing fragile state deterioration.

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<sup>1</sup> Please see Appendix I for a list of participants.

## 2. Understanding Deterioration

The focus for this Headline Seminar is on states which may not necessarily slip into conflict or experience dramatic economic or political collapse, but might simply provide such poor governance that “the legitimacy of the state and the expectations of the citizenry eventually diminish beyond recognition”<sup>2</sup>. This focus is premised upon the notion that “a state in a situation of fragility is a state with a limited ability to govern or rule its society”<sup>3</sup>. Two papers<sup>4</sup> designed as springboards for the discussions underscored two areas of focus for understanding deterioration: firstly, finding a framework for recognizing and dealing with deteriorating situations; and secondly, the overall complex role which state legitimacy plays in such conditions.

### a. Deterioration of Legitimacy and State Effectiveness

“Fragility arises primarily from weaknesses in the dynamic political process through which citizens’ expectations of the state and state expectations of citizens are reconciled and brought into equilibrium with the state’s capacity to deliver services”<sup>5</sup>. Disequilibrium in this negotiation over the social contract is, this OECD-DAC paper goes on to suggest, the primary determinant of state fragility. The concept at the heart of this discussion is that of state legitimacy, and the way in which that legitimacy impacts state capacity or effectiveness. Dr. Clements, in one of the two springboard papers<sup>6</sup>, stated that “[b]ecause of the stress on capacity building and effectiveness...legitimacy...has had a somewhat secondary position in these debates”, and advocated in favor of legitimacy receiving much more systematic attention in its own right.

Dr. Goldstone in laying out a framework for recognizing deterioration in the second of the two springboard papers<sup>7</sup> suggested that fragile states are weak either in terms of their legitimacy or in terms of the effectiveness of their institutions, or are moderately weak in both areas. The signs of deterioration are, therefore, to be found in the effectiveness and legitimacy of governance in the core responsibilities of the state – the political, the economic, the social, and the security sphere.

The basic model of deteriorating governance developed for the Seminar narrowed these core state responsibilities down to three: security, governance and the provision of public goods. It suggests that when a state delivers these three functions well it fulfills the expectations of its

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<sup>2</sup> As the discussions were conducted under the Chatham House Rule participants other than those who submitted the discussion papers will not be referenced by name. Participants have consented to being quoted anonymously.

<sup>3</sup> Bellina, Séverine et al. *The Legitimacy of the State in Fragile Situations*. Report for the OECD-DAC International Network on Conflict and Fragility (INCAF). February 2009.

<sup>4</sup> Goldstone, Jack A. *Deteriorating Fragile States: How to recognize them, How to help them* & Clements, Kevin P. *Note on building effective, legitimate and resilient state institutions*. Both produced for this Seminar.

<sup>5</sup> OECD *Concepts and Dilemmas of State Building in Fragile Situations*. OECD DAC Discussion Paper. 2008 – Executive Summary.

<sup>6</sup> See reference 4

<sup>7</sup> See reference 4

citizens, thereby developing legitimacy. States that are seen by the people as legitimate may enter virtuous cycles, whereby, citizens trust the state to provide security, governance, and public goods; and the state grows by collecting the revenue and developing the capacity necessary to provide state functions.

Deteriorating governance this basic model proposes, is caused by a loss of legitimacy engendered by abuses of power, which may lead to an opposite vicious cycle whereby the citizens' expectations of what the state can provide decrease, and are then accompanied by falling revenues and subsequently an ever decreasing capacity on the part of the state to provide these essential functions. Eventually, such a vicious cycle can lead to political instability or economic collapse. This downward spiral of faltering legitimacy, low expectations, and diminishing capacity is commonly referred to as "deteriorating governance". The basic model hypothesizes, therefore, that it is sustained governance, ultimately, which protects the state against precipitous declines following such abuses of power. Deteriorating governance is, therefore, a signal of the declining capacity of the state to enforce the rule of law and to maintain its legitimacy.

This assumption of a link between legitimacy and deteriorating governance suggests, therefore, that being able to identify situations of declining legitimacy may better contribute to our ability to identify deteriorating governance. All participants agreed on the important relationship between legitimacy and state effectiveness, but there was no consensus on which of these two was the critical independent variable and on what notion of legitimacy should be adhered to.

"The emphasis in development work", stated Dr. Goldstone<sup>8</sup> "is in treating legitimacy and effectiveness as separate realms. One cannot assume just because a government is effective in carrying out certain tasks, that it is legitimate. Both effectiveness and legitimacy need to be defined by the perceived demands emanating from different groups in the country." This notion of considering sources of traditional legitimacy, or the demands of different groups in the country, as well as the institutionalized 'Weberian' state concept was apparent in the discussions. "Legitimacy should be seen in terms of specific social and political localities", stated Dr. Clements. "Post-colonial politics often ignore locality and mistakenly believe that legitimacy can be generated in national capitals and applied or imposed on peripheries. Most effective politics is personal," he said.

This was particularly evident in the discussions regarding Somalia and the Horn of Africa. "The international community and residents of the Horn tend to be ships passing in the night. We view the state as an enabler of development; people in the Horn see the state as a predator. We see war and peace; in this region, there is a situation that is neither peace nor war. We see political deterioration as a problem; for many leaders in the Horn, political deterioration is not a problem, it suits their interests. Some are intentionally de-institutionalizing their states for political survival or to punish rivals."<sup>9</sup>

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<sup>8</sup> See reference 4

<sup>9</sup> As the Seminar was conducted under the Chatham House Rule statements made during the proceedings will not be attributed to individuals.

## **b. Modeling Deterioration**

The second notion underlined by the discussions was the need to build a framework to better understand and predict situations of deteriorating governance, to enable the international community to face the difficult challenge of identifying which countries are most at risk and how we can predict crises in these contexts.

### *Pathways to the Deterioration of Governance*

Dr Goldstone's framework<sup>10</sup> for the recognition of deterioration in fragile states identified five main 'pathways to the deterioration of governance':

- escalation of communal group conflicts,
- state predation, regional or guerilla rebellion,
- democratic collapse, and
- succession or reform crisis in authoritarian states.

Dr. Clements added to these 'pathways' divisions between traditional actors and customary actors, institutions and legal frameworks, indigenous and exogenous actors, and situations where the state's budget is highly dependent on 'unearned income' such as natural resources.

Recognizing these patterns could provide warning signs with regard to the state's effectiveness and legitimacy and help prepare international responses. A brief analysis of the different case studies reflected that multiple types of deterioration make such predictions and responses challenging. In some countries, such as Pakistan, sub-national situations might differ across the country.

Three major indices on state fragility were underlined as being readily available for global monitoring and country analysis: (1) The Foreign Policy/Fund for Peace "Failed States Index"; (2) The Brookings/Center for Global Development "Index of State Weakness in the Developing World"; and (3) The George Mason University Center for Global Policy "State Fragility Index". It was suggested that the use of the State Fragility Index would have revealed ethnic tension and fear of violence and allowed to predict the outbreak of post-election violence in Kenya 2008-09, whereas the use of public opinion as a predictive measure failed to forecast the events. Not all participants agreed with that assessment.

Finding the right indicators is, however, not an easy task. Many participants felt that the current indicators are not sufficient. "We are looking for signs that we are not catching now." The international community is not monitoring the signals of the root causes of social tension and conflict. We should find more ways to identify early warning signs."

Three 'zones of deterioration' were identified from experience in West Africa which might facilitate earlier identification of deterioration of governance and enable some degree of prediction:

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<sup>10</sup> See reference 4

1. *Sliding zone:* The country's condition is sliding downwards, all indicators are in steep decline – whether institutional, social, governance or economic.
2. *Stalemate zone:* A state of prolonged crisis. The situation is highly unclear and neither citizens nor government are able to act. The indicators will not show anything dramatic happening as all sides are looking for someone to salvage the situation.
3. *Last zone:* Indicators cease to provide meaningful information. The only thing that has not happened is visible conflict.

### *The Marketplace Model*

An alternative 'marketplace model' was proposed as a way to use indicators to facilitate the identification of deterioration. The model explains how poorly institutionalized states might function over prolonged periods of time in the context of a political marketplace in which the ruler buys the loyalty of constituent groups.

“The central idea is that in many countries around the world, state institutions are neither strong nor autonomous enough to regulate political conflict in society. In these countries, political conflict is managed through a marketplace of loyalties, which is regulated by custom, violence, or simple financial patronage.”

The key questions to be addressed in undertaking analysis through the prism of a political market model are: what is the price of loyalty and how is it determined? The market can be stable and predictable or it can be dysfunctional—over-regulated, under-regulated or volatile. By monitoring the indicators of the 'market in loyalty', one might gauge whether a fragile state is likely to tip into crisis. “If we could monitor the marketplace, we should be able to predict (a) turbulence or breakdown in the market, (b) the use of violence in bargaining over the price of loyalty, and (c) the impacts of external entrants into the marketplace (such as aid donors and peace support operations).”

### **3. Effective Engagement: Issues & Recommendations**

Modeling the underlying causes of deteriorating governance or of the loss of state legitimacy and capacity is only useful, however, if it enables the international community to determine effective responses to these situations of deterioration.

The track record from experience in this regard does not appear to be good: cases of apparent failure come to mind more readily than examples of success. *The basic question posed by the Headline Seminar is whether the international community can be effective in preventing, mitigating, or reversing serious state deterioration, and if so what kinds of instruments can be applied to be effective in doing so.*

Some advocate a minimalist position: remaining engaged with countries suffering severe deterioration, but not necessarily engaging in major financing; ensuring the bare essentials on the 'do no harm' principle; contributing to longer-term activities like education and training, and

remaining prepared to exploit any opportunities that may arise especially when there are possible turnarounds.

Others advocate more active developmental engagement: seeking positive impacts on the ground and negotiating with what sources of authority do exist.

Whichever approach is taken the questions about when to provide or not to provide developmental assistance and what kind of assistance to provide are complex. As is the related question of how best to maintain the “voice” and influence of the development perspective in difficult and deteriorating situations which often swing heavily towards security-oriented concerns.

#### **a. Effectiveness versus Legitimacy**

The weighing of legitimacy and effectiveness, raised in terms of understanding the complexities of deteriorating situations, came back in discussions of approach. Governments in fragile states are precariously balanced in a grey area striving both for legitimacy and effectiveness, but often lacking one or the other or both. These issues are inherently divisive involving a degree of political subtlety that may stray out with of the Bank’s apolitical mandate despite the fact that the Bank is well placed to take advantage of how it analyzes the developments that come out of political events. The question, however, in situations where there is a lack of both government effectiveness and legitimacy, for international actors like the Bank, is which should be the primary focus.

Some participants posited that the World Bank should concentrate first on effectiveness and then on legitimacy. “The Bank’s niche role is to focus on issues of improving conditions for human development. This in turns depends on basic stable conditions for security, physical, and humanitarian needs. The Bank’s basic role is improving the human condition and focusing on what is most effective at producing that result. Worrying about legitimacy is a secondary order concern.

This view was not seen to rule out legitimacy as a concern, but rather to give the primacy of concern to what’s effective in situations where neither effectiveness nor legitimacy are strongly present. Some form of conditionality such as governance and accountability conditions on aid supply might still be countenanced provided it does not jeopardize the effectiveness of such interventions.

Others, however, disagreed with the effectiveness primacy approach, stressing a possible process of evaluating development policies and projects in fragile states through the prism of whether or not they enhance political and social legitimacy and social connectedness. This viewpoint stressed the concept that this stance would drive greater internal and external consultation, ground development programs within the cultural context, and in the long run lead to higher degrees of effectiveness.

#### **b. Multilateral Cooperation**

A number of the panelists emphatically recommended a stronger dialogue between the World Bank and multilateral entities, specifically the UN Secretariat and Agencies. One international practitioner, referring particularly to Somalia, but with implications for similar situations,

emphasized the need for multifaceted multiagency interventions. He explained that there are three options for international actors working in deteriorating fragile states: “Leave, keep talking, or conduct simultaneous political, humanitarian and development interventions. If we only focus on security, like in Liberia, this does not lead to peace. If we only give humanitarian assistance, like in Somalia, this does not lead to peace”. He stressed the importance of always remembering the development perspective, especially job creation and infrastructure investment.

It was pointed out that each international organization has different levels of legitimacy based upon its mandate, capacity and resources. The World Bank mandate, for example, states that it cannot make decisions on political bases, although “even the most technocratic intervention in a country can have political implications. The reality is that the World Bank is not going to take the lead on political issues related to fragility within countries, even though [it] recognizes that the political, security, development humanitarian and governance aspects of issues are interrelated.” This raises questions, then, as to how the World Bank can work effectively in partnership with other organizations, especially those with more political mandates.

It was suggested that although the UN Charter provides room for the Secretary-General to act in deteriorating situations, in reality he lacks sufficient means to do so effectively. The Bank was advised to benefit from the UN’s political analyses. The point was also raised, however, that the Bank does play a unique role in terms, for example, of providing financial carrots for negotiating positions that other multilateral agencies may not be able to provide.

Participants emphasized a growing role for the UN, but also for regional organizations, the latter playing an ever increasing role in determining international legitimacy. Many panelists suggested that the World Bank should work more with these regional organizations, and that the international community needs to recognize the importance of their growing influence.

### **c. Assessing the Political Landscape**

Since deterioration occurs when internal conflicts occur and groups do not get what they want, is there any way to circumvent this process?

One solution might be to “create, expand and defend political space to allow for the expression of peaceful opposition so groups opposed to the government do not have to feel their only alternative is to pick up arms.” Opening political space can allow people without power to see the capacity building of the state as a good thing.

Participants justified this concept by giving examples of situations where opening up a non-contentious political space for viable elections had enabled those who might otherwise have taken up arms to participate normally in the political process – such as in Indonesia after the Asian financial crisis and El Salvador’s peace negotiations. The assumption this underlines is that a lack of political space is a root cause of people taking up arms. “There are many situations where the international community has helped hold elections, and if the outcome of elections is accepted, a country can pull back from brink.”

Caution was urged, however, that despite the common perspective that elections are indicators for a move towards greater government legitimacy, elections can also set off violence, such as in Kenya in 2007-08. Some referred to elections as a possible “lightning rod” for strife. One former diplomat noted that “an important political consideration is whether you have elections at all.

Perceived wisdom is that democratic countries are peace-seeking so therefore elections are a good thing<sup>11</sup>. But a caveat to that should be that the period going towards elections is one of the most dangerous moments. Elections tend to exacerbate and polarize people.” One former UN practitioner suggested that “elections when fragile states are at a post-conflict recovery stage are likelier to have success, because they are coming when there has been a peace agreement or some broad consensus [between the parties]. Most challenging elections are in deteriorating states where the incumbent government is part of the competitive process.” Questions were raised about the analytical capacity of international actors to understand when elections might trigger conflict, and how best to identify at what point a country is ready for peaceful elections. It was noted that although many organizations conduct scenario planning, analyses and contingency plans prior to elections much of this is poorly disseminated and rarely shared among organizations. Concerted work on election associated instability was identified as a possible realm of future analysis.

The participants were reminded that elections are not the only way to bestow legitimacy. “Legitimacy can and does flow from grassroots development and institution-building, which develops customs and lore. Electoral legitimacy is not the only or even the most important source of authority.” This point takes account of traditional and local sources of legitimacy.

New developments in communications technology were also highlighted as a source of change in the political landscape. Previously in many African countries official information was offered only through government-controlled radio or television, new technology has broadened this reach and delivered a larger degree of transparency and accountability to the governance process. In Somalia, for example, cell phones, websites and even satellite TV networks, are now prevalent. This development broadens the audience for diverse national and international views.

#### **d. Working with Local Structures and Constraints**

It was suggested that development planning wrongly assumes that if there are no ‘recognizable’ western political, judicial or market-based institutions then there are no institutions capable of generating order, justice and the provision of citizens’ needs. “Instead of substituting local institutions with exogenous ones it is important that development planners focus attention on finding endogenous sources of strength and resilience.”

##### *Hybrid Systems*

‘Hybrid political orders’ were raised as one potential solution to dealing with the clash between national formal customary and local informal traditional institutions, in that they blend the rational-legal with the traditional approaches. Hybrid political orders are better able, it was suggested, to draw on the strengths of both the formal and informal sectors, and provide a potential for finding change agents within these traditional spheres. The importance of ‘deep dialogue’ and of spending more time listening was stressed. Development agencies were cautioned not to automatically assume that traditional informal leaders are reactionary and patriarchal, but indeed may play positive roles in the areas of community governance and development. “In countries like Guinea, Liberia or Cote d’Ivoire... the traditional leaders have a

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<sup>11</sup> Loosely based upon Immanuel Kant, *Theory of the Democratic Peace*

prominent place in society...When this erodes, you reduce the traditional leaders' powers of intervention in crises.”

### *Bottom-Up Approach*

Another potential solution proposed was to take a more bottom-up decentralized approach. In Somalia, for example, the only approach now available to development actors for achieving any degree of stability may be a bottom-up approach working with more local actors. “This could be a mechanism to allow the World Bank and the international community to engage states in a way beneficial to people in sub-national entities—decentralization. One reason why people fight for political space is to be able to make basic decisions that impact their lives at a local level. Through decentralization, one can support the nation state and reward local entities that are trying to do the right thing.”

Elders, civic groups, women's groups, business groups, religious groups, and others can form local, fluid methods of governance. “These local methods of governance can be messy and vulnerable to setbacks, but they are real. Our efforts to build the [centralized] state can undermine local systems of governance that provide order.” One of the challenges in Somalia, for example, has been trying to re-build a state form of governance without undermining the local systems of governance.

Northern Kenya, which was a dangerous place in the 1990s, was proposed as an example of success in this area. In one instance a women's market group, tired of the ongoing problems, pulled in elders, religious authorities, and others and started providing local governance functions, creating one of the safest areas in the country. The Kenyan government plugged into this local group and the group today exercises many of the functions of government. Could a model in which the state government negotiates with existing local groups be one possible solution to these dilemmas?

### **e. Dealing with Extra-constitutional Changes in Government**

The thorny issue of how the World Bank and other development actors should respond when confronted with difficult situations of extra-constitutional de facto changes in government, such as a coup d'état, was raised as another issue for concern in dealing with deteriorating situations.

Many participants felt that the World Bank should remain engaged after a coup. “If there's strong human needs that can be satisfied by local government, provided that you can ensure that money will not be wasted, and provided that the money will not be counterproductive in going directly to shore up the authority of the new regime and make it harder for decent accountable regimes in the future, then the Bank should engage.”

Caution was urged in avoiding punishing the people of a country for the excesses of their leaders, especially on the part of development institutions. It was suggested that after the coup of 1999 in Pakistan, for example, no one in the country, even those who had been ousted from power, felt that it was appropriate for the World Bank to disengage from the country.

Others cautioned against over-engaging with coup regimes. “The World Bank shouldn't be in the business of rewarding bad behavior. In Africa, if word gets out that the Bank is oblivious to bad

behavior or rewarding bad behavior, and that it is selectively determining which coups are bad and which coups are good then you will get a contingent effect.”

It was also pointed out that some coups have popular support. “It would not be reasonable for the Bank or other donors to say they are removing support because of a coup. It is more reasonable to say: we have a new government, but we will continue to expect to see some evidence of the restoration of political space.”

One question for further consideration raised was how to deal with situations where the new government is seen by some or many external actors as illegitimate, but by others as legitimate. This is a particular problem where regional entities or neighboring countries may recognize a new government as legitimate, whilst other international actors are less willing to acknowledge the legitimacy of the government, which often occurs in situations of de-facto changes in government. This relates to an ongoing review of the Bank’s Operational Policy (OP) 7.30 on dealing with de facto changes in government, and is an issue which will receive further review.

## **Conclusion**

This Headline Seminar has brought together many different ideas and concepts for the World Bank and other international actors to explore in what is undoubtedly a highly complex, but also a crucial area for development work. It is only a part of a larger dialogue which will go on that includes a vast array of international actors. The World Bank will continue to examine its own work in fragile states and to question where it has seen success and where it has not. It will continue identifying what variables most affect these countries and seeking to understand better what role it can play to help in these difficult environments in cooperation with other actors and interested parties.

### **Recommendations for further work:**

- *More work is needed on scenario planning for election-associated instability and on the implications for succession in authoritarian regimes.*
- *A review of practices with transitional governments*
- *A review of the procedures for dealing with changes in de facto governments and on the application of OP 7.30 on de facto governments.*
- *Support to country teams to assess scenarios and develop country strategies recognizing the factors driving deterioration, especially national-level ones.*
- *Dispersing technical expertise is often more effective than dispersing money. In response to deteriorating states we need to think about how to leverage technical expertise in areas of institutional design.*
- *The convening authority of the Bank should be used to bring together stakeholders, including where feasible potential spoilers.*
- *A better way of collating national governance data to produce national governance indicators from the plethora of international organizations that collect and disperse such data on economics, education, trade and other governance components should be considered.*

## Appendix I

### List of Headline Seminar Participants

- **Dr. Kevin Clements**, Professor of Peace and Conflict Studies & Director of the National Center for Peace and Conflict Studies, University of Otago, New Zealand.
  - **Mr. Alvaro de Soto**, Former UN Assistant Secretary-General
  - **Dr. Alex de Waal**, Fellow of the Harvard Humanitarian University (researcher, writer and activist on African issues).
  - **Dr. Gareth Evans**, President & CEO International Crisis Group (2000-2009).
  - **Dr. Christopher Fomunyoh**, Senior Associate and Regional Director for Central and West Africa, National Democratic Institute (NDI).
  - **Mr. David Gardner**, Chief Lead Writer & Associate Editor, Financial Times, UK (Former FT South Asia Bureau Chief).
  - **Dr. Jack Goldstone**, Hazel Professor of Public Policy, George Mason University.
  - **Dr. Maleeha Lodhi**, Former Ambassador of Pakistan to the US.
  - **Dr. Ed Luck**, Senior Vice President and Director of Studies, International Peace Institute.
  - **Dr. Toga McIntosh**, Executive Director, World Bank (former Liberian Minister).
  - **Dr. Ken Menkhaus**, Professor of Political Science, Davidson College (Specialist on the Horn of Africa).
  - **Ahmedou Ould-Abdallah**, Special Representative for the UN Secretary-General for Somalia.
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- **Ms. Ngozi Okonjo-Iweala**, Managing Director, World Bank
  - **Mr. Jeffrey Gutman**, Vice President for Operational Policy and Country Services, World Bank.
  - **Sanjay Pradhan**, Vice President, World Bank Institute
  - **Mr. Alastair McKechnie**, Director of the Fragile and Conflict-affected States Unit, World Bank.

## Appendix II

### Headline Seminar Agenda HEADLINE SEMINAR SERIES

#### “Responding to Deterioration in Fragile and Conflict-Affected Countries”

April 8, 2009

World Bank Headquarters, Washington, DC

MC 13-121

#### Agenda

<b>Objective:</b>	The primary aim of the Seminar is to inform thinking within the Bank as to the most effective approaches for responding to deteriorating situations in fragile and conflict-affected states. As a critical component of the Bank’s strategy on “Fragility and Conflict”, this debate among distinguished experts will provide inputs to strengthen analysis and development operations as well as reveal areas of inquiry which can be pursued through future research.
8:30-9:00	<b>Breakfast and Registration</b>
9:00-9:15	<b>Moderator of the Seminar: Chris Neal, World Bank Institute</b>  <b>Welcome by Ngozi Okonjo-Iweala, Managing Director, World Bank</b>  <b>Introduction by Jeffrey Gutman, Vice President, OPCS, World Bank</b>
9:15-10:00	<b>Session 1: Understanding Deterioration and Contributing Factors</b>  <i>Discussion papers: “Deteriorating Fragile States: How to Recognize them , How to Help Them” &amp; “Building Effective, Legitimate &amp; Resilient State Institutions”</i>  <b>Questions:</b> <ul style="list-style-type: none"><li>• What goes wrong? Different sources and forms of deterioration</li><li>• Are there good indicators or predictors of deterioration?</li><li>• How to encourage institutional recognition of deterioration</li></ul> <b>Key points raised in papers by:</b> <ul style="list-style-type: none"><li>• <b>Prof. Jack Goldstone</b>, George Mason University</li><li>• <b>Prof. Kevin Clements</b>, University of Otago</li></ul>

10:00-10:30	<p><b>Session 1: continuation</b></p> <p><i>Country Case studies</i></p> <p><b>Comments and observations on:</b></p> <ul style="list-style-type: none"> <li>• <b>Guinea (West Africa): Toga McIntosh</b>, Executive Director, World Bank, <b>Chris Fomunyoh</b>, National Democratic Institute</li> <li>• <b>Pakistan: Maleeha Lodhi</b>, Former Ambassador of Pakistan to US, <b>David Gardner</b>, Financial Times</li> <li>• <b>Somalia (Horn of Africa): Ken Menkhaus</b>, Davidson College <b>Alex De Waal</b>, Harvard University</li> </ul>
10:30-10:45	<b>Coffee Break</b>
10:45-12:30	<p><b>Session 1: continuation</b></p> <p><i>Combining case studies and discussion papers</i></p> <p><b>Remarks: Ed Luck</b>, International Peace Institute</p>
12: 30-2:00	<b>Lunch</b>
MC- C1	<p><b>Speaker: James C. Jones</b>, Political Analyst - Impact of drug trafficking and counter-narcotic practices in fragile and conflict-affected countries on deteriorating governance.</p>
2:00-3:30	<p><b>Session 2: Responding Effectively to Deterioration</b></p> <p><b>Remarks: Ahmedou Ould-Abdallah</b>, UNSRSG for Somalia &amp;</p> <p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• What degree of engagement by the international community might be appropriate?</li> <li>• Role of financial assistance in deteriorating situations?</li> <li>• What are the issues in relation to cohesion across diplomatic, humanitarian, military and development actors?</li> <li>• Successful international response to deterioration, or at least managing problems?</li> <li>• Knowledge and practice gaps?</li> </ul> <p><b>Concluding remarks: Alvaro de Soto</b>, former UN Assistant SG.</p>
3:30 - 3:45	<b>Coffee</b>
3:45 - 4:30	<p><b>Session 2: continuation</b></p> <p><i>Lessons for the Bank's engagement in responding to deterioration</i></p>

4:30 -5:30	<b>Going forward: <i>Potential areas to focus on; How the Bank should engage:</i></b> <ul style="list-style-type: none"><li>• <b>Alastair McKechnie</b>, Director, Fragile and Conflict-Affected Countries, Group, OPCS</li><li>• <b>Gareth Evans</b>, President, International Crisis Group</li><li>• <b>Sanjay Pradhan</b>, Vice President, World Bank Institute</li></ul>
5:30	<b>Reception</b>