

# FORUM ON BUILDING RESILIENCE TO FRAGILITY IN ASIA AND THE PACIFIC

Proceedings



# FORUM ON BUILDING RESILIENCE TO FRAGILITY IN ASIA AND THE PACIFIC

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## Proceedings

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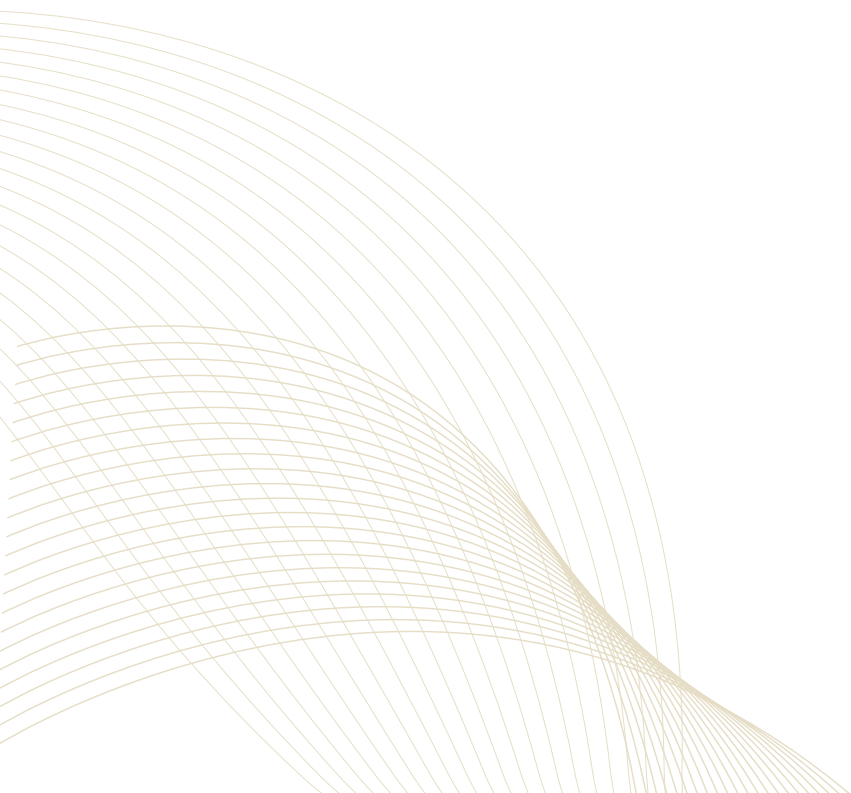
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## Executive Summary

**A**DB and the Australian Agency for International Development (AusAID) co-hosted a high-level forum on Building Resilience to Fragility in Asia and the Pacific in Manila in June 2013. The forum aimed to foster stronger partnerships, support new thinking and innovative engagement, and enhance development efforts to better assist countries with fragile and conflict-affected situations (FCAS). Senior government officials from 11 countries, development partners, and civil society organizations joined the forum.

The country representatives shared their local context, issues of fragility and vulnerability, development approaches adopted to build resilience, and important lessons learned. Representatives from development partners and civil society organizations shared the frameworks and approaches they adopt in FCAS and the important lessons. Participants discussed how their experiences and lessons learned can contribute to stronger partnerships for building resilience. A workshop followed by a plenary session identified the main issues and challenges and the priority development interventions.

Forum participants concluded that political stability must be secured first and that the countries themselves must strengthen political stability and create space for reform and development partner support. There is a need for a more pragmatic and inclusive approach to capacity and institution building—particularly capacity development at the local level—as well as for women needs to be prioritized. Development partners cannot expect immediate results and should therefore revisit capacity and institution building to develop new monitoring indicators for long-term interventions. Further, there is a need to focus on strengthening the common core government functions (revenue generation and fiscal management, policy formulation, public service management) and on improving the environment for private sector development.

A lack of participation by government, civil society, and the private sector may exacerbate fragility and conflict. There is a real need for greater attention to participation in all assistance to FCAS. Political economy must be well understood and charted when supporting reforms in FCAS countries. Therefore, the government, development partners, and various stakeholders should conduct joint resilience mapping exercises to develop a common understanding of the local context so that the government can then move to prepare long-term programs with sequenced priority actions that development partners can support.

The environment for private sector development must be improved and customized to attract investment, job creation, growth, revenue generation, and development. This includes the need to adjust structural policies and to prioritize, sequence, and pace the required economic reforms.

There is an urgent need to improve the modalities and ease of access to the funds that have been set up for climate change. For example, climate adaptation funds require prior technical studies on the impact of climate change, but countries do not always have access to the information necessary to do so. Development partners were asked to step up climate change adaptation support, and make access to funds easier, and vulnerable countries were called on to integrate climate change responses into their national development strategies and plans.


There are commonalities and differences between the fragile island states affected by climate change and the conflict-affected countries. The fragile countries should come together to speak with one voice through the g7+. Fragile countries that have not yet joined the g7+ are encouraged to do so to create a stronger unified voice, in particular in the United Nations General Assembly to help formulate the post-2015 development agenda. This may justify a follow-up forum to keep an open dialogue and to stimulate the gained momentum.

Governments should lead aid coordination efforts and hold a clear policy on aid coordination. Aid dependence might need to be addressed in some countries. This led to the suggestion to conduct joint resilience mapping exercises by the country and its development partners to develop a common understanding of the impact of aid on domestic development incentives and operations. There is also a need for more regular funds to reduce volatility of funding and to secure a minimum or baseline funding level to fragile countries.

Other recommendations with regard to the provision of resources are for development partners to

- improve staff incentives and training to attract high-caliber development partner agency staff to work on FCAS;
- review FCAS country fund allocation policies;
- review FCAS country strategy priorities;
- simplify and streamline aid procedures;
- engage more local consultants in order to embed local knowledge in assistance programs;
- continue research into the measurement of fragility, risk of conflict, and progress in building resilience; and
- take note of successes to date.

To further the New Deal for Engagement in Fragile States and build resilience to fragility and conflict in Asia and the Pacific, the forum agreed on four steps:

- Recognize the common story of fragile and conflict-affected countries, whether natural or man-made, as referenced by the deputy minister, Ministry of Finance, Afghanistan.
  - Strengthen representation in the g7+ by inviting the fragile Pacific island countries to join and to thereby express their common concerns along with existing members.
  - Continue to press for a post-2015 development agenda that recognizes the universal importance of peacebuilding and statebuilding and that reflects the results and lessons of the New Deal as expressed in the Washington Communiqué and as recommended by the minister of finance, Democratic Republic of Timor-Leste and chair of the g7+.
  - Continue the FCAS dialogue for all affected situations and all affected countries as suggested by the presidential adviser on the peace process, Government of the Philippines.
- 





# Introduction



**Mr. Patrick Safran**  
Focal Point for Fragile and  
Conflict-Affected Situations,  
Asian Development Bank

Many poor people in Asia and the Pacific live in countries with weak governance, ineffective public administration and rule of law, and civil unrest. These countries have been referred to variously as weakly performing countries, fragile states, low-income countries under stress, and countries in fragile and conflict-affected situations (or FCAS). The Pacific island countries are especially subject to vulnerabilities due to limited land areas and populations as well as small domestic markets, geographical isolation and dispersion, poor access to international markets, and exposure to shocks (including climate change). The New Deal for Engagement in Fragile States emphasizes that the current ways of working in these situations need improvement. Fragility is costly for a country and its citizens, for neighboring countries, and for the global community. From the view point of development assistance, policies, principles, and operational approaches that development agencies normally apply can be ineffective. They may

even risk adding to the difficulties nations already face in establishing the effective and legitimate institutions and leadership needed to transit to stability and sustained development over the long term. Failure to engage in these situations differently and in an innovative manner is likely to entail major human, social, economic, and security costs.

The Asian Development Bank (ADB) and the Australian Agency for International Development (AusAID) held a high-level forum, Building Resilience to Fragility in Asia and the Pacific, from 6 to 7 June 2013 in Manila. The forum aimed to foster stronger partnerships, support new thinking and innovative engagement, and enhance development efforts to better assist countries with FCAS. By giving participating countries a lead role, the forum intended to build on the outcomes of the recent Dili Consensus from the International Conference on the Post-2015 Development Agenda and the International Dialogue's Washington Communiqué on Peacebuilding and Statebuilding, and reinforce the New Deal. The forum provided opportunities for key players in fragile and conflict-affected situations to

- broaden awareness and foster greater understanding on new ways for working in FCAS,
- share experiences and approaches on ongoing concrete initiatives in FCAS,
- determine ways to better harmonize and improve approaches in FCAS and identify areas to enhance cooperation among development partners and countries, and
- consider how the New Deal for Engagement in Fragile States can be implemented in Asia and the Pacific.

Senior government officials from 11 countries (Afghanistan, Kiribati, Republic of the Marshall Islands, the Federated States of Micronesia, Republic of Nauru, Nepal, the Philippines, Solomon Islands, Timor-Leste, Tuvalu, and Vanuatu); development partners (ADB, AusAID, United Nations Development Programme, United States Agency for International Development, and the World Bank); and civil society organizations (The Asia Foundation and International Alert) joined the forum.



# Understanding the Way Forward from Fragility to Resilience





# Opening

## MODERATOR



**Mr. Kazu Sakai**  
Chair, Fragile and Conflict-Affected Situations  
Steering Committee  
Director General, Strategy and Policy Department  
Asian Development Bank

## WELCOME REMARKS



**Mr. Takehiko Nakao**  
President  
Asian Development Bank

### Introduction

**D**istinguished guests, honorable participants, ladies and gentlemen:  
good morning.

It is my privilege to welcome you to this forum on building resilience to fragility in Asia and the Pacific. I appreciate the presence of all the distinguished delegations here today. And I would like to thank our co-hosts for this forum, the Australian Agency for International Development.

The forum will build on the outcomes of the International Conference on the Post-2015 Development Agenda, which adopted “Dili Consensus” in February this year and the International Dialogue’s Washington Communiqué on Peacebuilding and Statebuilding in April. It will also reinforce the New Deal for Engagement in Fragile States which was proposed by the g7+ group of countries in 2011.

Our objective today is to learn from each others’ experiences so that we can respond better to the needs of the countries that suffer from fragility and conflict. To start off the discussion, I would like to share some of ADB’s experiences in responding to the challenges of fragility and conflict.

## Challenges and ADB Responses

Fragile and conflict-affected countries suffer from repeated cycles of political instability and criminal violence, faltering growth, and stagnant human development. Most of these states are far from achieving the Millennium Development Goals. There is also a need for us to consider subnational levels of fragility and conflict.

About 1.5 billion people in the world are affected by conflict and fragility, and the world's poor are increasingly concentrated in fragile and conflict-affected states. In response, about 30% of annual global official development assistance now goes to countries with fragile and conflict-affected situations. But ensuring the effectiveness of ODA [overseas development assistance] in such countries is a major challenge.

ADB places a high priority on supporting developing member countries that face fragility and conflict. In 2007, ADB adopted its Approach to Weakly Performing Countries. The terminology has changed—we now use the term “fragile and conflict-affected situations” or FCAS. However, this 2007 approach is still valid today. ADB's Long-Term Strategic Framework, Strategy 2020, adopted in 2008, also emphasizes ADB's commitment in responding to the challenges of FCAS.

At the Fourth High Level Forum on Aid Effectiveness held in Busan in 2011, ADB endorsed the New Deal for Engagement in Fragile States. The concerns of countries experiencing fragility and conflict are also a special theme of the Asian Development Fund XI, covering 2013–2016. This year, we adopted a new operational plan for FCAS to step up our efforts to work in these countries.

## Lessons Learned by ADB

Based on ADB's experience, I would like to highlight five lessons that should underpin our support for fragile and conflict-affected countries.

First, we believe it is particularly important for us to have a deep understanding of the local context in designing country strategies and actual projects. Each fragile and conflict-affected country faces unique challenges, and often has very complex and delicate political and economic dynamics. ADB's country-led model for developing a country partnership strategy requires a sound diagnosis of the distinctive binding constraints to inclusive growth and poverty reduction. For example, in Nepal, ADB adopted a conflict-sensitive approach to development using a peacebuilding filter to identify the potential risks related to social conflict and the opportunities for enhancing peace; in the Pacific, analysis of the political economy before advocating economic reforms helped in consolidating understanding of the local contexts.

Second, we need to be highly selective in terms of the sectors we work in. And once we have determined what these will be, we have to make a long-term commitment to remain in those sectors. Fragile and conflict-affected countries often lack capacity, and institutions are poorly developed. Therefore, our assistance must always include efforts to build capable and legitimate institutions, or to support “statebuilding.” In Timor-Leste, for example, ADB has consistently been supporting the road sector to unite the country and contribute to the country's efforts in statebuilding.

Third, we must remain flexible to respond effectively to the unique challenges in fragile and conflict-affected countries. We have to be creative and innovative in developing the country partnership strategies, and in designing and implementing projects. We should not shy away from considering exceptions to existing rules and procedures to respond to the actual situations on the ground. In Afghanistan, for example, we used turnkey contracts or design/built contracts to implement large infrastructure projects rather than separating consultancy and construction, which is common in most ADB-funded projects elsewhere. We have to focus on delivering actual outputs and development outcomes to benefit people living in fragile and conflict-affected countries.

Fourth, it is critical to promote broader ownership of our assistance—not only by the government, but also by civil society, the private sector, and development partners. Assessments of the causes and features of fragility and sources of resilience—led by the country and supported by civil society—are critical. They help us to better understand the local context, and help build country leadership and ownership to transit out of fragility.

**“We must remain flexible to respond effectively to the unique challenges in fragile and conflict-affected countries.”**

Lastly, strategic partnerships are critical for achieving effectiveness and sustainability of our assistance. For example, ADB’s field presence in Pacific countries has increased through the establishment of development coordination offices. Some of these are shared with the World Bank. With the exception of Nauru and Tuvalu, we now have a network of such development coordination offices in all our member states in the Pacific.

## Conclusion

Ladies and gentlemen, as we seek to build resilience to fragility and conflict in Asia and the Pacific, important challenges are ahead of us. We need to integrate the concept of peace and statebuilding into our development efforts. And we have to identify concrete and constructive directions for the future so that we can ensure the effectiveness of development assistance. The five lessons I have highlighted today—deep understanding, selectivity and commitment, flexibility, broad ownership, and strategic partnerships—will continue to guide ADB’s efforts as we pursue this critical challenge.

I wish all of you a productive and lively discussion.

May I now invite the Honorable Mohammad Mustafa Mastoor, the deputy minister of finance for the Government of Afghanistan, to give the keynote address.

Thank you.





## KEYNOTE ADDRESS



**Mr. Mohammad Mustafa Mastoor**  
Deputy Minister  
Ministry of Finance  
Afghanistan

Ladies and gentlemen, good morning. It is an honor to be among so many distinguished participants today and deliver the keynote on the way forward from fragility to resilience.

Today, we have all come together here for a noble cause: the cause of caring for some 1.5 billion people across the world. Some have been left destitute by conflict, some by natural disaster, some cursed by abundance of natural resources in their country, and some by the lack of it. Some may suffer the consequences of their geopolitical importance, some suffer from irrelevance caused by geographical remoteness—whatever the cause, the effects are all too clear and unacceptable.

We are not talking about some strange notion of ideological stance here but the well-being of the big portion of vulnerable of the world. Our crusade against

poverty, conflict, inequality, and everything else that stands in our way of rescuing the equivalent of the world's population in the late 18th century must begin on all fronts, and it must begin now.

Almost three-quarters of these countries have experienced conflict in their recent history and few are hoping to meet a single Millennium Development Goal (MDG) by 2015.

Addressing conflict and the causes of conflict must be a priority if we are to find meaningful solutions to the most important causes of fragility.

The reasons for conflict within a country might go beyond its own borders, and usually rest in neighboring countries. That means conflict is multidimensional and we must work together to address them all. Here is where the regional institutions such as ADB get importance.

From 2002 to 2012, 30% of worldwide assistance was spent on states affected by fragility. ADB, Australia, and other multilaterals and bilaterals played their role well in this regard. But if we are to make serious headway on this front, we all together must improve effectiveness of the aid.

We are not preaching here a revolution; neither are we calling for “fragility spring.” What we are asking though, is that stability should come first and reforms should never come at the cost of stability.

The [former] Soviet Union's hurried move to reform stands in stark contrast with gradual move by [People's Republic of] China.

My best practice might not work optimally for you and vice versa. The local context should be understood, considered, and respected before everything else.

Although the underlying effects of fragility are similar in all countries, the reasons are diverse and different. I split FCAS states under two groups: nature-caused and man-made. These two groups are by no means mutually exclusive neither they are set in stone. It's a rough categorization merely for the sake of clarity.

Pacific Islands largely belong to the first group. Their fragility is geographical in nature and the Republic of Kiribati is the epitome of such group.

The second group consists of countries that have suffered from conflict in the past or are going through unrest right now. Afghanistan has been a good example of countries under this grouping.

This categorization, however, misses one important group; that is, countries that are fairly stable as a whole but contain pockets of conflict-affected population.

We can't have a universal panacea for all countries suffering from fragility. Although fragility-affected countries have much in common, they need their own specific remedies.

But what we have learned from past experiences is that no one knows the priorities and needs of a FCAS country better than the country itself. Hence, any solution must be reached via a fully participatory mechanism and not be unilaterally imposed. Such is our firm belief in a fully participatory approach.

Afghanistan has been one of the founders and an active members of the g7+. The g7+ group is one of the mechanisms that was inaugurated in Dili, Timor-Leste in 2010 by FCAS, for FCAS. It now boasts memberships of 19 fragile and conflict-affected states who have joined to share experiences and promote the voices of fragile states in international debates.

**"No one knows the priorities and needs of a fragile and conflict-affected country better than the country itself. Hence, any solution must be reached via a fully participatory mechanism and not be unilaterally imposed."**

In 2011, the group became increasingly vocal on the world stage and called for a New Deal in assistance of the fragile states.

Because we were united and resolute in our demand, the New Deal was born and refined through an intense process supported by the International Dialogue on Peacebuilding and Statebuilding and endorsed by more than 40 countries and international institutions.

The New Deal is explicit in its demand for a fully participatory process between donor countries and the FCAS. The New Deal gives the members of g7+ a voice to tailor-make their strategies, with a view to local context and national priorities.

Afghanistan can be discussed as a good sample since our country, as a pilot, has been able to follow the New Deal sequence in its own capacity and context.

The lessons learnt by the g7+ countries and particularly Afghanistan is to work toward a context-specific approach while complying strongly to the New Deal global agenda.

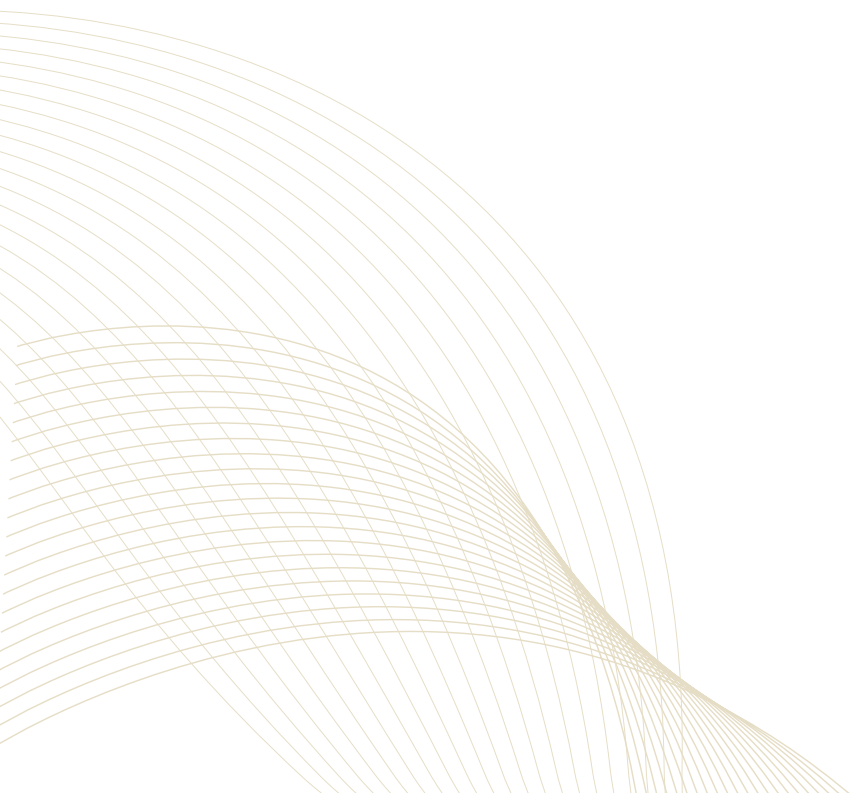
Today, however, despite all successes, the g7+ represents only a fraction of the 1.5 billion people affected by conflict. The membership so far has only extended to those conflict-affected countries that are willing to join.

As it was pointed out, the majority of the people affected live within the borders of countries that are not part of this g7+. This has hindered the inclusivity of the g7+ and will have to be addressed to include all the people affected by conflict, regardless of their countries. This will stop costly duplications for creating yet another forum for countries affected by conflict at a subnational level.

Before the ink of our notes dry on the faces of the pages, let's tuck up our sleeves and work for a fairer, better, and brighter tomorrow for the people of our countries, our region "Asia-Pacific," and the whole world—a tomorrow that strives to leave no child's aspirations unfulfilled and no country ignored.

No country is too small, no number is too few, one person affected is one person too many, and the mother Earth is rich enough to nurture us all.

Thank you.



## PROGRAM OVERVIEW



**Mr. Richard Sisson**  
Alternate Executive Director,  
Board of Directors  
Asian Development Bank

On behalf of AusAID [Australian Agency for International Development], I welcome all of you to this forum on building resilience to fragility in Asia and the Pacific. It is positive that we have a turnout that covers a wide range of countries, also the very high-level representation that reflects the importance of these issues to all of us.

More than 1.5 billion people live in fragile or conflict-affected countries. People living in these countries are twice as likely to be undernourished and 50% more likely to be impoverished. Their children are three times as likely to be out of school.<sup>1</sup> The majority of the Millennium Development Goals (MDGs) will not be met in these states, and 80% of them will not meet the poverty reduction target.

The challenges of achieving development in these contexts are significant. I recognize too that some countries represented today are not categorized as ADB fragile and conflict-affected developing member countries. They have been invited today because they share some of the challenges of building more resilient states and communities, including in subnational regions.<sup>2</sup> I look forward to hearing also of their experiences over the next few days.

Fortunately, recent the World Bank analysis indicates that in contrast to 2 years ago, some progress is now being made in fragile and conflict-affected states, with 20 now reaching one or more of the MDGs.<sup>3</sup>

Development can be achieved, even amid fragility or violence, but achieving success in these situations is extremely tough.

Just last week, the High Level Panel report on a New Global Partnership was released, in which it was acknowledged that peace is a cornerstone of sustainable development. Australia welcomes the recognition that building peace and supporting effective, open, and accountable institutions is crucial to underpin development over the longer term. We look forward to further leadership by the g7+ and other countries on these issues as the international debate progresses.

Ending extreme poverty within a generation means sharpening our focus on the world's fragile states and working in partnership to build greater resilience at the level of state institutions, but also in communities, to natural and man-made disasters.

<sup>1</sup> World Bank. *World Development Report 2011: Conflict, Security, and Development*. Washington, DC.

<sup>2</sup> Nepal is attending, but does not consider itself fragile. The Philippines has a subnational conflict (i.e., Mindanao).

<sup>3</sup> World Bank. 2013. *Stop Conflict, Reduce Fragility and End Poverty: Doing Things Differently in Fragile and Conflict-affected Situations*. 1 May.



## Australia's Aid Program

Working in fragile and conflict-affected states is core business for the Australian aid program. Australia is a signatory to the New Deal for Engagement in Fragile States, and as a sign of our commitment to the New Deal and supporting countries affected by fragility, we also co-chair, with Afghanistan, its Working Group on Implementation to help focus on practical measures for engagement and reform.

In 2013, the Organization for Economic Co-operation and Development's Development Assistance Committee peer review commended Australia's approach to fragility and conflict, highlighting that Australia had the framework, analytical capacity, tools, flexibility, and organizational structure to deliver innovative and realistic programs that achieve results in fragile contexts.

In 2013–2014 more than half of AusAID's bilateral funding will go to these countries.<sup>4</sup> Fragility and conflict is now a core consideration in the planning and design process for AusAID programs.

**"Ending extreme poverty within a generation means sharpening our focus on the world's fragile states and working in partnership to build greater resilience at the level of state institutions, but also in communities, to natural and man-made disasters."**

Fundamental to our way of working is a commitment to ensuring **ownership** by these states themselves. Since 2008, we have signed **11** Partnerships for Development, which are akin to the compacts envisaged in the New Deal.

The **2009 Cairns Compact** on Strengthening Development Coordination aims to ensure the people and governments of the Pacific are in the driver's seat, delivering their own development programs, with help from donors such as Australia.



<sup>4</sup> Seven of Australia's top ten development partners are fragile or conflict-affected states: Afghanistan, Bangladesh, Pakistan, Papua New Guinea (PNG), the Philippines (Mindanao), Solomon Islands, and Timor-Leste. In 2013, PNG graduated from the World Bank list of fragile states, but PNG has self-nominated as a member of the g7+ group of fragile states and is thus still included in AusAID's approach to fragile states.

AusAID is committed to international, regional, and bilateral efforts to identify and address the causes and consequences of violent conflict and to strengthen state responsiveness and community resilience.

Australia is also an active member of the Organization for Economic Co-operation and Development's Development Assistance Committee International Network on Conflict and Fragility (INCAF), which promotes effective donor engagement in fragile states and provides practical guidance for donor support to peacebuilding and statebuilding.

For example, as co-chair of the INCAF Task Team on Implementation and Reform, AusAID has initiated work on a range of ways donors can address risk and encourage greater use of country systems in fragile states.

In addition, AusAID has a close working relationship with the World Bank and the Asian Development Bank (ADB) teams working on fragility and conflict, sharing innovative approaches to development in these complex environments.

## Program Overview

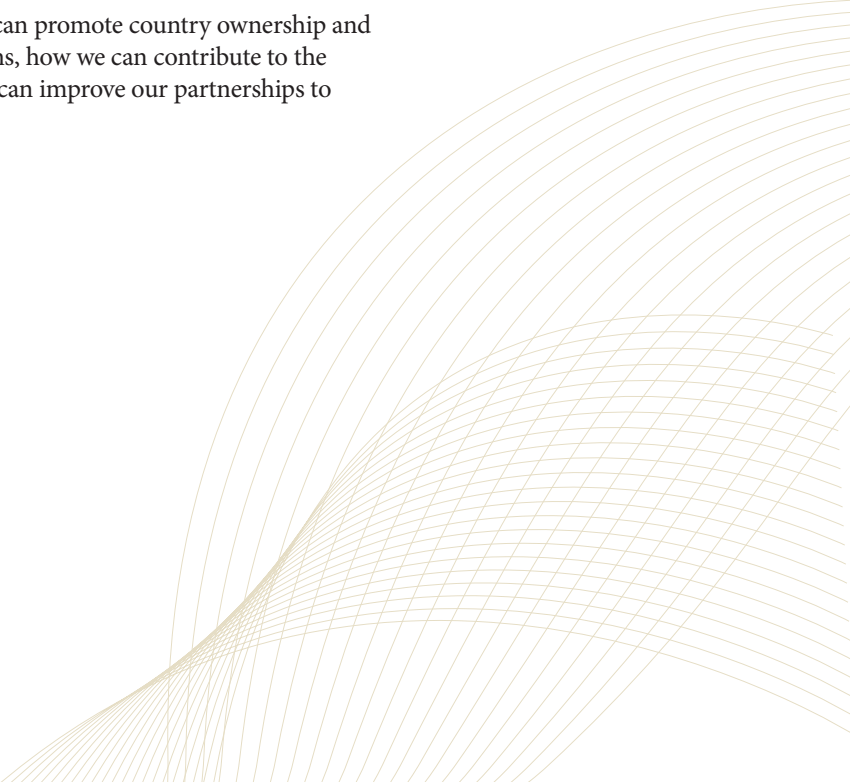
AusAID is pleased to be working with our ADB partners to facilitate this resilience forum.

The forum provides an opportunity for us to discuss our experiences and exchange ideas on engagement in fragile and conflict-affected situations and approaches to building state and community resilience across a range of country contexts.

We hope that it will foster stronger partnerships and enhance understanding on innovative ways to approach development and successfully transition to resilient states and societies.

Over the course of the next 2 days, we will hear from country representatives, donor agencies, and international organizations on the ways we have addressed fragile and conflict-affected situations and the important lessons we have learned. My colleague, Paul Daniell, will present on behalf of AusAID's experience.

We will also have the opportunity to discuss how we can promote country ownership and leadership in developing lasting development solutions, how we can contribute to the implementation of New Deal principles, and how we can improve our partnerships to promote resilience.



# Countries' Experiences and Lessons Learned

## MODERATORS



**Mr. Lennis Rukale**  
Permanent Secretary  
Ministry of National Unity,  
Reconciliation and Peace  
Solomon Islands



**Dr. Francisco Lara, Jr.**  
Country Director  
International Alert, Philippines

**"... there needs to be better sequencing of priorities ... the speed of delivery must not come at cost of accuracy."**

– Mr. Shakib Sharifi,  
Economic Policy Advisor to the Deputy Minister,  
Ministry of Finance  
Afghanistan

**"Plans and reforms may be proposed and endorsed, but participation, ownership, and real effective demand for sustainable development are key to implementation."**

– Senator Mattlan Zackhras,  
Former Minister of Resources and Development, Biodiversity Champion  
for UN Convention on Biological Diversity  
Republic of the Marshall Islands

**"Make the subnational concern a national concern ... Match the solutions to the root causes of fragility and conflict ... Be participative and inclusive... Where you put your development activities is a political decision, not simply a technical one."**

– Undersecretary Luisito Montalbo,  
Executive Director, Office of the Presidential Adviser  
on the Peace Process  
Philippines

## AFGHANISTAN



**Mr. Shakib Sharifi**  
Economic Policy Advisor to the  
Deputy Minister  
Ministry of Finance

### Afghanistan's Pathway to Resilience and Stability

**T**hank you and very good morning to all of you. Isn't it fantastic that Afghanistan never fails to be the first one? Thanks to alphabetical order.

As you can see from the title of this presentation (Afghanistan's Pathway to Resilience and Stability), we are trying to be positive and don't talk about fragility, but rather talk about resilience and stability. Our experience has been a mixture.

To begin with pre-2001, Afghanistan was in a state of total nonfunctioning. The state was not functioning; Afghanistan ticks all the boxes for a failed state. Decades of conflict had left the economy in tatters, so practically no private economy was functioning, and a

generation of soldiers was presented to the society, rather than businessmen, brain drain. The entire professional sector, colossal society had fled Afghanistan. We had the Taliban regime that had excluded the women from public life, so the 50% of the entire population was excluded from public life, and the conflict was ongoing. The picture was very bleak. Afghanistan was on the brink of collapse.

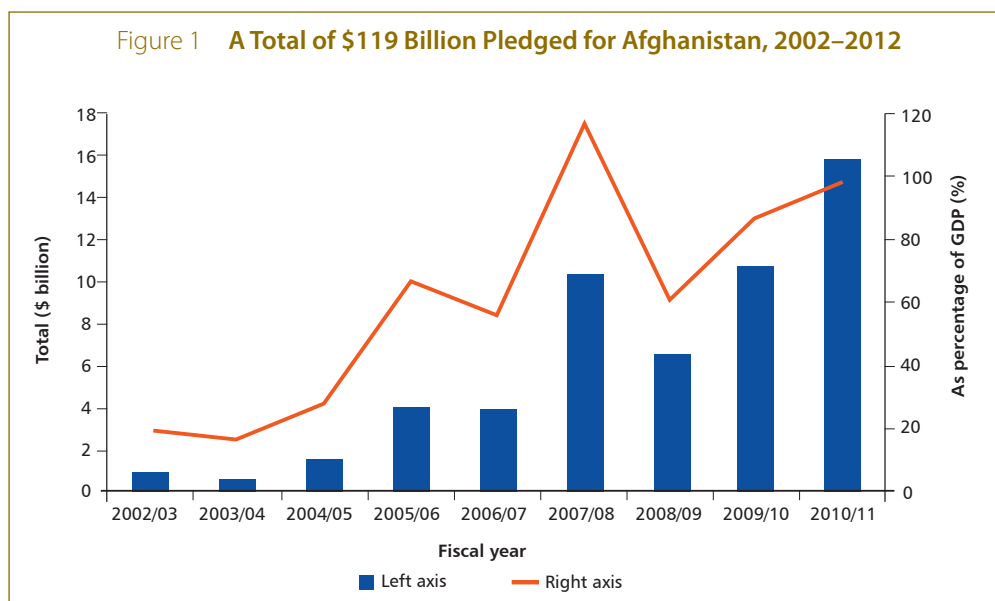
But then came 2001 and the unfortunate attacks of 9/11. But that presented Afghanistan with an opportunity. Afghanistan became the center of attention once again. The mammoth task of rebuilding the state of Afghanistan began with redrafting or rewriting the Constitution. Fortunately, the Constitution stipulates basic human rights in Afghanistan so it is one of the most liberal constitutions regionally. The 50% of the society regained the rightful place so they were back into the public arena. We had millions of children back to school, especially the girls who were not allowed to go to school under the Taliban, which consisted of 40% of the entire school girls in Afghanistan. And also most importantly, presidential and parliamentary elections took place which was unprecedented, not for the parliamentary but for presidential elections. It was the first ever popular, if you like elections, in Afghanistan. So these were the achievements.

As I mentioned, we had a generation of people who were fighters, who had guns and nothing else basically. We had to disarm them and take their guns away from them, and probably gave them some scares. But we couldn't do this at once. We had to take this gradually. So we had to do that into different phases. First, we tried to get rid of the bigger ones—artillery or the bigger guns—and then once we had done that in 2003, we moved on to collect the smaller arms and disarm irresponsible groups who were there operating as parallel structures. So it was a gradual process; we were pushing reforms just so much not to destabilize the country. We knew we had to collect all the arms but we couldn't do that at once, so we were pushing only so much reform not to destabilize the country. As Dean Mastoor mentioned, we will always have this in mind: that stability came first, then the reform had to be pushed so much not to destabilize the country. And then rebuilding the security forces attracted so much attention from the international community that on average, over 50% of the entire aid was dedicated to security in Afghanistan.



So this chart shows the total amount of used dollars pledged into Afghanistan and it shows that the international community has gradually built and increased its pledge into Afghanistan. But the only problem is this chart does not show is that the actual disbursement is not equivalent to, or near, that \$119 billion (See Figure 1).

And another problem that we have, more important, is that most of this aid is not channeled through government budget. As we can see, the chart (Figure 2) shows that over 80% of it is channeled directly so it doesn't basically make the significance that we would have liked to make, because we don't have the room to maneuver the money that is directly channeled through donor institutions to their own targeted programs.



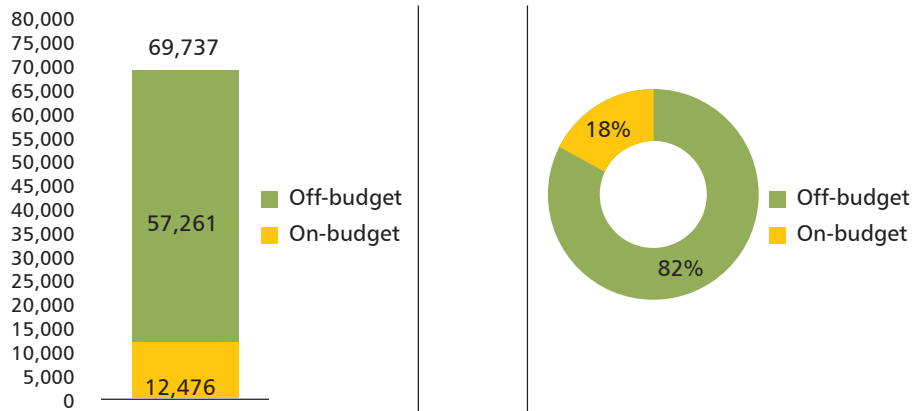
So this shows another gradual progress in Afghanistan. We thought, okay, we have the donor community and we have our own commitments. How can we match these two so that we have clear indices and we have clear benchmarks against those commitments? Do we measure our success or failure? So we came up with this mutual accountability framework which basically holds both sides accountable to their commitments and then measures the level of success. And it has two indices: One for hard deliverable from the Afghan government and the other one is hard deliverable by the international community.

Because Afghanistan is hugely aid dependent, we had to manage this aid more effectively. So we drafted an aid management policy which is a localized version of the New Deal in Afghanistan, which sets the parameters and which also tries to address the short-, medium-, and long-term issues that we have. On the phase of international community, that the forces leaving Afghanistan or the bulk of them leaving Afghanistan, we have to consider the consequences and what effects this departure has on Afghanistan so we manage that through Aid Management Policy.

There are several lessons that we have learned through this process despite having made huge strides toward resilience:

The governments need to take a stronger ownership of aid and assistance. We know that the donor community might try to target one program or one segment. But again, coming back to what Deputy Minister Mastoor mentioned, it is the local context; it is the country itself that

Figure 2 **Aid (Security and Development) through the National Budget (2002–2011)**  
(\$ millions)



### Afghanistan Aid Management Policy

- Serves as the localized version of the New Deal
- Contains globally recognized principles
- Involves country level processes and targets to improve aid effectiveness
- Addresses the short- and medium-term impacts of declining military presence and the exit strategy of the North Atlantic Organization-led International Security Assistant Force

knows its priorities. Having considered the limited resources we have, we need to target priorities. And the targeted programming will be another issue that we have to take ownership and go about.

And also sectoral growth should be proportional. When the Taliban collapsed, we were focusing so much on primary education, for instance; and we were also focusing so much on basic health access for women and children. We made huge strides on that section but now we are faced with a lack of investment in higher education. So once we designed the primary education, we did not pay enough attention to what would happen to them.

This is the time that we have to think about proportional growth. So when we invest on higher education, we also have to think about what will happen when they graduate from university?

Also there needs to be better sequencing of priorities. Also the speed of delivery must not come at the cost of accuracy. Sometimes you know speed is promised. And also local context must be understood very well.

Thank you.



## KIRIBATI



**Mr. Atanteora Beiatau**  
Alternate Governor for Kiribati  
in the Asian Development Bank  
Secretary for Finance and  
Economic Development  
Ministry of Finance and Economic  
Development

### Facts about Kiribati

Here are some basic facts about Kiribati. Distance is a major constraint for us as the country spreads across about half the width of the Pacific Ocean. Historically, the government needed to provide the basic infrastructure including wholesale food imports and distribution as well as hardware stores. Recently we have seen dramatic growth of the private sector, and efforts are being directed to foster that growth.

- 33 islands spread over 3.5 million square kilometers
- Population 103,000 with half in Tarawa
- Large fiscal imbalances
- Persistent low growth
- Heavy reliance on fishing revenues and remittances from seafarers as major sources of foreign exchange
- Prone to climatic weather pattern changes and sea-level rise
- Stable political environment
- Economy dominated by public sector

### Sources of Vulnerability

During the global downturn in 2008, Kiribati saw declines in its sovereign fund asset and depreciation in the Australian dollar. The Kiribati sovereign fund asset declined by 12% and overseas investments for our pension fund by 20% respectively in 2008. Depreciation of the Australian dollar led to an unprecedented increase in the prices of basic consumer goods by 19%. Annual remittances dropped from over A\$12 million to just about A\$8 million, consistent with the decline in the number of seafarers from over 1,000 annually before the crisis to just over 800 after the crisis. Given remoteness, development of the communication and transport system is very important. Recent cases of disrupted shipping schedule to islands could easily trigger shortages of basic food commodities and create social unrest among people as staple food commodities became short for long periods. Weather variability has created long periods of droughts in some of our islands, especially the southern islands of Kiribati, and sea-level rise will continue to threaten our single most important source of life—that is, the water that continues to supply the majority of the population that currently resides in Urban Tarawa. The result can easily be a catastrophic disease outbreak such as diarrhea in the urban area. We also have one of the biggest oceans [and] that has to be properly managed, as revenue [from] our fisheries resource provides the single largest budget revenue to government.

- External market shocks
- High population growth rate and limited employment opportunity
- Narrow revenue base—dependence on fisheries fishing license
- Weather variability and sea-level rise
- Underdeveloped communication system

## Policy Measures to Build Resilience

Economic reforms underway include reform of SOEs [state-owned enterprises] and pursuing revenue modernization reform program and improving management of the sovereign wealth fund. Reforms underway for SOEs include sale of some SOEs, encouraging public-private partnership, introducing business improvement plans as condition of bailouts, or explicit subsidies for community service obligations. We recognize the importance of expanding employment opportunities abroad. Work is underway to amalgamate our MTC [Marine Training Centre] with the FTC [Fisheries Training Centre] so that FTC can immediately benefit from the international accreditation and recognition of MTC, and our Kiribati Institute of Technology has introduced twinning certificate program with an Australian institute, in addition to the pursuit of seasonal workers schemes in New Zealand and Australia.

We also recognize the need to improve coordination of donor inputs as a means of improving aid effectiveness. We currently have in existence a Government of Kiribati-donor task force in a number of sectors including water, sanitation and waste management, education, health, economic infrastructure, and public finance management that meets regularly to review implementation progress and issues. Recent development on the climate adaptation and mitigation efforts includes the creation of a Parliament climate change committee that will work to identify appropriate interventions in this area.

- Pursuing economic reform programs (structural and fiscal reforms)
- Opening up domestic economy to investment, growth, and employment opportunities
- Pursuing climate adaptation and mitigation measures
- Setting in place national processes to improve donor coordination

## Deepening the Path to Economic Resilience

I have listed some of the practical issues that I think should be considered in order to deepen the path to economic resilience over the short to medium term:

- Maintain steady and consistent long-term support to reform efforts for fragile and least-developed economies.
- Strengthen and deepen further partner support toward the expansion of labor opportunities abroad.
- Strengthen and expand further national processes to support the close alignment of aid with national priorities that have high development impact.

## Conclusions

- The most vulnerable and fragile economies are those economies that are the least developed.
- Uncontrolled population growth poses a major and immediate constraint to development.
- Climate change and sea-level rise poses an additional constraint to development.
- Policies targeted to building economic and social resilience should factor the challenges of unsustainable population growth and climate change.





## REPUBLIC OF THE MARSHALL ISLANDS



**Senator Mattlan Zackhras**  
Former Minister of Resources  
and Development  
Biodiversity champion for UN  
Convention on Biological Diversity

### Local Context and Issues of Fragility and Vulnerability

The Republic of the Marshall Islands (RMI) consists of 29 coral atolls and five islands spread across about 181 square kilometers of the central Pacific. Our land area is small, but we rank #20 globally in area of exclusive economic zone, so that our economy is essentially a “Blue Economy.”

Our nuclear testing legacy has had a long-standing negative impact on the ability of affected communities to undertake sustainable development, because of the limited access to land as well as the disruption to communities and culture.

Now Marshallese are confronted by a different kind of imposed danger: climate change. As a low-lying atoll

nation dealing with the issue of fragility, climate change is at the forefront of any discussion of long-term resilience, livelihood, and sustainability for the RMI.

We are particularly vulnerable to climate threats emanating from changes in rainfall patterns. The northern RMI atolls are currently under a drought state of disaster. Over 1,000 households are running out of catchment water across a dozen atolls, leaving families to turn to salty and polluted groundwater alternatives, before reverse osmosis units and assistance recently started arriving from RMI government and disaster agencies. Breadfruit and other critical food crop trees have also been dying. Already-thin groundwater lenses have diminished and become salinized as back-to-back dry years have persisted. An El Niño next year would bring a nationwide drought (worse than this year). La Niña on the other hand raises sea-levels and salinity of wells. On top of which long-term sea-level rise is starting to have a noticeable impact.

Our narrow atolls, growing urban areas, and infrastructure are already vulnerable to storm surges, with wave attack and flooding now visibly increasing. The majority of communities have nowhere to escape to during these events. Erosion of coastal land is meanwhile accelerating. We are losing large ancient trees and houses in which we remember growing up. Public infrastructure is eroding—roads, causeways, and airports. Our graveyards are disappearing into the sea.

These threats exacerbate already existing development pressures arising from

- extremely high population densities on the two urban centers of Ebeye and Majuro, which account for 73.8% of our entire population of 53,158 (2011 census);
- rising incidences of poverty and urbanization;
- a dispersed geography of atolls over a large ocean area (making communication difficult and transport expensive);
- a national debt of over \$70 million with debt service projected to last 25–35 years; and
- a small island economy that is physically isolated from world markets but highly susceptible to global influences, in particular the cost of imported fuel.

Indeed, our social and economic viability currently hinges upon the cost of imported fuel. Fortunately, with the assistance of donor partners and countries we have been able to implement a reform plan that not only allowed us to stabilize power generation, but also gain financial breathing room with lower-interest loans from ADB and the US [United States] government's Rural Utilities Service. Moreover, we have been able to electrify nearly 100% of rural households with solar panels and transition a portion of public facility power to solar as well. However, our vulnerability to fuel price fluctuations still remains high and can easily curtail all our development aspirations. As a result, we are investing in coconut biodiesel, and ocean sources of energy such as OTEC (ocean thermal energy conversion) are also being championed by RMI along with our Pacific Island neighbors.

## What Development Approaches Have Been Adopted to Build Resilience?

In 2011, the RMI government adopted the National Climate Change Policy Framework (NCCPF), which sets out the RMI's commitments and responsibilities to address climate change.

The NCCPF priority areas include food and water security, energy security and conservation, biodiversity and ecosystem management, human resources development, health, urban planning and infrastructure development, disaster risk management, land and coastal management, and transportation and communication.

National adaptation policies have been enunciated, but adaptation funding remains elusive.

Against this backdrop of development approaches being adopted to build resilience, I will highlight two pivotal initiatives being pursued on the ground:

- Recently, a national assessment was conducted of the RMI's progress to date in the implementation of the RMI's strategic development plan framework known as Vision 2018, the Barbados Plan of Actions, and the Mauritius Strategy of Implementation, as grouped under the four pillars of the post-2015 discussions on sustainable development. The discussion on implementation concludes with a section on the creation of an enabling environment, in recognition of the importance oversight and management play in implementation. Central to creating this enabling environment, the RMI government has begun work on a national strategic plan (NSP) to articulate its medium-term development goals and strategies. The NSP will aim to set out where the RMI government wants to be in 3–4 years, and the design to get there, in line with the overall objectives of Vision 2018. Specifically, the NSP aims to have a monitoring and evaluation framework that uses locally tailored targets, in conjunction with Millennium Development Goal targets and indicators, to assess the performance of the plan. The RMI government is partnering with ADB to strengthen capacity within the Economic Policy, Planning and Statistics Office to ensure that it will be able to collect and analyze the data required to monitor progress of the NSP.
- Mechanisms to encourage the ongoing coordination between government, civil society, nongovernment organizations, the private sector, traditional leaders, and outside donors will need to be incorporated into the NSP. Plans and reforms may be proposed and endorsed, but participation, ownership, and real effective demand for sustainable development are key to implementation. *Reimaanlok*—translated to English means “Looking to the Future”—is one such mechanism that highlights how partnerships at all levels of society are key to a successful development strategy for building resilience to respond to climate change. The *Reimaanlok* strategy provides relevant agencies with a collection of

tools for community engagement. If the *Reimaanlok* strategy could be coordinated across sectors, it could help enormously in addressing any disconnect between international measures, government policies, nongovernment organizations, and civil society needing to be addressed in order to effectively build resilience.

### What Important Lessons Have Been Learned?

The preparation of the national strategic plan represents the first step in a much longer process of advancing sustainable development goals in the RMI. Effective and efficient execution of the plan will be key to its success. As already mentioned, there will be a need for a collective effort on the part of the national government, local governments, private sector, civil society, nongovernment organizations, and regional and international partners to take responsibility for implementation. In this collective effort, an emphasis must be placed on better coordination at all levels so that local needs and demands on the one hand and regional and international assistance on the other are effectively integrated into national development strategies and goals. The RMI and its partners need to pursue a more “bottom up” approach to development to avoid the pitfalls of a “one size fits all” framework.

The *Reimaanlok* strategy has been an increasingly effective approach to building resilience as the basis of our coral atoll existence and economy, and provides a practical means to support poverty reduction and economic stability, particularly in rural areas.

At the core of the *Reimaanlok* strategy is the Micronesia Challenge goals to “effectively conserve at least 30% of the near-shore marine and 20% of the terrestrial resources across Micronesia by 2020,” set in March 2006 by the Republic of Palau, the Federated States of Micronesia, the RMI, the US Commonwealth of the Northern Mariana Islands, and the US Territory of Guam.

Bolstered by the burgeoning merits of biodiversity and healthy ecosystems including the mitigation of and adaptation to climate change, since 2006 the Micronesia Challenge has gained increasing international recognition, donor interest, and has even been emulated elsewhere, such as in the Caribbean and Indonesian archipelagos.

Each Micronesia Challenge jurisdiction has developed a draft sustainable finance plan for achieving its goals under the Micronesia Challenge. These plans include an estimate of the overall costs of achieving the Micronesia Challenge goals, an assessment of internally sourced existing and potential revenues for these costs, a calculation of the “gap” between the costs and existing and potential funding, and a unified regional plan to achieve a Micronesia Challenge target endowment of \$58 million to fill the gap. Specific to the RMI, a target endowment of \$13 million that issues a 5% annual return on investment has been determined.



A list of potential sources for the endowment proposing new thinking and innovative ways of engaging development partners and countries has been developed. I want to thank ADB for this opportunity to highlight one such innovative approach recently endorsed for further evaluation at the 2012 Micronesians Presidential Summit.

Initial estimates of the so-called “Marshall Islands climate change adaptation debt swap” proposal indicate that incremental shares of the RMI’s scheduled debt service payments, reinvested into the RMI endowment within a 10-year time frame, could result in about an \$8 million total investment for poverty reduction while increasing economic stability and climate change resilience in the RMI.

In closing, I shall quickly reference recent talks about Pacific island climate change financing sponsored by ADB, in which the ADB Climate Change Implementation Program linked poverty reduction to climate change by explaining how climate change is “compromising prosperity, stability and security” and called for “dramatic scaling up of climate change adaptation efforts.”

Should a feasibility study be conducted of the proposed “Marshall Islands adaptation to climate change debt swap,” I am confident that the RMI’s self-determined *Reimaanlok* strategy and its corresponding sustainable financing needs will be duly recognized as one of many ongoing concrete initiatives within the Asia-Pacific region that are innovatively addressing the broad implications of fragility brought on by future climate change threats and existing development pressures.





## FEDERATED STATES OF MICRONESIA



**Ms. Evelyn Adolph**  
Director, Office of Statistics, Budget  
and Economic Management  
Overseas Development Assistance  
and Compact Management

It is indeed a privilege to be participating in this high-level forum on building resilience to fragility in the Asia-Pacific region, and I thank ADB and AusAID [Australian Agency for International Development] for jointly bringing us together for this important forum discussion.

I also thank the deputy minister from Afghanistan for outlining the differences in the sources of fragility in the grouping because I think that as we go through our presentations, those distinct groupings become clear. The country that I represent is one of those groupings like Kiribati, where the sources of vulnerability and fragility are mainly from the natural isolation of our countries to the rest of the world.

My short 10-minute presentation is outlined as follows:

1. Sources of fragility and vulnerability—the FSM [Federated States of Micronesia] context
  - Exogenous factors—climate change, physical isolation
  - Economic and financial
  - Political
2. Development approaches/strategies to building resilience
3. Lessons learned

I will spend a few minutes talking about the sources of fragility, which I have grouped into exogenous factors. Exogenous factors are what I consider to be predominantly beyond our control. And this includes the climate change issue that has been eloquently outlined by the senator from RMI [Republic of Marshall Islands]. I will not go into the details of how my country is affected by climate change. I will just take this opportunity to say that many of those challenges on fragility and vulnerability issues that are affecting RMI are also common in my country. Also the physical isolation issue is a big, dominant source of fragility for my island economy. The second grouping is the economic and financial sources of vulnerability and also from the political dimension.

Second is to just briefly discuss the development approaches and strategies to building resilience to these vulnerabilities, and also some of the lessons learned.

### Sources of Fragility and Vulnerability

#### *Exogenous Factors*

What I consider to be one of the exogenous factors is climate change. Our country is suffering from many of the climate change issues as outlined by RMI. And I am sure the other small, low-lying atoll countries will outline this in their presentations, so I will not take too much time to go into that. I just like to note that for us in the FSM, food security has not been an issue because of sea-level rise resulting from climate change. Food security in much of our outer island populations is beginning to emerge as an issue of vulnerability because of these atolls' reliance on food sources

such as taro, where we have sea-level rise. In most of these communities, taro patches are being inundated with salt water. So food security is beginning to emerge as a more dominant issue in those outer island pockets of our populations.

Physical isolation from world markets of goods and services is another very inherent source of vulnerability in my country. Similar to that is great distance between the four states of the FSM which also poses a lot of difficulties in terms of governance and also the economy.

We are also very vulnerable to price fluctuations in world commodity prices. Imports in the FSM, in the latest year of estimate, is equivalent to 60% of GDP [gross domestic product] and so when food and oil prices move in the world market, our economy is very susceptible to that. And inflation trends are very much reflective of world price trends.

### *Economic and Financial Conditions*

Another very important source of vulnerability is our reliance on external grants—in particular, grants that we are receiving from the US government under the Compact of Free Association. Those grants constitute more than 50% of our government budget. So when you look at the GDP trend for the FSM, where you see there are certain years of sharp declines in the economy, in particular in the late 1990s (1997 and 1998), what happened is that we had a big scheduled reduction in compact grant funding, which we had anticipated but were not prepared for. That translated very directly and very quickly into sharp GDP decline, as well as job losses and migration to the US [United States] of our population. In 2004, when the amended compact funding arrangement went into effect, there was also another period of very sharp decline.

We are also looking at what we are beginning to call our own fiscal cliff in 2024. The IMF [International Monetary Fund] and other experts perceive the compact trust fund (to replace the amended compact funding as a source of government budget) to be short by the sustainable estimate of about 40%. So if we do not build a resilient economy that relies less on compact grants by 2024, we will see a fiscal cliff.

### *Political Dimension*

The political dimension is not so much a source of fragility. Since independence, we have had very strong political stability in the FSM. Civil unrest is very uncommon or absent. What I do see as a source of challenge from the political dimension is the loose federation that we have in the FSM which contributes to weak administration. And I think that these sources of vulnerability are the challenges that we face and they require very bold and courageous reforms to reduce our reliance on compact grants and build a more diversified economy that relies more on private sector growth. Those require strong governance and strong administration, and that has not been demonstrated.

### *Strategies*

So other than our climate change strategies, most of which are regional in nature, our strategies for building resilience to these fragilities is none other than those same strategies to grow the economy and build a more sustainable future for the country. In particular, to reduce the budgetary reliance on compact assistance, we have developed an aid coordination policy or an ODA [overseas development assistance] policy with support from AusAID, which we expect to help us achieve our development agenda together with our increasing economic policies.

## Lessons

Very quickly, some of the lessons that I can draw from our past experience include the need for stronger and more effective administration. I see the need also for much incentive-based resource allocation from our development partners and also from within the country itself. These are some of the lessons that I see. Thank you very much.



## REPUBLIC OF NAURU



**Ms. Chitra Jeremiah**  
 Consul General in Australia  
 Former Director of Aid Management

Nauru's small size, extreme isolation, narrow resource base, isolation from markets, diseconomies of scale, and capacity limitations pose major challenges for sustainable development in Nauru. The constrained resource base, dependency on imports for food and energy security, and high level of aid received have resulted in extreme vulnerability to external forces, such as global food and energy price changes and financial and economic crises.

Virtually all Nauruan residential buildings and most economic infrastructure are located along the narrow coastal flat. Marine and coastal fisheries continue to be a source of food security for most people, particularly low-income households. Due to the proximity to the coast and the dependence on coastal and marine resources for livelihood and food security, Nauru is highly vulnerable to climate change, sea-level rise, ocean acidification, and natural disasters.

Nauru has limited resources. Its main exports are fish and phosphate soil, which is a finite resource. The mining of phosphate has degraded to a useless state [on] about 80% of the islands' surface area. The Earth Summit "special case" of Nauru is amplified by the limited availability of fresh water and the environmental damage caused by mining.

Building the resilience of the smallest and the most vulnerable among us is a critical endeavor, noting that our challenges are immense while our means are limited. How can a small nation like Nauru, which struggles to recover from a single shock, build resilience against the rising and ceaseless tide of natural and economic disaster?

From my country's perspective, resilience is a product of well-planned and developed infrastructure, strong institutions, and a strong economy. These three elements determine and enable a country to alleviate human suffering during financial shocks or prevent prolonged economic downturns. Without them, countries will be reliant on the charity of others to rebuild in the aftermath of a crisis.

These three elements—infrastructure, institutions, and economy—are also inextricably linked in a way that makes it difficult to have one without the others.

This needs to change. We must find ways to mobilize financial resources that are accessible to even the most vulnerable countries, so that they can invest in their infrastructure and begin to realize their full social and economic potential. This requires a paradigm shift away from international development policies based primarily on donor priorities and short-term profit-seeking toward ones based on actual need.

We must also move beyond sporadic capacity building efforts in the form of one-off workshops and consultant reports toward true institution building. My country would greatly benefit from a maintained in-country presence of international agencies to mentor Nauruans and guarantee that enduring skills are sustainably transferred to the local population.



However, we recognize that building resilience will always be an uphill battle as long as we face an increasing tide of man-made disasters, because those are becoming the most dangerous. Recognizing some climate impacts are unavoidable, developing countries have called for the establishment of an international mechanism to address loss and damage to help rebuild when disaster strikes, as well as to cope with slow-onset impacts like sea-level rise and ocean acidification, which threaten to undermine the foundations of our sustainable development. The mechanisms should be international in scale so that the large risk pool maximizes its cost effectiveness.

An effective mechanism will also require a comprehensive understanding of climate risks—to our infrastructure, to our industry, and to our territorial integrity—so that adequate financial resources can be mobilized. Multilateral agencies may be well suited to assist in gathering relevant data and helping perform a comprehensive risk analysis.

On the economic side, we are trapped in an increasingly volatile global financial system. The demand for outsized returns has fueled destructive speculation and downright corruption. Bringing stability and the rule of law to this broken system must be an international priority of paramount importance. Again, multilateral agencies can play a role in helping us understand the full extent of our economic vulnerability.

There is little that can be done alone to build resilience. Nauru is one of the many Small Island Developing States (SIDS) whose status as a “special case” for environment and development was recognized in Agenda 21 in 1992.

We have repeatedly reaffirmed this recognition, but few concrete steps have been taken to appropriately address them. Our sustainable development is lagging, and the Barbados Programme of Action, the Mauritius Strategy of Implementation, [and] other international agreements confirm that there remain enormous gaps in the system of international support for SIDS.

As we embark on elaborating and designing our post-2015 development agenda, we must ensure that our system of governance is effective not just for today or the next few years, but to meet the ultimate challenge of enabling everybody to achieve a better standard of life.

In conclusion we should not forget that true resilience can only be achieved after fully appreciating the scale of the challenge.



## NEPAL



**Dr. Dilli Raj Aryal**  
Director/Senior Statistician  
Economic Policy Analysis Division  
Ministry of Finance

### Post–Conflict Peace Process in Nepal

#### Background

Nepal is a landlocked, mountainous country that lies in between the People's Republic of China and India. It is very small but the altitude ranges from 100 meters to the highest peak in the world, Mt. Everest. The population is around 26.4 million with a growth rate of 1.35%. Most of the people—around 83%—live in the rural area. The GNP [gross national product] per capita is very low (\$472), and the population below the poverty line is 24.8%. The life expectancy is around 63 years and literacy rate is around 66%. There are 125 ethnic groups that speak

different languages, and there are 123 languages—even though our population is not very big. And then most of the people are Hindu, around 81%.

Talking about the macroeconomic situation in my country during the conflict and after conflict, there is very low economic growth, with GDP growth averaging around 3.9% over the last 10 years. There are some unique features—low revenue-to-GDP ratio, low ratio of capital expenditure to total expenditure, high level of fiscal deficit—so that there is a widening gap between revenue and expenditure. We heavily depend upon domestic loans and international cooperation. The government has been trying its best to raise social sector spending, and it has already introduced gender budgeting. Most of the development efforts are focused toward peace and inclusive, balanced, high, and sustainable economic growth.

These were some important events that happened in the past. The Maoists launched the armed conflict in 1996. In 2005, there was a 12-point agreement/understanding between the two parties (the government and the Maoists). In April 2006, there was an uprising. In December 2006, there was the broad Agreement on Monitoring of the Management of Arms and Armies, and then a new constitution was promulgated in 2007. Immediately afterwards, a legislature parliament and an interim government were formed. Under the interim government, the Ministry of Peace and Reconstruction was established. A mixed electoral process was introduced—the FPTP [first-past-the-post] and proportional system. In 2008, the Constituent Assembly was successfully held. But it has been dissolved, and now there is no constitution and there is no parliament.

### Root Causes of Conflict and Its Consequences

So far we recognize that the mixed root causes of conflict are identity (mainly cultural); access (mainly to social services and economic resources, wherein people feel that there is no balanced resource allocation in the society); representation (mainly in power structures); and the ultimate goal of economic well-being. Ideally there should be inclusion, participation, consultation, transparency, employment, and good governance.

There are negative impacts brought about by the armed conflict. There are more than 17,000 persons deceased; more than 1,300 persons disappeared and 1,200 persons kidnapped; more than 4,000 physically disabled; more than 75,000 internally displaced; and more than 3,647 public

infrastructures damaged or looted. The social fabric was torn and ultimately, there was a negative psychological impact in the society.

However, there are some positive impacts as well. There were social and cultural changes. After conflict, people are now empowered. There was drastic political change from monarchy to republic. The Constituent Assembly was successfully held, which gave people the opportunity to write a constitution for the first time in Nepal's history.

## Post-Conflict Peacebuilding

### Reconstruction

During the post-conflict period, around 3,647 public infrastructures that were damaged during conflict needed reconstruction. But now this number has increased to 9,000. To date, about 2,800 infrastructures have been reconstructed. The cost of damage, at that time, was estimated at \$450 million for the 3,647 infrastructures. The cost of reconstruction was estimated around \$800 million. Now, there is a Peace Fund—wherein all the donors put their money together in a basket. The total fund now is \$1,438 million. Out of that, donors' contribution is around \$670 million, and then the contribution of the Government of Nepal is \$768 million. To date, the disbursement is \$1,351 million. These funds have been used for reconstructing public infrastructures, building martyr's parks and monuments, and then for some model villages.

After the peace agreement between the government and the Maoists, the government established the Nepal Peace Trust Fund. The main objectives were to manage the Maoist cantonments as well as rehabilitation and reintegration, support the conflict-affected people through cash compensation, strengthen security and justice (revival of police posts and presence), and hold the Constituent Assembly and peacebuilding initiatives (elections). Figure 3 shows the commitments of donors to peace and reconstruction in Nepal.

The Nepal Peace Trust Fund is the largest project with respect to commitment and disbursement. The World Bank Group is the largest donor, providing a commitment of \$48.9 million for the Emergency Peace Support Project. However, this project does not appear in Table 1 below due to its low disbursement during Fiscal Year 2011–2012.

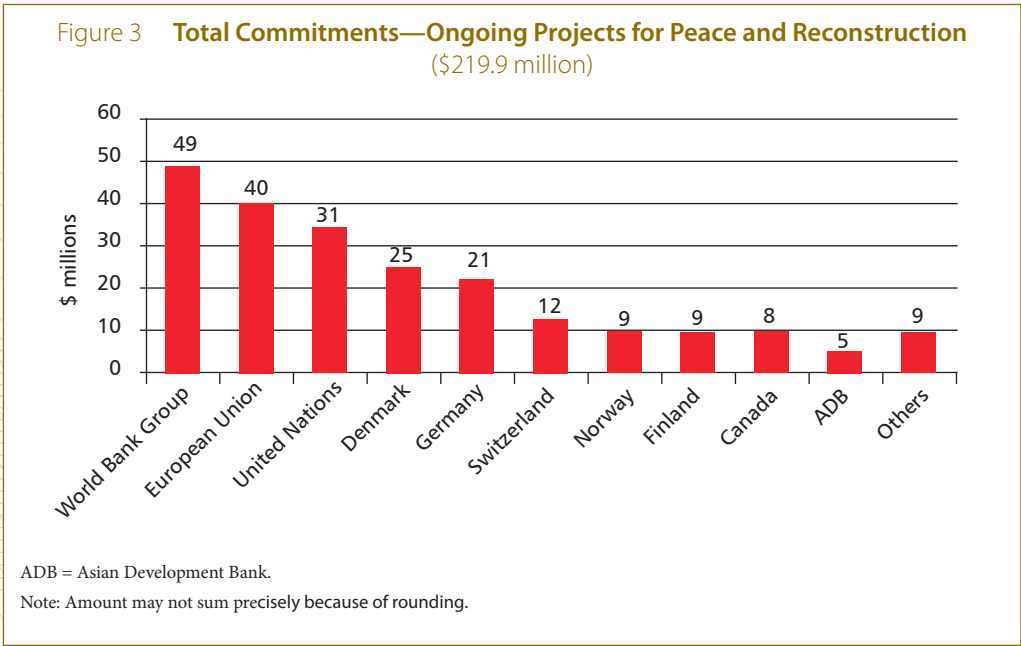


Table 1 **Top Five Largest Disbursing Projects for Peace and Reconstruction Sector,**  
(FY2011–2012)

Projects	Donor Agency	Total Commitment (\$)	Disbursement FY2011–2012 (\$)
Nepal Peace Trust Fund	Denmark, Department for International Development, <i>Gesellschaft für Internationale Zusammenarbeit (GIZ)</i> , <i>European Union</i> , <i>Finland</i> , <i>Kreditanstalt für Wiederaufbau (KfW)</i> , Norway, Switzerland	73,498,064	20,707,802
Support to Nepal's Transition through Improved United Nations Coherence	Australian Agency for International Development, Department for International Development (United Kingdom), Norway, Switzerland, United Nations Office of the High Commissioner for Human Rights, United Nations Development Programme, United Nations Permanent Forum on Indigenous Issues	5,603,970	3,182,820
International Protection and Assistance to Refugees, Asylum Seekers, and People without Citizenship in Nepal	United Nations High Commissioner for Refugees	14,827,904	3,020,128
Nepal Peace Support Program, Phase III	Denmark	7,596,042	2,778,032
Support to Peace Process (STPP)	<i>Gesellschaft für Internationale Zusammenarbeit (GIZ)</i>	12,378,201	2,596,166

### *Relief and Rehabilitation*

These are [components of] the relief and rehabilitation package that was agreed between the two parties and then provided by the government:

- Over 95 police posts reconstructed
- Over 25,000 internally displaced families supported with subsistence, including children's education and transport
- 256 disabled people provided with therapy services
- 1,517 families of disappeared provided with financial assistance of 300,000 Nepalese rupees (NRs)
- 8,321 families of damaged private property provided with financial assistance
- 7,961 disabled persons provided with financial assistance
- 611 widows of the deceased provided with financial assistance of NRs25,000

### *Reconciliation*

The recent Bill on Truth and Reconciliation Commission has been enacted, but for some reason it is under review of the Supreme Court. The Bill on Disappeared Persons is to be enacted, the High Level Peace Commission and local peace committees are under negotiation, and some of the agreements and understandings have not yet been implemented by the government.

### *Management of Arms and Armies*

These are part of the management of arms and armies: integration of combatants, land mine removal (now it is declared that there is no more risk of land mines in Nepal), and all the local cantonment offices and monitoring committees are now closed. It is all over.



- Integration
  - Out of 17,051 verified combatants:
    - 1,395 combatants are being trained for integration into Nepal Army
    - 6 combatants are being trained in entrepreneurship
    - Remaining combatants are voluntarily retired with financial incentive
    - Forming of a separate division for integrated Maoist combatants is in process
- Land mine removal (Nepal declared a land mine risk free country in 2011)
- Cantonment management and monitoring
  - Local level cantonment offices were closed in December 2012
  - Central cantonment management coordination office was closed in January 2013

## Development Approach

The development approach is to reduce poverty and accelerate inclusive employment-centric growth to build a peaceful, prosperous, and just Nepal—in particular to increase accessibility and growth; promote growth in human potential; enhance governance, accountability, and citizen's empowerment; and strengthen resilience and social equity.

From the donors' perspective—the 2011 Busan Partnership for Effective Development Cooperation, as you know, aims to

- Improve quality and effectiveness of development cooperation
- Increase the focus on ownership, results, and accountability
- Make cooperation more transparent and responsible
- Promote sustainable development in situations of conflict and fragility
- Partner to strengthen resilience and reduce vulnerability in the face of adversity
  - Shift from “aid effectiveness” to “effective development cooperation”
  - “New deal” for engagement in fragile states

## Uniqueness and Strength of Nepal's Peace Process

These are the uniqueness and strengths of Nepal's peace process:

- Homegrown approach (largely managed by internal actors)
- Fighting political forces (democratic political parties and CPN [Communist Party of Nepal] Maoists) coming together to fight against the then monarchy
- Abolition of monarchy
- Greater contribution of civil society
- People's power reflected in the Jana Andolan II
- Greater international support to people and parties after the takeover of the king on 1 February 2008
- Strong community-based development
- Nongovernment organizations
- Civil societies
- Community forestry
- Cooperatives
- Vibrant media
- Human rights watchdog
- Traditional practices (social values, culture, languages, and ethnicity)
- Unity in diversity

## Challenges in the Post-Conflict Situation

These are the challenges in the post-conflict situation:

- Political polarization creates difficulty in consensus making (constitution, election, decision on key constitutional issues)
- Weakening governance (lack of oversight institution, political divides on recruitment in constitutional bodies, weak security institutions and measures, poor capacity in handling emerging grievances)
- Absence of local bodies—challenge of downward accountability
- Emerging issues (ethnic and indigenous rights issues, natural resource sharing, boundary, cross-border crimes)
- Healing the past (restoring broken relationships, reweaving the torn sociocultural fabric, returning seized properties, assisting victims)
- Dealing with the present (rehabilitating infrastructures, restoring services, reintegrating internally displaced persons and combatants in the society)
- Dealing with the future (participatory constitution making, achieving economic recovery)

Thank you.



## PHILIPPINES



**Undersecretary Luisito Montalbo**  
Executive Director  
Office of the Presidential Adviser  
on the Peace Process

### Building Resilience to Fragility: The Philippine Experience in Autonomous Region in Muslim Mindanao

I will focus our presentation on the Autonomous Region in Muslim Mindanao (ARMM). When we got the invitation to participate in this conference, it took us a while to decide on whether to do so or not, because our country is moving to a high economic growth. For the past 5 quarters, we are hitting more than 6% GDP growth rate, and we are being perceived by different countries as the new Asian Tiger. In fact, over the past few months, we have gotten a raise in the investment rate from Fitch and Standard and Poor's, and we expect the same decision coming from Moody's any time soon.

The inflation rate is between 2% to 3%. So one might ask, “why would the Philippines be part of a conference on fragility?” And I think based on the ADB guidebook,<sup>5</sup> and [how] Deputy Minister Mastoor described the way that the categories of countries here are participating, we belong to a country with a subnational fragile situation. When we read the ADB handbook, it is as if the writers looked at ARMM, described it, and used that as a template for a subnational fragile situation (Figure 4).

ARMM has a strong ethnic identity, high levels of violent conflict, an autonomous government, and extreme variations of development performance, and that comprises what Autonomous Region in Muslim Mindanao is all about. ARMM is in the southernmost part of the country, composed of five provinces, roughly 21% of the population in Mindanao. About 89% of the total population in ARMM are Muslims compared to 5%–10% in the entire country. And it is the only autonomous region in the country. I think part of the reason why there are situations of fragility in ARMM is partly because of the way the autonomous region had been managed by central government.

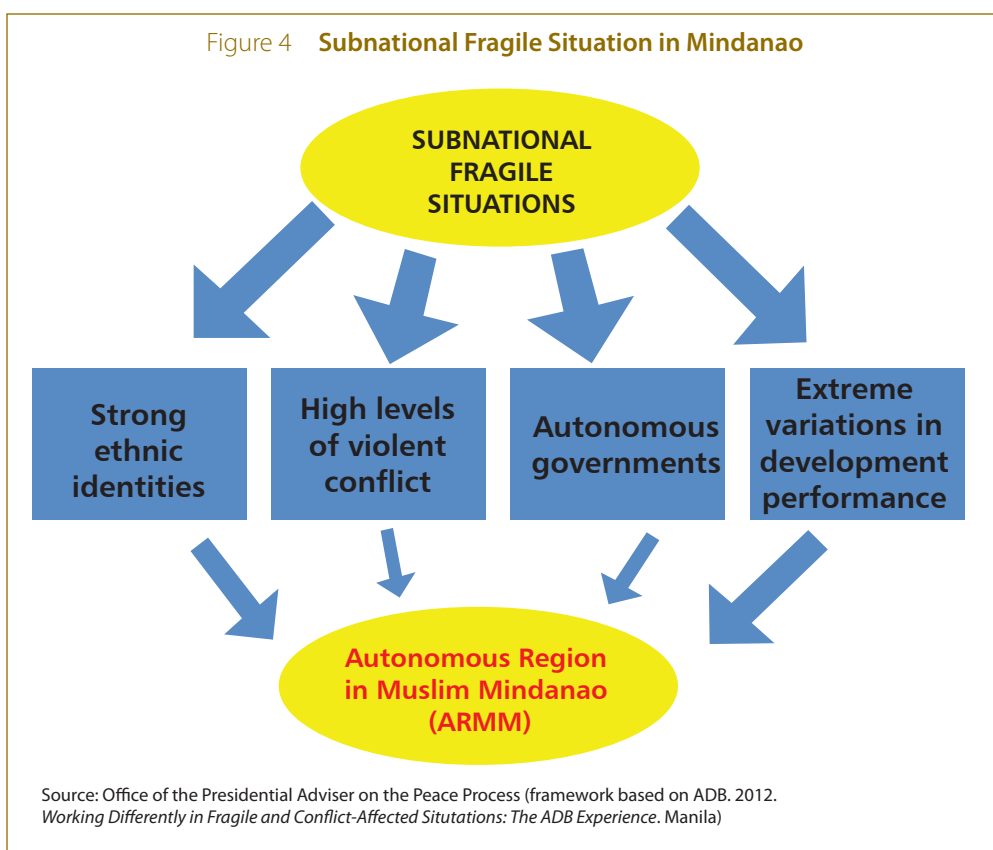
### Four Points of Fragility in the Autonomous Region in Muslim Mindanao

So we'll discuss four points of fragility in ARMM and move toward what are our approaches to address the fragility and the insights.

**First** is the history of armed conflict that has been going on for the past 40 years. An Islamic secessionist movement has been in place in ARMM for almost 40 years, first from the Moro National Liberation Front (MNLF). And when a peace agreement was signed with the MNLF, a splinter group, the Moro Islamic Liberation Front, waged war against the government. And because of this war, for the past 40 years, displacements had been happening very, very rapidly. Between 2000 and 2010, over 40% of residents in Central Mindanao were displaced at least once, according to a study by the World Bank and the World Food Programme. One in 10 was

<sup>5</sup> ADB. 2012. *Working Differently in Fragile and Conflict-Affected Situations: The ADB Experience*. Manila.

Figure 4 Subnational Fragile Situation in Mindanao



displaced five times or more. About 30% have been displaced more than once during that time. In Maguindanao alone, a province in ARMM, as many as 82% of households have been displaced at least once over the past decade. Estimates show that about 120,000 casualties have been affected by this war and you can also begin to estimate the economic losses because of this.

Apart from the vertical conflict with government, there are also horizontal conflicts. Clan wars or *rido* are steadily increasing, much of it because of disputes in land ownership, also causing a lot of displacements and death.

And the last is a huge amount of loose firearms, estimated at 20,000 as of 2012. And all of these firearms are accessible to buy lands coming from criminality, electoral contests, and clan wars. And putting all these together, it creates a reputation of ARMM that is very difficult to have the private sector invest on them.

The **second** point of fragility is the lack of clear policy on tenural arrangements for land ownership. There are a lot of conflicting instruments as far as land ownership is concerned—clash between traditional and the modern regalian framework, between land reform instruments and those pertaining to indigenous people (IPs), and private title ownership or just communal ownership. The result of this, as we have said a while ago, is a lot of conflict between families, clans, and even neighboring local governments, people in distrust toward institutions and each other, and again, this becomes a disincentive for the private sector to come in. It becomes very difficult for a private investment company to come in, not knowing who owns the land that they need to put their investments in.

The **third** point of fragility is the lack of accountable, transparent, and democratic local government processes in ARMM. For a very long time, until the last election, ARMM has been known to be the source of electoral fraud and violence.



Local governments are basically absentee. Because of the level of conflict and underdevelopment, many of the mayors and governors practically hold office in organized areas of Mindanao, so that those who are living in the communities have very, very little political leadership. And because of the vacuum in power and political governance, all the other factors begin to come in. And then corruption is very much there, and the presence of political dynasties that prevent a more inclusive rule from happening.

The **fourth** point of fragility is underdevelopment and poor access to basic services. One can surmise that because of the first three points, the end result is this fourth one. The Philippines has a 27.9% poverty incidence. If you are going to look at ARMM, it is 52.9%, practically twice the amount of poverty incidence compared to the Philippines. Compared to the National Capital Region where we are right now, which is 5.4%, you can imagine the discrepancy of growth between the National Capital Region and ARMM (Table 2). Even here, just looking at Mindanao alone, there is 3.2% growth rate of Mindanao between 2010 and 2011. In 2011, provinces with the highest poverty incidence are in ARMM (Table 3). So again, just to give you an indication of the level of discrepancy between the rest of the country and ARMM, and even if our trajectory for growth for the next few years continues to be at 6% and 7%, if no affirmative action happens in ARMM, ARMM will be left behind (Table 4).

Table 2 **Proportion of Population Living Below the Poverty Threshold (%), First Semester 2012**

Region	Poverty Incidence
Philippines	<b>27.9</b>
National Capital Region	5.4
Cordillera Administrative Region	28.7
I: Ilocos Region	21.1
II: Cagayan Valley	25.0
III: Central Luzon	15.6
IV-A: CALABARZON	14.3
IV-B: MIMAROPA	37.2
V: Bicol Region	43.3
VI: Western Visayas	31.7
VII: Central Visayas	33.6
VIII: Eastern Visayas	<b>45.4</b>
IX: Zamboaga Peninsula	42.8
X: Northern Mindanao	43.1
XI: Davao Region	34.5
XII: SOCCSKSARGEN	<b>45.8</b>
XIII: Caraga	42.0
Autonomous Region in Muslim Mindanao	<b>52.9</b>

Table 3 **Mindanao Growth Rate in 2009–2010 and 2010–2011 (%)**

Region	2009–2010	2010–2011
Philippines	7.6	3.9
<b>Mindanao</b>	<b>4.7</b>	<b>3.2</b>
IX: Zamboanga	3.6	0.1
X: Northern Mindanao	6.9	2.5
XI: Davao Region	5.0	4.1
XII: SOCCSKSARGEN	2.0	4.0
XIII: Caraga	7.4	9.6
<b>ARMM</b>	<b>2.3</b>	<b>–1.0</b>

Table 4 **Provinces with Highest Poverty Incidence (2011)**

Province	Poverty Incidence
<b>Sulu</b>	<b>63.2</b>
Masbate	62.8
<b>Tawi-Tawi</b>	<b>56.7</b>
Ifugao	55.6
Romblon	55.2
<b>Maguindanao</b>	<b>55.1</b>
<b>Sultan Kudarat</b>	<b>54.3</b>
Camiguin	53.1
Camarines Norte	52.7

Source: National Statistical Coordination Board.

## Government Approaches in Dealing with the Fragility in Autonomous Region in Muslim Mindanao

So what have been our approaches in dealing with the fragility of ARMM as far as government is concerned? **First** is to have a political settlement with the Moro Islamic Liberation Front (MILF) to end the armed conflict, because as long as we are not able to do that, all the other efforts will go to waste. **Second** is a complementary act by providing accelerated development and delivery of basic services in ARMM and addressing other root causes of conflict and fragility. Last October 2012, we were able to sign a framework agreement for the *Bangsamoro* with the MILF—a breakthrough peace agreement that will put in place, in 3 years' time, a new political entity called *Bangsamoro* that will settle, once and for all, the political question in ARMM. Included in that agreement is the mainstreaming of the MILF into the political landscape. In fact a few weeks ago, they declared that they will be forming a political party. This includes the normalization process of about 11,000 armed components of the MILF.

About the fast track and targeted socioeconomic development in ARMM, these are some of the figures that we have been pouring into the ARMM for the past few 3 to 4 years:

- *Payapa at Masaganang Pamayanan* (P16 billion from 2010 to 2014)
- Transition Investment Support Program for ARMM (P7 billion in 2012)
- *Sajahatra Bangsamoro* (quick-impact program on health, education, and livelihood)

In improving good governance, a transition and reform-based governor of ARMM will be appointed. The *Bangsamoro* government will put in place new governance mechanisms for inclusiveness and democratic principles. There will be more efforts to strengthen democratic, transparent, and participatory governance among local chief executives. What we are missing, to be honest, is greater programs on strengthening and improving the new arrangements in ARMM. That remains to be a huge work for us. As of the moment, we are beginning to work with the World Bank to make that happen.

## Insights

Some insights are:

- Make the subnational concern a national concern because of the difficulty of decisions that need to be made.
- Match the solutions to the root causes of fragility and conflict (not “business as usual”).
- Be participative and inclusive: strengthen “inclusive institutions.” I think our colleagues around the table keep on saying this: acknowledge, respect, and recognize the local wisdom.
- And the last one is everything is political. Where you put your development activities is a political decision, not simply a technical one. We may be weak in one and show strength in another. And for us in government, that is an important part in our consideration on how to make things happen in areas like ARMM.

Thank you very much.



## SOLOMON ISLANDS



**Mr. Lennis Rukale**  
Permanent Secretary  
Ministry of National Unity,  
Reconciliation and Peace

### Building Resilience to Fragility in Solomon Islands Context

#### Local Context

The political arrangement of Solomon Islands, particularly its government, is a Westminster system of government with the Prime Minister as the head of the executive. There are two levels of government. These are the national and nine provincial governments. Solomon Islands is a parliamentary democracy, with 50 elected members of Parliament with a term of 4 years.

Geographically, Solomon Islands has a land mass of 28,000 square kilometers with 4,023 km of coastline. Its exclusive economic zone is 1.34 million (km<sup>2</sup>) and

demographically, a population of 515,870 with approximately 85% in the rural areas according to the 2009 national population census. The country's national growth rate is 2.3% with urban migration estimated at 4% per annum.<sup>6</sup>

There is economic progression in the country. Its economy grew by 4.8% in 2012,<sup>7</sup> which is positively contributed to by the country's major trading sectors. Similar indicative progress continued in these trading sectors particularly in logging production, palm oil, copra, cocoa and minerals, with only a decline in fish in the first quarter of 2013.<sup>8</sup> In general, the country's economic outlook for 2013 is positive [and sees] major trading sectors rising, increasing levels in government revenue, continual debt commitment, and related economic fiscal approaches and measures taken.

Nationally the country has gone through experiences of conflict and impacted disasters which caught individuals (especially women and children), both the provincial and national governments, the civil society, NGOs [nongovernment organizations], and such other stakeholders in the country unexpected and unprepared since the post-independence period. These calamities, though, were minimal in scope and magnitude as compared to other like happenings in other international regions and continents; on a country level, they are unbearable, destructive, and intolerable to both the human purpose and dignity and the country's national economy.

The post-Townsville Peace Agreement and the Regional Assistance Mission to Solomon Islands [RAMSI] period have seen the start of a turnaround from the country's experience of the effects and impacts of the said conflict through undergoing implementations to return law and order, strengthen the institutions of government and its governance, and increase the integrity of agencies and the broader machinery of government. As a result of these institutional processes and programs, the country can now backtrack from its fall—socially, economically, and politically.

<sup>6</sup> Government of Solomon Islands, National Statistics Office. 2011. *Solomons Islands Population & Housing Census 2009: Basic Tables and Census Description*, Statistical Bulletin 6/2012. Honiara.

<sup>7</sup> Central Bank of Solomon Islands. 2012 *CBSI Annual Report*. Honiara.

<sup>8</sup> Central Bank of Solomon Islands. 2013. *Monthly Economic Bulletin*. Volume 4, Issue No. 4. April. Honiara.



The country also is able to proceed in tracking its regional and international obligations and commitments with having the opportunity to share its experiences regarding those conflicts and disastrous effects and impacts, and learn lessons from other neighboring countries that have also had either similar or near-similar experiences and approaches in building resilience to fragility.

## Experience of Fragility and Vulnerability

By and large the issues of fragility and/or vulnerability that the country does experience appear to be broad-based or so much wider in scope, form, nature, and perception. For example, some issues of fragility and/or vulnerability appear to be structural in nature, others are through permissive factors, or through proximate or triggering factors, and others more clearly through perpetuating or exacerbating factors.

Of those approaches and forms, this country paper provides those that are core in nature and relation—that is, are conflict-based, governance- and environment-related, and [present] Solomon Islands with intensive challenges and experiences at the country level. The following issues are in many ways derived from either being conflict-based, governance, or environmental. They are:

- Land—illegal settlements and the use of customary land and related land management and development approaches;
- Nonrecognition of traditional or communal authority structures—the undermining of these informal structures by formal authorities resulting in their breakdown or nonfunctioning and [inability] to deal with level of violence in the communities;
- Inaccessibility to the government services, public resources, and information—lack of capacity by the public service to deliver the service, fueled initially with challenges in political leadership over public financial resources of which should be channeled to the people;
- Economic opportunity—the derivation of inequality of economic developments and related income distribution to all provinces in the country and the continuous centralization of major national and external funded developments in the center;
- Law and justice—breakdown of mechanisms in this sector and direct focus to investment in this sector rather than exploring an alternative means to the formal sector, that is the informal justice sector, in particular the one around restorative justice;<sup>9</sup>
- Weak and fragile public sector or machinery of government—the inability of the public sector or the overall machinery of government to provide the needed service to the public or the rural populace due to capacity constraints and limitations and as well political influence in the public sector bureaucracy;
- Corruption—embedded legacy and networking among the higher level of decision makers on conflict of interest issues and matters which inflict a lot on the downturn performance of the overall public sector machinery which undermines its expectation to deliver;
- Leadership and breakdown in societal norms and practices—[there are] no leadership role examples or models in place and societal norms and practices [are] becoming dishonored and less upheld especially by the youth population;
- National and territorial security and policing—limitation and constraints in relevant national security capacities and capabilities resulting in the inability to respond to national and territorial security-related issues;<sup>10</sup>

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<sup>9</sup> See United Nations Development Programme (UNDP). 2004. *Solomon Islands Peace and Conflict Development Analysis—Emerging Priorities in Preventing Future Violent Conflict*.

<sup>10</sup> UNDP Pacific Centre. 2010. *Enhancing Security Sector Governance in the Pacific Region—A Strategic Framework*. Suva, Fiji.

- Environmental degradation—causes from both man-made activities and natural disasters such as forest overharvesting by massive logging; land, water, and river pollution from extractive industries; overfishing; and climate change impacts resulting in tsunamis, earthquakes, and cyclones and flooding.<sup>11</sup>

## Development Approaches

The development approaches that Solomon Islands adopted in building resilience were also broad in nature and scope. Because of the cross-sector and dynamic nature of the fragile and vulnerable issues that the country did experience, a single development approach or typology may not be able to fully rectify and accomplish the purpose to build resilience to fragility. Basically the country's development approaches in this respect are policy, legislative, and programming in nature.

### *Policy Framework Formation and Development approach*

In order to broadly address the fragility and vulnerability experience through the effects and impacts of climate change (or in sum total environmental degradation), Solomon Islands government through the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) developed and endorsed the country's national policy on climate change as the *National Climate Change Policy 2012–2017* with the assistance of development partners.<sup>12</sup> The context form in this policy is the country's response to the challenges and opportunities that climate change has presented to the populace, and more so to enable better coordination, cooperation, and collaboration among all players and stakeholders of climate change in Solomon Islands.

The Solomon Islands National Peacebuilding Policy Framework 2011–2020 (in draft under consultation) is another example in this respect under the policy framework formation and development approach which the Solomon Islands government, through the Ministry of National Unity, Reconciliation and Peace (MNURP), has developed with the assistance of development partners.<sup>13</sup> The context in this policy is to coordinate community, civil society, and government actors, as well as our donor partners in building peace.



<sup>11</sup> Government of Solomon Islands, MECDM. 2012. *Solomon Islands National Climate Change Policy 2012–2017*.

<sup>12</sup> Footnote 11.

<sup>13</sup> Government of Solomon Islands MNURP. 2011. *National Peacebuilding Policy Framework 2011–2020*. Draft.

The Civil Society Organizations and Government Peacebuilding Partnership Framework (in draft under consultation) is another example in this respect under the policy framework formation and development approach which the Solomon Islands government, through the MNURP, has also developed with the assistance of development partners.<sup>14</sup> The context in this policy is to provide a platform of coordination and collaboration among all these stakeholders to jointly implement the broader policy statements and intent relating to peacebuilding in Solomon Islands.

The *Solomon Islands National Youth Policy 2010–2015* is another example in this respect under the policy framework formation and development approach which the Solomon Islands government, through the MWYCA, has developed with the assistance of the development partners.<sup>15</sup> The context in this policy is to provide a framework whereby all stakeholders can use in policy planning and program implementation and to establish and enhance working relationships between all in youth development.

The *Solomon Islands National Policy on Eliminating Violence Against Women* is also another example in this respect under the policy framework formation and development approach which the Solomon Islands government, through the MWYCA, has developed with the assistance of development partners.<sup>16</sup> The context in this policy is to ensure that the cycle of violence is not continuing from one generation to the next—in other words, it is important for parents to recognize the need to raise their children as constructive citizens to help eliminate violence against women, who are responsible in raising good citizens in the next generation.

The Solomon Islands National Policy on Gender Equality and Women's Development (Partners in Development) is also another example in this respect under the policy framework formation and development approach which the government, through the Ministry of Women, Youth, Children and Family Affairs, has also developed with the assistance of development partners.<sup>17</sup> The context in this policy is solely the commitment to advancing gender equality and women in development. And this commitment is subject to implementation objectives across agencies of government and related sectors of development in the country.

Another example of the policy framework and development approach is the development of the Solomon Islands Public Service Human Resource Management Strategy 2010–2015 by the Solomon Islands government through the Ministry of Public Service with the assistance of development partners.<sup>18</sup> The context in this policy is the strategic approach toward building and strengthening the Solomon Islands public service sector so that it can administer the functions of government and efficiently and effectively deliver public services to the people of Solomon Islands.

And a further [example is] the development, endorsement, and implementation of the *Solomon Islands National Development Strategy 2011–2020* by the Solomon Islands government through the Ministry of Development Planning and Aid Coordination with the assistance of development partners.<sup>19</sup> The context in this development strategy is to build better lives for all Solomon

<sup>14</sup> Government of Solomon Islands MNURP. 2011. Civil Society Organizations and Government Peacebuilding Partnership Framework.

<sup>15</sup> Government of Solomon Islands, MWYCA. 2010. *Solomon Islands National Youth Policy 2010–2015* (Partnership for Youth Empowerment).

<sup>16</sup> Government of Solomon Islands, Honiara. MWYCA. 2009. *National Policy on Eliminating Violence Against Women*.

<sup>17</sup> Government of Solomon Islands, Honiara. MWYCA. 2010. *National Policy on Gender Equality and Women's Development* (Partners in Development).

<sup>18</sup> Government of Solomon Islands, Ministry of Public Service. 2010. *A Human Resource Management Strategy for the Solomon Islands Public Service 2010–2015*.

<sup>19</sup> Government of Solomon Islands, Ministry of Ministry of Development Planning and Aid Coordination. 2011. *National Development Strategy 2011–2020*.

Islanders through concerted actions across sectors of government, the development partners, and relevant stakeholders and continual institutional reforms at a country level.

### *Legislative Program Approach*

Passing of national legislations through the Parliament of Solomon Islands on sector issues of the country by several ministries and agencies of government is also an adoption in building resilience to fragility in Solomon Islands. Provided below are few examples of recent legislations that were passed by the Parliament of Solomon Islands.

**The Police Act 2013.** A legislative approach that supports the police force in Solomon Islands to strengthen their operational capacity to maintain law and order; to ensure community safety; to build community support and confidence; and to foster and maintain a professional, forward-looking police organization with good internal morale and proud reputation. These will be done by embedding ethical policing principles, community involvement in policing, and the development of partnerships with other agencies to increase public satisfaction, trust, and confidence. The Act serves as a legislative base to support police and communities to work together to maintain peaceful and harmonious communities.<sup>20</sup> This act is another form of building resilience, particularly in national and territorial security and policing in Solomon Islands. As contextualized above, this act amplifies the legislative form of approach that Solomon Islands executes in the fuller process of building its resilience to fragility.

**The Biosecurity Act 2013.** A legislative approach to regulate the importation and exportation of pests and diseases and the relevant powers to control their outbreak, including the biosecurity function of the government and its administrative functions and purposes.<sup>21</sup> This legislative approach is another similar form to building resilience that is specifically equated to the issue of environmental degradation—more particularly to ensure that probable outbreaks of diseases and pests that may be disastrous to the environment are legislatively accommodated while simultaneously not hindering the freedom of trade and the movement of goods and people.

Aside of the above laws as examples, over recent years numerous legislations that cover issues of enhancing financial revenue capability, national electoral process, national law enforcement matters, and so forth were also employed through the legislative program approach—building resilience in this sector area.



<sup>20</sup> See Police Bill 2013 at [www.parliament.com.sb](http://www.parliament.com.sb)

<sup>21</sup> See Biosecurity Bill 2013 at [www.parliament.com.sb](http://www.parliament.com.sb)



### *Programming Approach*

This is the final component in what development approaches that Solomon Islands has adopted to build resilience. Under this approach of programming to building resilience in the country, programs were carried out and are currently underway through both the multilateral and bilateral arrangement between the Government of Solomon Islands and development partners and their governments. The following are few examples:

The Regional Assistance Mission to the Solomon Islands pillar programs, namely the Machinery of Governance, the Economic Governance, the Law and Justice, and the Participating Police Force. Under each respective pillar program are broader structural and institutional program-based activities or developments which are both contextual and operational, with the ultimate objective to build and strengthen the ability and capability of government to effectively and efficiently respond to the needs and demands of the country and its citizens—effective service delivery. Also to create the enabling environment upon which the country can be able to further foster and excel in its social, economic, and political purposes and objectives.<sup>22</sup>

The **Solomon Islands Parliamentary Strengthening Project** [has] the ultimate objective of [strengthening] the democratic and civil institution of Solomon Islands (Parliament) that has the constitutional responsibility to ensure good governance. This project is a developmental approach toward building resilience in making the effective and responsive democratic and civil process for the people of Solomon Islands through the institution of the national legislature, which is the Parliament. In other words, the rebuilding of the institution of Parliament, including its administrative, constitutional, and oversight role, so that it can be able to effectively and efficiently deliver its constitutional responsibilities to the government and the peoples of Solomon Islands.<sup>23</sup>

The **Provincial Government Strengthening Programme** (PGSP) is also an example of the development approach to building resilience in Solomon Islands. The PGSP in this respect is to implement the developing of the Ministry of Provincial Government and Institutional Strengthening and the nine provincial governments in order to effectively deliver services to its rural populace. The objective in this respect is the improvement of the provincial governance and to contribute to the development of the nine provinces of the Solomon Islands. This objective is operationalized through three project components which are (i) the expansion of the provincial government responsibilities, (ii) alignment of the provincial government resources with their functions, and (iii) development of the provincial government capacity for promotion and



<sup>22</sup> AusAID. 2011. *Annual Performance Report 2010: A Report on the Performance of the Regional Assistance Mission to Solomon Islands*.

<sup>23</sup> UNDP. 2001. *Legislative Needs Assessment, Solomon Islands: Rebuilding Parliamentary Rule Post-Conflict*.

management of local development.<sup>24</sup> The eventual ability and self-sustenance of the provincial governments as a result of strengthened structural processes and institutions through this program is an in-built resilience—more particularly the enablement to effect delivery of provincial services to the rural population.

Another development approach to building resilience is the development relating to the environment degradation through climate change in Solomon Islands. In this respect this is the development of climate change adaptive capacity in one of the provinces in Solomon Islands, the Choiseul province. Under this building resilience approach it is aimed to adopt a more integrated and holistic approach to climate change adaptation and mitigation at the wider provincial level (as said in the provinces, at the “ward by ward” level). This approach foresees an integrated, holistic, and programmatic ridge-to-reef approach where different government agencies, development partners, and NGOs work in multisectoral programs to strengthen the resilience of the local population against climate change. In short, what this approach pursues is that potential sectors that are at threat or risk from climate change are identified, and then appropriate mitigation or adaptation activities are assessed that could be implemented to address these threats or risks and build climate change resilience.

The potential sectors that are at threat or risk from climate change include (i) agriculture, (ii) fisheries and coral reefs, (iii) coastal environments and systems, (iv) human health, (v) sustainable forest management, (vi) land use planning, (vii) water resources, (viii) infrastructure, (ix) public awareness and education, and (x) provincial institutional strengthening for climate change work.

Additional to this undertaking is the alignment of this approach to the national and provincial policies and plans purposely to ensure sustenance and continuity.<sup>25</sup> This programming approach as indicated above is another resilience initiative to address the environment degradation that is caused by the climate change.

Similarly, the current planning of the identification of types of program approaches to be taken per the recent Solomon Islands Truth Reconciliation Commission's report (on the findings and recommendations to the causes of the ethnic tension that the country has gone through from 1998 to 2003) is an opportunity that will enable the country, through the ministry and agencies of government, to map pathways for retracting from further conflict and to determine the future peace, security, and development for Solomon Islands.

## Important Lessons Learned

Of all the above, the important lessons learned were that these issues of fragility and vulnerability were dynamic in nature and are cross-sectoral. In other words, in them there are certain or further levels or layers of sub-issues which to a larger extent are embedded. And because of this, one agency or stakeholder alone cannot be able to address [them]. It requires a sector-wide approach. Another lesson learned is the importance of partnership between ministries and agencies of government, civil society organizations, community-based organizations, NGOs, faith-based organizations, the private sector, and the broader community with the ultimate purpose to jointly collaborate, coordinate, and cooperate in the implementation processes and programs in such regard.

<sup>24</sup> Government of Solomon Islands, Ministry of Provincial Government and Institutional Strengthening. 2007. *National Provincial Governance Strengthening Program*. Project document. January.

<sup>25</sup> Secretariat of the Pacific Community. 2012. Draft Paper on Development of Climate Change Adaptive Capacity—Rationale for a Ridge-to-Reef Approach in Choiseul Province, Solomon Islands. June.

There is a need to streamline and align all development interventions that various multi-stakeholders are currently implementing to enable a holistic, integrative, and harmonized approach; to delineate what each of these multi-stakeholders are doing; and to clearly see the achievements, gaps, and existing difficulties.

Another lesson learned is the importance of sustenance and continuity, especially in the area of programming through building resilience. As understood in programming—mostly it is technically supported by the development partners, and usually in its initial commencement phase or first phase, a good portion of technical support through the provision of technical advisors or program specialists can be heavily engaged to the extent of being hands-on to the technical operations of these programs. Hence, it is advisable to develop during the design stage of such programs, strategic exits or one of such frameworks that can also be implemented alongside the program proper so that once its lifetime is reached, there is clear confidence and capability to sustain and continue the program with local expertise.

Also the issue of incapacity and constraint in human resources and limitation of local technical expertise is another lesson learned. This situation becomes practical and real especially when new interventions are introduced and developed—such as new laws, policies, and programs—and furthermore the introduction and development of these said interventions were led by technical expertise from abroad including financial resources. Mostly what appears is that there is little engagement and visibility of local officials to implement these new laws, policies, and programs, resulting in a situation of “just go ahead and implement as one sees fit.”

Another lesson learned is the need for a centralized coordination point (CCP) on all implementations of laws, policies, and programs by all stakeholders in the country. It is common and obvious that there are multi-stakeholders in the country that are implementing national programs and projects toward the national overall objectives. However, during these courses, there is little or not at all central coordination of all the programs and projects that were implemented by these said stakeholders. Duplication of programs and project implementation can result, with the chance of not achieving the national overall objectives. Or if there is an already established CCP, this is to be restrengthened and equipped with resources in order to effectively perform this central coordination role or function. The importance of CCPs is for national governments to be [updated] on the progress of implementation of these programs and projects, to ensure that the purported results and performance of these programs and projects as designed are achievable and particularly for accountability purposes in development.



## Conclusion

This country paper is Solomon Islands' experience of issues on fragility and vulnerability and the national approaches that it employed to rectify these issues. As presented, Solomon Islands' approach to these issues of fragility and vulnerability is not a single-phase approach or by one particular agency or institution of government. It embarked on a more sector-based and holistic approach, particularly to how it designs and implements these national approaches.

Solomon Islands, as a country who has gone through a period of ethnic conflict (1998–2003) to what is locally known as the ethnic tension, has experienced the effects and impacts of this conflict that was never experienced in the country's history since the post-independence period. And these said experiences were intolerable, unbearable, and creates hardship to the overall sectors, institutions, and individuals especially women and children of Solomon Islands.

As part of the regional and international community, Solomon Islands' almost-collapsed state was immediately resuscitated at least toward the rule of democracy, when the Regional Assistance Mission to the Solomon Islands (RAMSI) technically intervened in 2003.

Post-2003 has seen a turnaround of the near collapse of the state institutions through embarking on a massive program-based approach, such as the return of law and order and the institutional restrengthening of the capacities and institutions of government through its various pillar programs.

And through its recent membership in the g7+ and the International Dialogue on Peacebuilding and Statebuilding, as a fragile state, as a developing country, and as a least developed country, the country is now able to forge regional and international partnerships and to learn from the opportunities through these processes and [from] those of its colleague member states who have also undergone similar experiences—toward its strategic and development progression of peace, security, and development subnationally and nationally.





## TUVALU



**Mr. Avafoa Irata**  
Deputy High Commissioner  
Tuvalu High Commission

**M**y presentation today will basically cover the vulnerabilities and fragilities that Tuvalu, as a small island country, continues to face that limit and influence its development prospects. The thing is that as elaborated by my colleagues from the small island countries of the Pacific who are represented herein, basically you will be hearing a lot of similarities.

### Categories of Vulnerability

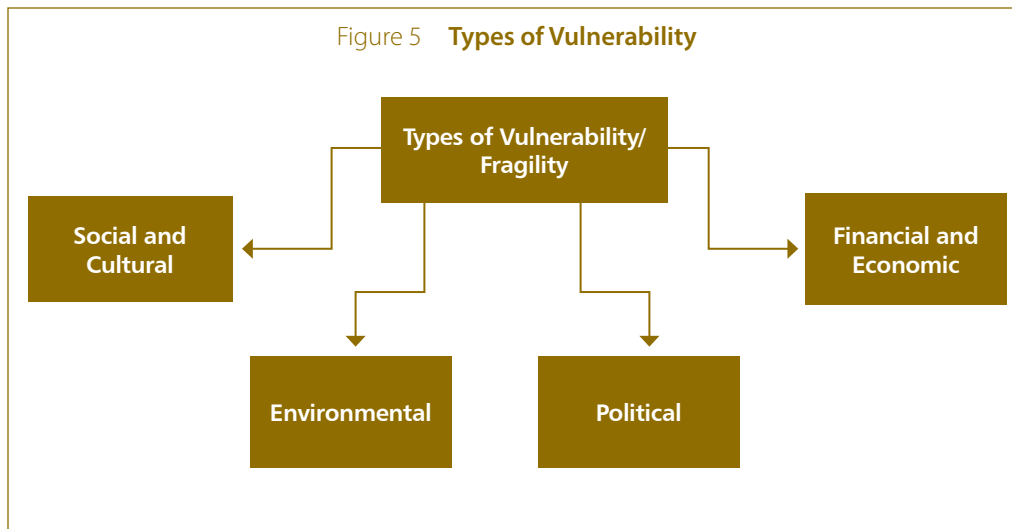
To give you a clearer sense of what I will cover today, I have prepared a model on the categories of vulnerabilities. I have divided them into social and cultural, environmental, political, and financial and economic fragilities. I will bring out issues from these four aspects which I would like to highlight as affecting Tuvalu in terms of fragility and vulnerability to its economy (Figure 5).

### Tuvalu in a Snapshot

Tuvalu is a small island country in the Pacific with a population of around 11,000. It consists of nine coral atolls with a land mass of around 26 square kilometers. On its economy, these are basic figures from 2012:

- GDP [gross domestic product] = \$33 million
- GDP per capita = \$3,200
- GDP growth = 1.2% (projected 2012)
- Private sector activity as % of GDP = 25%

The country has a very narrow local revenue base and there is high dependence on foreign aid and remittances, just like my other colleagues from the Pacific have elaborated on their own situations. What has been given focus for the future of Tuvalu is we developed the *Tē Kakeega II 2005–2015*, which is our national strategy for sustainable development. This has been ongoing for a few years now in terms of implementation. The midterm review of implementation was actually carried out in 2011, but there were some national consultations that took place last year, and the review was finalized and put into a proper document in 2012. I must say that ADB has been one of the agencies or development partners that capably assisted us in the formulation and implementation of the national development strategy.



## Issues of Vulnerability

Getting into the issues of vulnerability in Tuvalu, in terms of social and cultural factors, there is a general lack of resources (scarcity due to smallness) and it links to lack of human resources. Developing the health and education infrastructure is very difficult in Tuvalu, not only because of the narrow economic base but also for environmental and geographical reasons (physical isolation), considering the dispersion of the islands and the smallness of the land space and the scarcity of water resources.

Population increase has led to food security issues, water scarcity, pollution, and vulnerability to disease outbreaks (e.g., influenza), all of which impede human development. And this of course directly links to one of the fragile aspects of Tuvalu.

On environmental factors, Tuvalu is extremely vulnerable to climate change and global warming, owing partly to the small land masses surrounded by oceans, and their locations in regions prone to natural disasters. Efforts, as well as finances, drawn from already depleting resources are subject to risk reduction and disaster preparedness from the adverse impacts of cyclones, tsunamis, house fires, droughts, and inundated flooding. These natural disasters directly affect development infrastructure and livelihood of the population.

I also want to bring you political factors as a fragility issue to look at in Tuvalu. I heard it mentioned not only by some of my colleagues from the Pacific but also in the case of the Philippines. Politics also has given fragility to some of our countries. Politics in Tuvalu are entrenched with family connections and community relationships, rather than politics of good governance with clear development policies and principles that form the basis for intellectuals to aspire to lead government and formulate policies for effective leadership. As such, the political landscape is dominated by a lack of attention given toward addressing socioeconomic fragilities and vulnerabilities based on the economic development plans. But more political focus is given on personal, family, and community gains. This reflects a lack of strong political will that aims for national development priorities and aspirations.

More commitments from politicians to work toward fostering an enabling environment for good governance create opportunities for development and growth. Recently, internal differences between family members in an island community in Tuvalu have resulted in a bi-election that

will likely change the makeup in government. We all know very well the attitude of donors on the issue of recipient countries changing their governments. The trend of changes in government administration (five times in the past 10 years in Tuvalu) can impede good governance and accountability.

Government policies often ignore or neglect outer island development. The Falekaupule Act, which governs outer island development, has not had a material impact on development and has not benefited the outer island communities.

Tuvalu is highly reliant on external revenue sources for its economic growth and development, but all these are volatile and beyond the country's control as they are influenced by shifts in market prices, the global financial crisis, and inflation, among others. It is also not helped by the Tuvalu government's negligible primary incomes generated by the local productive economic sectors. The lack of productive domestic activities has often impeded a sustainable economic base.

At the forefront are the financial and economic factors, including the volatility of external revenue sources coming from our trust fund, fishing licenses, dotTV leasing arrangement, remittances, and foreign aid. There is also vulnerability on high dependence to fossil fuel as my colleagues from Solomon Islands and the Republic of the Marshall Islands have elaborated and touched on as well.

## Development Policy Approaches Undertaken

On the development policies and approaches that have been undertaken, looking at the social and cultural aspects, there were education and health achievements. You'll probably see that Tuvalu is on track with its Millennium Development Goal 2 in terms of education, but enhancing the delivery of health services is really important in Tuvalu. ADB in its assistance to Tuvalu has helped develop our maritime institutions, helping increase the number of seafarers in the industry.

On environment, we are looking at strengthening our focus on commitment at regional and international forums (e.g., PACC [Pacific Adaptation to Climate Change], Kyoto Protocol [KP] including KP arrangements), as well as our access to funding and climate finance initiatives.

On the political landscape, I looked at implementation of the Leadership Code and establishment of the ombudsman office. The establishment of the office has been approved but implementation has not yet taken place.

On financial and economic vulnerabilities, we are trying to look at the systematic use of sound fiscal management and practices (reforms in the financial sector with donor input and support); closer considerations and monitoring given to external sources of revenue; and proper aligning of finances to TK2 [*Te Kakeega II*] priorities and strategic partnership with donors.

## Lessons Learned

I will just go through the lessons learned quickly:

- Strengthen economic base to cope with possible future shocks to world economy
- Mix of prudent fiscal management and spending policies and responsible budgeting
- Expand revenue base
- Strengthen relationships with development partners
- Expand employment opportunities (drop of seafarers)

- Emphasize development activities that require active involvement of communities, nongovernment organizations (e.g., small-scale fishery activities)
- Improve essential government services under the TKII (National Development Strategy 2005–2015)

**Strong economic growth → Greater social and human development**

In the end, it boils down to good governance. And that is what we are trying to enhance in Tuvalu. We look at our vulnerability and fragility as very important aspects where we strengthen our development association with our donors and development partners. I hope, as I have already elaborated on, part of what we discussed in this forum, if we have a good, strong leadership back home, we can put this back to the discussion table.

Thank you.





## VANUATU



**Mr. Simeon Malachi Athy**  
Director General  
Prime Minister's Office

### Introduction

Vanuatu as a small island developing state experiences specific problems that arise from the interplay of a number of special factors. The vulnerability index of Vanuatu is one of the highest in the region as we are more prone to natural disasters such as cyclones, earthquakes, including other common forms of natural calamities, according to studies. Vanuatu is a country of many islands with 83 inhabited by some 264,000 people. Among these factors are their smallness, remoteness, geographical dispersion, vulnerability to natural disasters, the fragility of their ecosystems, constraints on transport and communication, isolation from markets, vulnerability to exogenous economic and financial shocks, a highly limited internal market, lack of (abundant) natural resources, limited freshwater supplies, heavy dependence on imports and limited commodities, depletion of nonrenewable resources, migration (particularly of personnel with high-level skills), and their limited ability to reap the benefits of economies of scale.

To build resilience, we have done the following at the national level:

- Planning document known as Priority Action and Agenda (PAA).
- Disaster Risk Management Plan (supplementary to PAA).
- Climate change programs (Vanuatu has established a specific ministry to deal with climate change, disaster, and energy vulnerability issues).
- Energy Road Map has been launched.
- On trade and accessibility to markets, Vanuatu has now a National Trade Policy Framework in place.
- We have come up with a Productive Sector Support Growth policy to assist our rural communities (the most vulnerable pockets).
- On infrastructure:
  - In particular, marine transport, focusing on interisland shipping through New Zealand–ADB project
  - Air (international airport)
  - Upgrading of local airports (facilitate tourism activities in outer islands)
- At the regional level we have the Pacific Plan, which is currently under review—four pillars, including security.
- At the international level—part of UN SIDS [Small Islands Developing States], AOSIS [Alliance of Small Island States], etc.—speaking in one voice to address issues at international forum.
- Vanuatu is a member of the Small Island States Forum operating through Malta, an entity supported by the UN that works with small island states to build their economic resilience. That in itself implies there is an approach to do certain things in the area of resilience against our vulnerabilities and fragilities. And I believe that the most effective precondition for building this phase is to first be able to sustain oneself.

## Important Lessons

Mr. Chairman, as we sit here today to ponder this important developmental topic, I want us to take about 5 seconds to try to spot our main difference. There are 12 people from 12 different backgrounds ranging from small island states (Kiribati) to larger islands (Vanuatu, Solomon Islands, then to PNG [Papua New Guinea]) and large landlocked countries, spread across a vast area of Asia and the Pacific.

This also means that relative to our respective capacity in terms of country sizes and population sizes, different levels of fragility and vulnerability can impact differently on us. A larger size country has a larger “capacity” to be able to bear or absorb external shocks—be it externally generated or internally. Lessons learnt from climate change issues and its impacts on smaller countries in the Pacific region are living testimonies in that its impacts are more of serious life-threatening concern to small countries in the Pacific than to, say, larger countries in the greater Asia-Pacific region.

In the case of the other countries represented here today, I believe the issues they are faced with daily significantly differ from other forms of fragility—be it conflicts, climate change, financial shocks, etc.

Another good example is that the effectiveness of an aid program or project on a one- or few-island country or landlocked country will be higher than from an 83-island inhabited island country like Vanuatu. In other words, certain pockets of the population are *ceteris paribus* being excluded from benefiting from such aid monies or funding.

I make these points to remind us of the fundamental fabrics—the commonly accepted realities that make up the physical structures of our countries, but were often unheeded in the past. That is why very little progress is seen toward international development goals to date.

I can go on to cite as many examples and experiences as I like; but given the time allocations, it really comes down the fact that we differ in size and everything else that comes with it, and therefore one size does not necessarily fit us all, as had been the case in our past global plans. As we've heard, the experiences of big, landlocked countries differ from some of us in the Pacific.

So I think the biggest oversight or omission of global or regional development plans is the misjudgment of our countries as “One World,” ou ‘un’ en Français. We need to start addressing these issues from their best common divides—by “departmentalizing” countries by sizes and others by their other natural characteristics, etc.—that way, we can better understand each other and be better placed to address the issues. (By the way, I actually noted these points before President Nakao's opening remarks this morning). We also have based many of our resolutions or recommendations from the bilateral or “other things constant” considerations, rather than taking a third-party approach, which in most cases is the main reasons for some of our shortcomings.

We simply need a special treatment from our development partners. I believe the building of a strong resilience against a country's vulnerability and/or fragility hinges on the countries' long-term ability to sustain it. For example, climate change has dominated the agenda of all international forums—including the involvement of international financial institutions. In my personal view, this world is moving on and issues such as climate change certainly eventually is something we should be prepared to take on board.

Aid and loan conditionalities are not in line with the principles of the Paris Declaration on Aid Effectiveness.

The Dili Consensus talks about including inclusive economic growth, peacebuilding and statebuilding, and climate change and environmental management in the new post-2015 development agenda. How do you do that without first having a strong resilient economy to be able to sustain its costs—is the question I want to pose. Unless our development partners retune or reorchestrate the bilateral or multilateral partnership programs we have with them, it's going to take years for these issues to be resolved. I believe this is a fair point to make as we are in the post-Paris period. The outcome of the Dili Consensus, while important, has financial implications on the already limited resources being committed by countries and their partners.

The most fundamental mistake that we are just about to make is ignoring the simple means by trying to “nip the problems in the bud;” instead, we choose to tackle the issues head on.

## Conclusion

In conclusion, the following are some of the points to note:

- Issues faced by countries around the table significantly differ from each other—be it conflicts, climate change, financial shocks, etc.—and thus need proper diagnosis and prescription.
- Effectiveness of aid programs or projects should impose less conditionalities on loans and aid monies. We simply need a “special treatment” from our development partners.
- “Departmentalizing” countries by sizes and by their other natural characteristics [will allow us to] better understand them and be better placed to address the issues at hand.
- We have based many of our resolutions from the bilateral or “other things constant” considerations, rather than taking a third-party approach, which in most cases is the main reason for some of our shortcomings.
- Building of a strong resilience against a country's vulnerability and/or fragility hinges on the ability of the countries' long-term economic ability to sustain it.



# Development Partners' Experiences and Lessons Learned

## MODERATORS



**Dr. Dilli Raj Aryal**  
Director/Senior Statistician  
Economic Policy Analysis Division  
Ministry of Finance  
Nepal



**Mr. Matthew Stephens**  
Senior Social Development Specialist  
The World Bank

**"Whether we are talking about the formulation of a country strategy or new policy or project, participation works and is needed particularly in weak political circumstances. Greater participation of likely stakeholders in identifying the demand for interventions and then in building on that demand to better identify, design, and subsequently adapt programs of assistance produces more sustainable results."**

– Mr. Ayumi Konishi, Deputy Director General, Pacific Department, Asian Development Bank

**"...it is crucial that efforts to raise international awareness, shape a stronger and broader consensus, and reflect appropriate approaches in the post-2015 MDG agenda are led by those countries that directly face these challenges."**

– Mr. Paul Daniell, Director, Fragility and Conflict Branch,  
Australian Agency for International Development

**"To build resilience, it is essential to nurture the continuum from humanitarian response to early recovery to long-term development."**

– Mr. Toshihiro Tanaka, Country Director, United Nations Development Programme, Philippines

**"Instead of building institutions (in fragile situations), try to better understand existing informal structures and develop ways to transform them towards more formal ones."**

– Dr. Markus Mayer, Regional Programme Manager, South and Southeast Asia, International Alert



## ASIAN DEVELOPMENT BANK



**Mr. Ayumi Konishi**  
Deputy Director General,  
Pacific Department

### What are We Looking At?

There are four types of situations in Asia and the Pacific that ADB refers to as fragile and conflict-affected:

**Fragile situations** are small and geographically isolated, often with scattered, low-density populations and underdeveloped markets. Opportunities for economies of scale and scope, as well as human and financial resources and infrastructure, are limited and highly dependent on aid flows. Core state political, security, and service delivery functions are weak, unstable, and concentrated around urban areas. Countries in these fragile situations may also be particularly vulnerable to climate change and disasters.

**Conflict-affected situations**—conflict or post-conflict, national or subnational—are those in which significant

social and economic disruptions lead to weak governance, extensive damage to infrastructure, and disruption of service provision.

**Transitional situations** include countries exiting fragility and conflict, or other significant social or political upheaval, wherein economies may be growing. Typically, however, reform processes are constrained by weak state capacities or poor governance. Delivery of essential services remains inadequate. Some countries may no longer be identified as fragile or conflict-affected per se, but the fragility risk remains. A country's transition may take place over a generation—between 15 to 30 years.

**Subnational fragile situations**—as defined by the Asia Foundation—have been afflicted by conflict for decades, leading to protracted cycles of underdevelopment, poor governance, and instability. These conditions often create an environment that stifles local economic growth, prevents integration into national and regional economies, and leads to deteriorating social services and a consistently high level of violent conflict.

### What are We Trying to Achieve?

May I also state at the outset what ADB's objectives are, and that is to (i) first of all, help address fragility and conflict-affected situations wherever possible, and (ii) secondly, ensure effectiveness of development assistance despite fragile and conflict-affected situations (FCAS).

### What are the Frameworks and Approaches?

ADB currently identifies FCAS based on the developing member country ranking in the annual country performance assessment and on other considerations of conflict. ADB distinguishes four types of FCAS: fragile situations, conflict-affected situations, transitional situations, and subnational fragile situations.

ADB adopted its current approach—The Approach to Engaging with Weakly Performing Countries—in 2007. ADB's Long-Term Strategic Framework, *Strategy 2020*, which was published in 2008, reinforces this commitment. The FCAS are also a special theme of Asian Development Fund XI. ADB's framework and approach will be implemented through the operational plan that was published in April this year.

Other related international agendas that ADB has signed on to include the Paris Declaration on Aid Effectiveness (2005), OECD [Organization for Economic Co-operation and Development] Principles for Good International Engagement in Fragile States and Situations (2007), the Accra Agenda for Action (2008), the Dili Declaration of 2010, g7+ statements in 2011, and the New Deal for Engagement in Fragile States also in 2011. ADB is also a member of the steering committee of the International Dialogue on Peacebuilding and Statebuilding. As a member of this dialogue, ADB will help identify specific actions to assist in implementing the New Deal.

## How Does ADB Operate?

### *Customizing Country Strategy Formulation*

If I can turn now to how ADB operates in fragile and conflict-affected situations. Key words or phrases here are a long-term commitment, selectivity, flexibility, partnerships, and people participation.

We now have a range of assessment tools to help customize our approach. These assessments include political economy analysis, a conflict-sensitive approach, and assessments of post-crisis needs, capacity development, the private sector, the social situation, conflict and disaster risks, climate risk, and also a communications strategy, gender analysis, and a peacebuilding tool.

Depending on the nature and stage of fragility or conflict, ADB can prepare either a full country partnership strategy, an interim operational strategy, or a watching brief. And a key approach to formulating country strategies is to tailor both the way we work and the final strategy to the situation of the country being assisted.

For example, in 2009 ADB adopted a regional Pacific Approach for 2010–2014 as the country partnership strategy for 10 Pacific developing member countries, which include 7 FCAS countries. This regional approach helped address challenges common to a number of developing member countries and provided opportunities to exploit economies of scale.

Another example is the interim country strategy for the Solomon Islands. Fragility was also a focus in the preparation of the new strategies for Nepal, Papua New Guinea, Solomon Islands, and Timor-Leste.

One common requirement, though, is the need to strengthen the functioning of the state. As the state functions better so can risks associated with investments be lessened, increasing potential returns.

### *Flexibilities in Project Preparation*

With regard to project preparation, ADB has a wide variety of project financing modalities to choose from. We can provide loans or grants, policy-based loans and sector loans in single or

multi-tranches. ADB has also taken part in the creation and operation of trust funds especially established to support recovery from conflict, such as in the cases of Afghanistan and Timor-Leste. ADB can also provide technical assistance to help design loans and grants or to build capacity or provide advice.

For example, in Afghanistan ADB is implementing \$1.27 billion worth of infrastructure projects that use innovative approaches to suit the particular conditions. Also in Afghanistan, three multitranche financing facilities have provided flexibility as well as a critical mass, and an opportunity to combine physical with nonphysical investments.

Again, a wide range of assessment tools are available to help tailor project preparation to the FCAS needs of a country. An example here, in line with the New Deal approach, is the use of technical assistance in support of ADB's Engagement in Fragile Situations that has recently piloted fragility assessments in urban settlements in the Pacific. The expected outcome is an improved model for integrated service delivery to informal settlements.

A key word here again is participation. Examples are a number of successful [technical assistance projects] in the Pacific that were identified, designed, and refined through relevant stakeholder participation. Please see the publications available beside this meeting room.

### *Tailored Project Implementation*

ADB can employ customized procedures in project processing and implementation on a case-to-case basis to address the unique challenges and capacity deficits of national institutions in FCAS countries. An example here is the turnkey arrangements backed up by fixed execution contracts that were used to achieve rapid results within a short time frame in a cost-effective manner in conflict-affected Afghanistan.

Project implementation has also been greatly strengthened by the increased presence of ADB staff in-country. An example here is the establishment of development coordination offices in several fragile Pacific countries that are shared with the World Bank.

Other steps that ADB has taken to strengthen project implementation in FCAS are the drafting of procurement plans, packaging of civil works, providing additional consulting services, simplifying disbursement arrangements, and issuing of a project manual.

### *Appropriate Monitoring and Evaluation*

ADB undertakes regular review of country and project portfolios supported by in-country review missions as needed.



## Broad Lessons

### *Adopt a More Programmatic Approach*

The Independent Evaluation Department's assessment of ADB's support to fragile and conflict-affected situations in 2007–2009 concluded that ADB's approach to fragile and conflict-affected situations is relevant, but that a different form of engagement is needed. The three key, broad lessons of this assessment were (i) that a more programmatic approach needed to be adopted; (ii) assistance should be more fully tailored to the context of the country; and (iii) greater coordination and cooperation with all realms of government, with non-state actors, and with other donors is needed. These findings are fully consistent with the recommendations of the 2011 *World Development Report* and they have been adopted in ADB's operational plan.

A programmatic approach to fragile and conflict-affected situations helps make project processing and implementation more efficient. Flexibility in dealing with the unseen and responsive and adaptive learning is also important where significant adjustments during project implementation are likely. A more programmatic approach to developing capacity in FCAS countries that takes account of the broader and the longer-term need to build organizations and institutions is required. However, a programmatic approach requires more staff in country.

### *Know and Apply to Country Context*

A deeper understanding of the country context, most especially the influence of political economy and the nature and causes of fragility and conflict, are essential. Political economy analysis has been employed in the formulation of country strategies for Papua New Guinea, Solomon Islands, and Timor-Leste. Political economy studies have also more generally informed ADB's operations.

Peacebuilding tools help in understanding the context in conflict-affected or transitional countries. ADB has adopted conflict-sensitive approaches in Nepal, Pakistan, and the Philippines. ADB has also used a different approach to some projects in the Philippines. This was reflected in the country's latest country strategy.

Whether we are talking about the formulation of a country strategy or new policy or project, participation works and is often needed in weak political circumstances. Greater participation of likely stakeholders in identifying the demand for interventions and then in building on that demand to better identify, design, and subsequently adapt programs of assistance produces more sustainable results. For example, in 2005, ADB and AusAID [Australian Agency for International Development] assisted the Government of Nauru in preparing its first national development plan using a participatory approach.

Other country context factors that support success include appropriate timing, flexibility, finding champions of reform, firm leadership, good communication, solid management, appropriate expert advice, external pressure, and adapting to local perceptions of change and local cultural demands.

### *Deeper Coordination and Cooperation*

Greater coordination should be led by the country. It can take the form of stronger FCAS ties with international bodies, stronger FCAS-led donor coordination, and/or better coordination with broader public sector activities and with non-state agencies.

Pacific countries have benefited greatly through the pooling of funds and technical experience, often with regional programs. Some countries are starting to embrace a joint policy action matrix to direct donor coordination and cooperation, and this could be more widely replicated.



ADB seeks to maintain a minimum level of engagement in even the smallest and most fragile of some of its developing member countries. This minimal threshold of assistance has often taken the form of a longer-term program of technical assistance targeted at strengthening the core functions of government. These core functions are revenue generation, budget management, policy formulation, motivating and managing a central public service, and improving the environment for private sector development. To question whether or not we should fund health or education may not be the key issue if these core government functions are weak. This was a key finding of ADB's 2007 capacity development study in the Pacific.

Deeper coordination with non-state agencies may also be required, most especially where the outsourcing of procurement, safeguards, project management, other project services, and the delivery of public services is pursued.

Again, a stronger presence on the ground greatly facilitates all these efforts. It is, however, important to also note that too much of a good thing can become too much of a burden and even be destructive. This could be an abundance of aid agencies descending on the newly peace-settled community, or the hasty extraction of an abundance of natural resources, or even too much international assistance.

## Conclusion

In conclusion, ADB has been developing and refining a carefully considered framework and approach to the fragile and conflict-affected situations of our developing member countries for some years now. This approach has been subjected to independent evaluation, ADB has adjusted its operations accordingly and this is reflected in the operational plan of April 2013. And we continue to learn from experience. Many of the lessons gleaned from this experience are contained in a staff handbook published last year.<sup>26</sup> I look forward to hearing about your own experiences and lessons.



<sup>26</sup> ADB. 2012. *Working Differently in Fragile and Conflict-Affected Situations: The ADB Experience*. Manila.

## AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT



**Mr. Paul Daniell**  
Director, Fragility and Conflict

For this presentation, I would like to address first, Australia's international engagement in support of fragile and conflict affected states, the policy approaches we have adopted as an agency, how we operate in practice, and what lessons we have learned.

### Our International Commitments

Australia is an active member of the International Dialogue on Peacebuilding and Statebuilding. Demonstrating tangible evidence of implementation of the New Deal for Engagement in Fragile States at country-level will be critical to gaining broader political support for its principles and building momentum in the international debate on the post-2015 Millennium Development Goals.

Working with our co-chair, Afghanistan, the Implementation Working Group has developed guidance for New Deal pilot countries and partners on the “**Role of Lead Donors**” and the development of “**Compacts**” under the New Deal.

Australia is also an active member of the OECD DAC [Organization for Economic Co-operation and Development/Development Assistance Committee] International Network on Conflict and Fragility (INCAF), which promotes effective donor engagement in fragile states and provides practical guidance to members on approaches to peacebuilding and statebuilding.

These international commitments, and our partnership with the g7+, other countries building resilience to fragility and other donors working in these contexts underpins our work in fragile and conflict-affected states.

### Australia's Policy Approach for Working in Fragile and Conflict-Affected States

In 2011, AusAID adopted and published our *Framework for Working in Fragile and Conflict-affected States*. It sets out three aims for Australia's approach:

- building more responsive states,
- preventing violent conflict, and
- building more resilient communities.

#### *Building More Responsive States*

For long-term stability and resilience, a strong government needs to ensure security and justice, deliver services and allow political debate. Australia does significant work to help countries build their governance capacity. For example:

- In Timor-Leste, our public financial management program works in partnership with the World Bank and other donors to help the Government plan its budget, get the money out to much-needed services, and ensure that the money is managed carefully.
- The Vanuatu–Australia Police Project's goal is to support a safe and secure environment for all citizens and visitors in Vanuatu and to contribute to the provision of excellent policing services and strong police–community relations. Priority areas of support are training and professionalism of the Vanuatu Police Force (VPF), policing infrastructure, workforce renewal, and improvements to internal governance.

### *Preventing Violent Conflict*

To help prevent violent conflict, efforts by AusAID and the Australian Federal Police (AFP) have supported countries to strengthen police, prisons and court systems. For example,

- Australian police are deployed to a number of countries in the Asia–Pacific including Afghanistan, Cambodia, Solomon Islands, and Timor-Leste to contribute to reconstruction programs and United Nations peacekeeping missions.
- In Cambodia, AusAID and the AFP have helped police, communities, and nongovernment organizations to work together to reduce crime rates and improve community safety.

### *Building More Resilient Communities*

Resilience is not just about state institutions, it is also about communities. Australia helps promote reconciliation, economic recovery and service delivery. For example:

- In Indonesia and Nepal, Australian support has increased women's involvement in formal conflict resolution and mediation processes.
- In Afghanistan, Australia draws on its dry-land farming expertise to help improve agricultural productivity and support this crucial sector of the economy.

## **Putting Our Policies into Practice**

### *Program Strategies and Investments*

Within AusAID, all new program analysis, strategies and key investments are subject to senior executive consideration of priorities and approaches. For all countries regarded as fragile or conflict-affected, AusAID's Fragility and Conflict team is represented in those senior executive framing and strategy discussions, to ensure that the special characteristics of these countries are taken into account and that we have a sufficiently long-term approach. By having senior executive endorsement at the earliest planning stages, we ensure that these issues are not just a specialist expertise, but also a mainstream consideration in those contexts where it is relevant.

To inform AusAID's approach, and to remain at the forefront of thinking and practice, we also maintain strong partnerships with research and analytical organizations, including the International Crisis Group, the Asia Foundation, and the Institute for State Effectiveness. These partnerships provide AusAID and our whole-of-government partners with contextual political and economic analysis to improve the effectiveness of our aid in fragile situations.

Fundamental to our way of working is a commitment to ensuring ownership by these states themselves. Since 2008, we have signed 11 Partnerships for Development, which are akin to the compacts envisaged in the New Deal.

The 2009 Cairns Compact on Strengthening Development Coordination aims to ensure the people and governments of the Pacific are in the driver's seat, delivering their own development programs, with help from donors such as Australia. AusAID is committed to international, regional, and bilateral efforts to identify and address the causes and consequences of violent conflict and to strengthen state responsiveness and community resilience.

### *Training*

In addition to our formal policies and strategy development, we aim to build the capabilities and skills of our staff to work with partners to implement the principles of our Framework, the New Deal, and to support efforts to build state and community resilience.

We provide training on fundamental approaches of working effectively in fragile and conflict-affected states, as well as specialized training in relevant concepts and tools such as the Do No Harm approach.

We work not only with our own staff, but involve other Australian government agencies delivering ODA [overseas development assistance] in these contexts, and also the staff of our implementing partners. Since commencing the training program, we have reached staff and implementing partners working in situations as diverse as Afghanistan, Fiji, Myanmar, Papua New Guinea, the Philippines, Samoa, Solomon Islands, Timor-Leste, and a number of countries in Africa.

### *Australian Civilian Corps*

In response to a clear need for deployable civilian expertise, to complement the deployable capabilities of our defence force and federal police, in 2009 Australia created the Australian Civilian Corps (ACC). It is designed so that we can rapidly deploy civilian specialists to countries experiencing or emerging from conflict or natural disaster.

AusAID administers this capability and the register of recruited and trained personnel currently includes over 400 qualified individuals. Specialists are drawn from a wide range of fields from public sector management to electoral assistance, law and justice, and stabilization and recovery, among others.

### *Whole of Government*

Australia's approach reflects our now long-standing practice of working together as whole of government. We recognize that responding to fragility is not just a matter of investments through development assistance, but also the support of security actors such as police forces, and real political and diplomatic engagement.





To harness our whole of government expertise and experience, Australia has also established a centre for excellence in the Australian Civil Military Centre (ACMC). Among its other work, the centre has published work reflecting on Australia's Whole-of-Government experience in Solomon Islands, Timor-Leste, and Bougainville.

## What Next?

AusAID continues to look for ways to improve its approach to helping states and communities overcome fragility and build resilience. To help us increase our effectiveness we will focus on a few key areas:

- **Translating knowledge into practice**—flexible and innovative AusAID processes and structures, appropriately skilled and trained staff, and ensuring local knowledge is captured within our planning processes and carried through to our engagement with partners.
- **Managing risk**—a continued investment in the development of good risk identification, mitigation, and management strategies, including more frequent and regular monitoring.
- **Increasing understanding**—understanding the context in which we are working is critical. This includes building knowledge of who to engage with and how, assessing how best to balance risks with opportunities and understanding the risks of not engaging.
- **Building institutions and processes**—helping partner countries strengthen their mechanisms for nonviolent conflict resolution is important. Longer-term planning and commitment is needed to avoid inadvertently undermining local capacity and institutions.

## Lessons Learned

The approaches I have described reflect what Australia has learned over years of engagement in fragile and conflict-affected situations.

We know that sustainable transitions and efforts to build resilience must be driven by fragile and conflict-affected countries themselves. Donors and other partners can support these efforts, but those implementing them and those directly affected by them must own the solutions.

This means that states themselves must gain domestic stakeholder and community support behind one vision, one plan for transitioning to resilience. The engagement of a range of actors, including civil society organizations, and the empowerment of women are crucial to longer-term resilience. We recognize that these processes are inherently political.

In situations of fragility, the risk of doing harm through poorly designed aid is high. International partners must take account of the context in which they are working, whether the challenges are ones of nature such as climate change, or man-made.



But it is also clear that development assistance alone cannot solve violent conflict or build greater resilience to fragility. International support will be more effective if it is part of a broader approach that includes security, diplomatic efforts and efforts, to revitalize and grow the private sector economy.

Finally, it is crucial that efforts to raise international awareness, shape a stronger and broader consensus, and reflect appropriate approaches in the post-2015 MDG [Millennium Development Goals] agenda are led by those countries that directly face these challenges.

Australia will continue to play a strong role supporting these international advocacy efforts, as well as working with partner countries and other donor partners toward ever better practice. We will add the voice of our experience working with partner countries on these challenges, and welcome the opportunity to do so here with you all.



## UNITED NATIONS DEVELOPMENT PROGRAMME



**Mr. Toshihiro Tanaka**  
Country Director  
United Nations Development  
Programme, Philippines

The title of this forum is building resilient communities in fragile contexts. What is resilience? We define resilience as a multidimensional and transformative process that builds on the innate strength of individuals, their communities, and institutions to prevent, mitigate the impacts of, and learn from the impact of shocks of any type so it can be reduced. These shocks can be internal or external, natural or man-made, economic, health-related, political or social, as well as climate change.

What are the core principles of a resilience approach? It should be context-specific, with respect for local ownership. I hear from many countries saying that the following is very important; that is, the approach should be comprehensive and integrated, a partnership, with commitment to innovation and learning, and a commitment to strategic, long-term engagement.

What domains are we talking about? This refers to resilience among individuals—supporting psychological well-being, building social and work skills and also leadership capacity at the individual level. Secondly, there should be resilience in communities—building sustainable, high-functioning social networks, safety nets, organizations, and associations, particularly at the level of the community. There should be diversified and predictable livelihoods with women participating. There should also be resilience in the form of accountable and inclusive institutions. Lastly there should be resilience in the environment.

What are conflict-affected situations and how are we trying to address them? Efforts to prevent and reduce the risks of disaster are central to building resilience. However, these concepts and institutions are far broader than what we might otherwise expect. We may find it more conducive to have only one system to deal with; that is, combining both conflict issues and also natural disaster issues. But very sensibly, analysis of the cause of such disaster, whether man-made or not, is very important.

Understanding resilience as a means of crisis prevention and a strategy for sustainable development raises the bar of achievement for all of us. We believe that transforming governance systems to ensure institutions are effective, inclusive, accountable, and responsive to the needs of all, particularly including the poor and most vulnerable, are essential to restoring the trust and confidence needed for lasting peace.

I will turn now to some of UNDP's experiences.

In the Philippines, we have been engaged in the actual peace program for many years in central Mindanao. One of the approaches we found to be unique and effective is in building peace through the creation of community-based peace and development advocates who used to be combatants. Now we are working on the UN Convergence Strategy for Mindanao to facilitate a synchronized delivery of services and interventions that are not only humanitarian but also developmental in nature, covering the economic, social, and environmental domains. We are working on an early recovery framework which links humanitarian relief with recovery and rehabilitation. We are also working on post-typhoon, power-affected Mindanao in Davao Oriental and Compostela province

where we are engaged in climate change adaptations and disaster reduction, working toward recovery. We have signed a memorandum of understanding with the provincial government and with AusAID [Australian Agency for International Development], engaging Australian Civilian Corps aimed at reducing climate change vulnerability and disaster risk reduction.

We are also engaged in a framework peacebuilding agreement established to provide advisory support for transitional capacity building (FASTRAC [Facility for Advisory Support for Transition Capacities]) with the World Bank. This is also being tested in Nepal.

We have the largest UNDP program involvement in Afghanistan. Here we have a Law and Order Trust Fund for the establishment of the Afghan national police force. We also have a Peace and Reintegration Trust Fund and a reintegration strategy in line with the Integrated Disarmament, Demobilization, and Reintegration Standards and other international principles. Then there is the capacity development of the Government of Afghanistan in rule of law service provisions and in state compliance with international human rights standards, both at the central and subnational levels.

In Myanmar, there is the Community Development for Remote Townships Program in cooperation with UNHCR [United Nations High Commissioner for Refugees] and civil society. We also worked on the border issues with Bangladesh, particularly concerning the Muslim population. We are also trying to work with other agencies from a humanitarian development context to reduce the cause of conflict.

In Pakistan, we undertook a post-crisis conflict needs assessment together with the World Bank, ADB, and the European Union. The Refugee Affected and Hosting Areas Programme between the UNDP, UNHCR, and other UN agencies aimed to ensure the peaceful coexistence of around three million Afghan refugees with the host local communities in Khyber Pakhtunkhwa and Balochistan. There is also the UNHCR-led Regional Initiative for Durable Solutions to Afghan Refugees that covers Afghanistan, Iran, and Pakistan.

Regarding lessons learned, state fragility is a function of not only weak institutions but also of social systems under strain. A resilient state is anchored in a cohesive society. Stark inequities and inequities undermine that state stability.

Resilient societies are those with a capacity for tolerance and dialogue that can amicably mediate differences. There is a need to build and exhibit social and civic trust, thus enabling people to feel included and encouraged to work together.

To build resilience it is essential to nurture the continuum from humanitarian response to early recovery to long-term development.

Institutions will not survive if we focus on their technical development without considering the context in which they operate.

A need to strengthen infrastructure for peace consists of networks of interdependent structures, mechanisms, values, and skills that, through dialogue and consultation, contribute to conflict prevention peacebuilding.

The design of resilient social systems needs to be informed of how, where, and why groups interact, or do not interact, and which incentives might encourage interaction.



Broad and multifaceted collaboration with community-based civil society is very important to facilitate the extensive reach, impact, and sustainability of conflict prevention and peacebuilding interventions. This is particularly important because these areas can be difficult to access and therefore be difficult to monitor and evaluate.

Another dimension is civilian–military cooperation, where a neutral human rights-based approach based on humanitarian principles that ensures safety and security is essential.

Thank you very much.



## UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT



**Mr. Daniel Miller**  
Head, Office of Economic  
Development and Governance  
USAID-Philippines

**M**y presentation today is entitled “Building Resilience and Mitigating Fragility, USAID’s Experience.” It covers USAID’s work in Mindanao in the Philippines and the Pacific islands, and also comments on worldwide issues of fragility and conflict.

We have had a long experience in Mindanao. Actually we have been there for over 100 years if you go back to 1898. But in terms of the work in development for the last 20 years, we still don’t understand a lot of what goes on. I think Undersecretary [Luisito] Montalbo really highlighted this aspect of the horizontal, the vertical linkages of the conflicts. We have a new strategy we are implementing that really focuses on five areas in Mindanao. The development objectives of USAID’s program in the region are peace and stability through the supply side of strengthening of local governance and demand-side civic engagement.

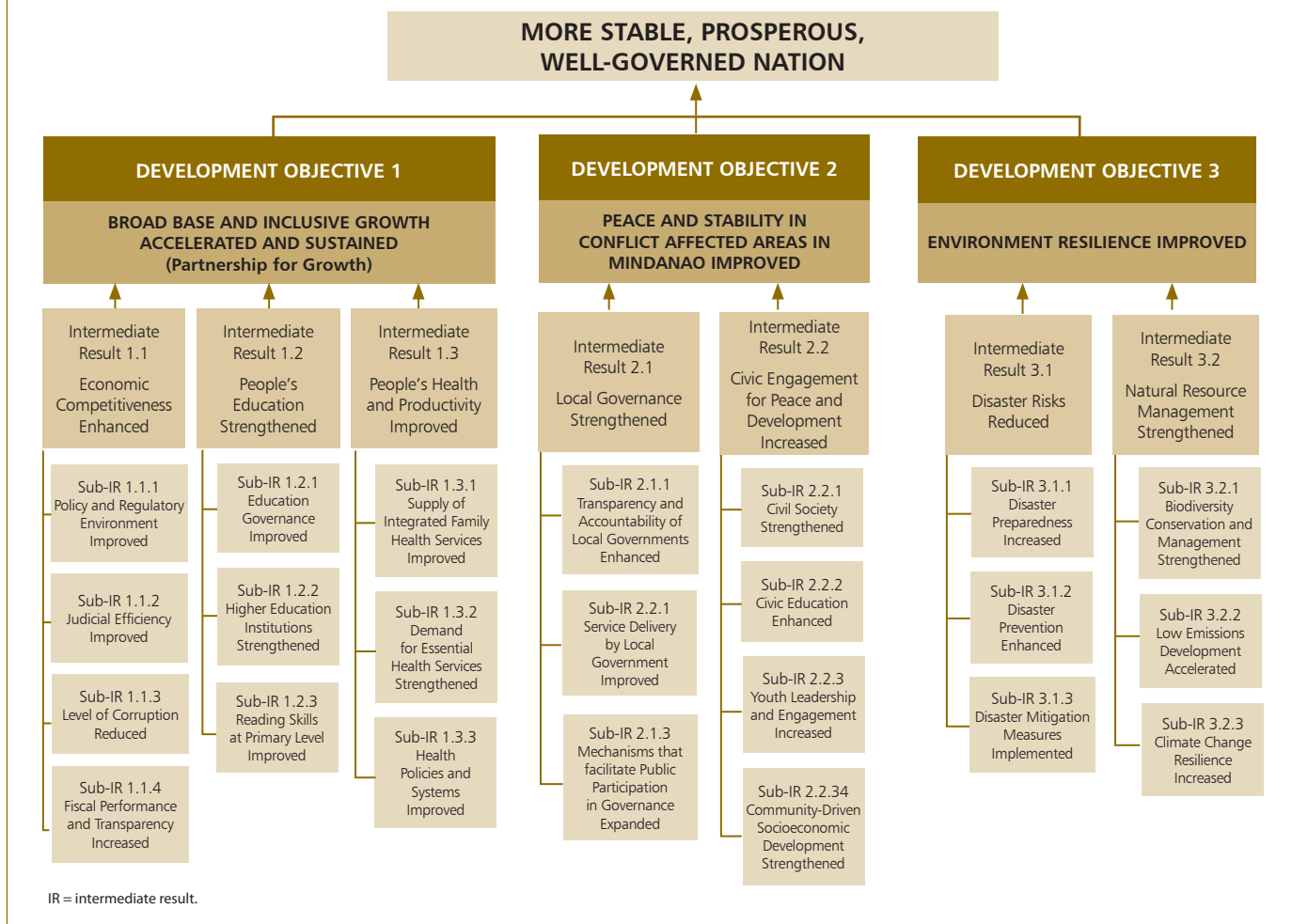
The frameworks and approaches adopted by USAID in its work in Mindanao are first of all an interagency conflict assessment framework. Within the US Embassy in Manila we have an interagency Mindanao working group. This group brings together all the US government agencies that are having programs in Mindanao. And it helps to formulate our overall strategy for the area. It is also, you might say, a country team mechanism that helps to facilitate coordination within the embassy. We also combine both humanitarian assistance when there are times of disaster such as the recent typhoon, and then of course the development assistance.

Our experience with the interagency conflict assessment framework reiterates what we have been hearing from a lot of the presentations, and that is the need to understand the local context, the need to understand the political economy. Also, we talk about windows of vulnerability and also windows of opportunity. Often as development workers, there is the tendency to focus on the negative, to go into a village and ask communities, “What are your problems? What do you need?” This puts matters in a negative sense. I think you need to more focus on the positive. Instead of asking what are your problems, turn it around and say, “What are your strengths that we can help you to build on; what you already do well?”

How do we operate in these fragile and conflict-affected states in terms of country strategy formulation, project preparation, implementation, and monitoring and evaluation? The US mission’s integrated country strategy is still in progress (Figure 6). The USAID’s country strategy for 2012 to 2016 is guided by the results of an interagency conflict assessment framework and other sector studies including consultations with government and other development partners. It is aligned with the Government of the Philippines development plan and will be monitored and evaluated. As for monitoring and evaluation, continued learning is very important. There needs to be flexibility built into all of our plans so we can adapt as we learn.

Lessons learned from USAID’s work in Mindanao are (i) integrated analysis, response strategies and operations, and shared responsibility for decisions are required; (ii) the persistence of armed conflict in Mindanao undercuts the creation of a more stable, prosperous, and well-governed Philippines; (iii) strengthening local governance and civic engagement to reduce conflict and violence are mitigating factors of conflict; (iv) assistance should fill the breach between relief

Figure 6 **USAID–Philippines Country Development Cooperation Strategy Goal Statement**  
(15 August 2012 Draft)



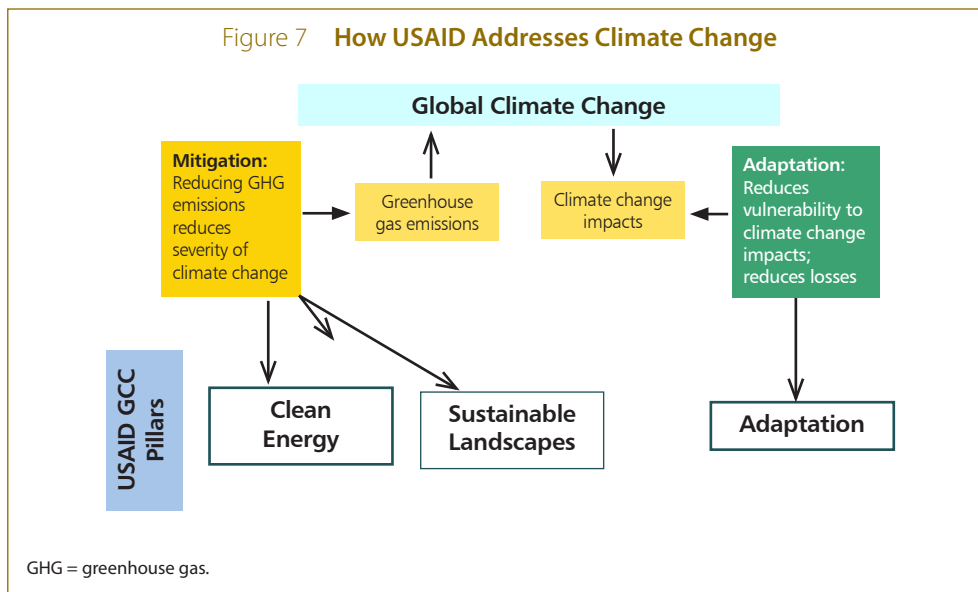
and development; (v) tapping local expertise makes community organizing more culturally acceptable; (vi) the construction and rehabilitation of key community assets help stabilize a fragile environment; and (vii) assistance to communities in conflict-affected areas are best aligned with the Government of the Philippines' program and implementation structures, thereby increasing the legitimacy of the government institutions. In summary, participatory, inclusive approaches are important. We also have to emphasize that uniting humanitarian assistance with development is going to be very important as we move forward.

The way forward is guided by the Global Alliance for Action, the New Deal on Engagement in Fragile States, and USAID's Building Resilience to Recurrent Crisis Policy of December 2012. Building future institutions should align with peacebuilding and statebuilding goals, aiming to establish inclusive economic institutions and strengthening state–society relations and the social compact. Resources need to be aligned to priorities and to be flexible.

In the Pacific islands, USAID operates a climate change program in 12 island nations that is community based, focuses on capacity building, and aims to establish successful models for replication and scale-up. The program is run out of Port Moresby.

USAID recognizes that climate change and global warming pose an additional challenge to economic development and ecological balance worldwide, particularly for developing countries and countries with economies in transition. Its key development strategy is to help countries accelerate their transition to climate-resilient, low-emissions, and sustainable development (Figure 7).

Figure 7 How USAID Addresses Climate Change



As a key approach to building resilience, USAID integrates adaptation strategies into key development sectors in order to reduce vulnerability of people, places, and livelihoods to negative impacts of climate change. In the Philippines, these sectors include forest, coastal and marine, and water and sanitation sectors. Activities supported are those that (i) improve access to science and analysis for decision making; (ii) establish effective governance systems; and (iii) pilot, evaluate, and implement effective adaptation methods and systems that address climate-related risks.

A map of USAID's tabulation of the world's most fragile countries helps to nail down where we see some of the problems are most acute. And here in Asia this is really focused on Burma [Myanmar]. Of course, there is the link between fragility and conflict, someone has been talking today about Afghanistan, the Philippines, even partly with Solomon Islands. But where there is high conflict, those are the areas that exhibit some of the greatest fragility as well.

By 2015, half of the world's people living on less than \$1.25 per day will be in fragile states. Development of fragile and conflict-affected states should prioritize building resilient, legitimate, and effective institutions. Of the 49 conflict-affected countries worldwide, 72% exhibit moderate to high levels of fragility. Another 16% exhibit at least some fragility. This means that 86% of the conflict-affected countries worldwide exhibit significant levels of fragility.

Nepal, Burma [Myanmar], Cambodia, and Laos [Lao People's Democratic Republic] face the combined challenge of high levels of fragility and extreme vulnerability to climate threats. Global poverty is declining sharply, except in fragile states. Weak illegitimate institutions are associated with poor development results. To tackle extreme poverty there needs to be a concerted push to build resilience and support fragile states to climb out of the cycle of conflict and poverty.

I have two copies of this building resilience that we can give out to some people here, or people can e-mail me and I can send it to you.





## THE WORLD BANK



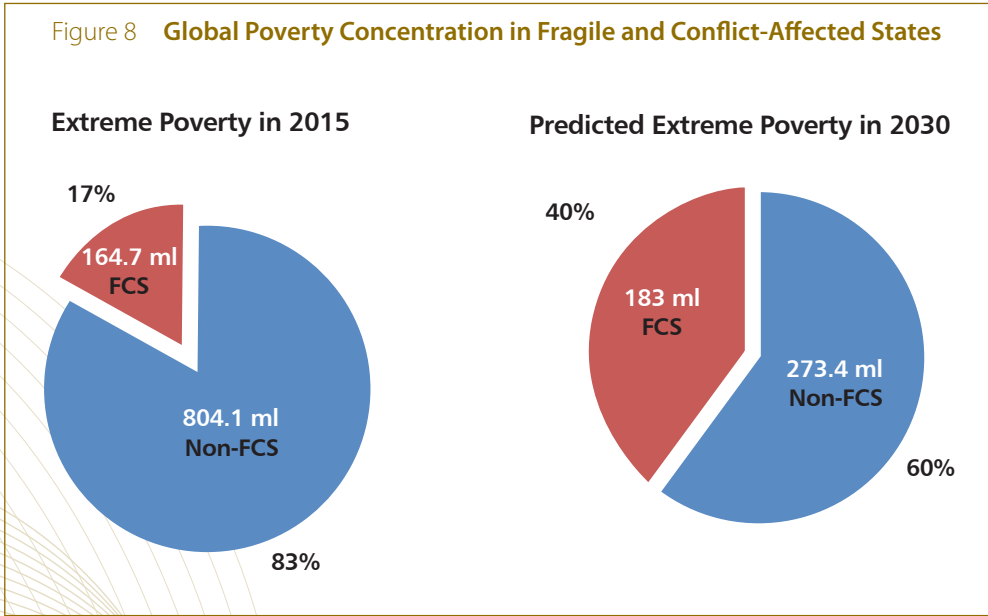
**Mr. Joel Hellman**  
Director, Global Center on Conflict,  
Security and Development  
(Via videoconference)

The World Bank is committed, along with the discussion of the new post-2015 Millennium Development Goals framework, to work toward ending extreme poverty by 2030. Currently, fragile states have about 18% of the world's extreme poor, those living under a \$1.25 a day. Those living in fragile and conflict-affected states will be up to 40% of the world's poor. While the rest of the globe is reducing poverty at about 1% per year and radical poverty shifts, extreme poverty will come down from about 800 million to about 200 million in all the non-fragile states. The actual number of poor and fragile states is going up and continues to go up; and in 2030, without any major changes, there will be more poor in fragile states than there is now. If you really are concerned about poverty reduction, focusing on fragile states is really a critical task for us going forward.

Among the multilateral institutions, the World Bank included, we are still far from achieving the goals that we want to achieve in terms of working with fragile states.

Currently only about 6% of the World Bank Group's total resources goes to fragile and conflict-affected states, while only 18% of the poor are already in fragile and conflict-affected states. We need to do more to shift our business model, to shift our resources, and to ensure that we can be effective in these environments, and that is one of the things I want to talk about today.

Figure 8 **Global Poverty Concentration in Fragile and Conflict-Affected States**



## Frameworks and Approaches

In terms of our paradigm and our thinking about what needs to be done, in 2011, we put out the *World Development Report*, which is done in partnership with many of the organizations sitting around the room as well as many others who engage with us in producing that report. The report sets out the framework on our thinking and our work: focusing on justice, security, and jobs; building legitimate institutions in these countries; and focusing on the early stage of building coalitions in order to sustain peace so that we can create a foundation for building these legitimate institutions.

I don't want to go over those lessons because I think they are now well discussed and well understood across the entire international community. But one of the important things about the *World Development Report* was that it called for a paradigm shift in the way the international community engages in fragile and conflict-affected states. At the same time, the g7+ and the International Dialogue similarly called for a paradigm shift in the way we provide aid to the New Deal, so there has to be a real major shift in the way we think about how to work and what are we doing in the World Bank in order to do that major shift.

I think there are a few aspects of our reform agenda in fragile and conflict-affected states that I want to focus on today.

First and most importantly—when we develop our strategies with governments in fragile and conflict-affected states, we need to ensure that those strategies are actually designed to address the very drivers of conflict and fragility in those countries. So we have developed a new analytical tool to work directly with our government in the strategy process, to help [identify] the drivers of conflict and fragility in each country, and to ensure that our operational program is designed to tackle those very drivers of conflict and fragility. That will set an important stage for understanding what are the actual drivers of conflict and fragility, what are the stresses and strengths (both internal and external), and how can we develop a program that is designed to address those?

Second, as many of you know who work with the World Bank and with other international organizations, our own procedures, our own practices, can be a source of headaches if not sometimes even nightmares for you, in terms of engaging with the international community. We need more effective, more agile operational policies to understand the particular context and the capacity issues, and the challenges of fragile and conflict-affected states. So we are trying to create a differentiated operational framework, differentiated policies to recognize the different needs of fragile and conflict-affected states. And I am pleased to say that the World Bank, more just recently in the last 6 months, approved a new operational policy framework for fragile and conflict-affected states that allows us to do faster approvals; that allows us to recognize differences in procurement, safeguards, and financial management regimes; that allows us to provide greater support for implementation of projects; and would allow us to move more flexibly in working in fragile and conflict-affected states.

And I am actually pleased to see that we are using the Pacific islands as a pilot for this. In fact just this week, we proposed and approved a new way of supporting the clients that we work with in the Pacific islands, with direct support to understand the procurement rules, the financial management rules, the safeguard rules that can be so often difficult to penetrate when working with organizations like the World Bank. And we want to bring in direct support to the Pacific islands, to our clients, to help them navigate that matrix of complexities in working with us and getting effective aid in a well-governed environment.

We are making changes in our human resources policy to get better-trained staff into fragile and conflict-affected situations who understand what needs to be done in those environments. We are trying to build a stronger community of practice, a knowledge group, to try to build from our

experience, so that we are gaining more experience about how to work together in fragile and conflict-affected states. And we are doing this in close partnership with the G7+ and with many of our development partners too, in fact, through International Dialogue and so forth. What would be critical is to bring in new financing and new funding into the fragile and conflict-affected states.

And the last thing I want to say is that we are very pleased to be putting before our constituents, our stakeholders, and the International Development Association, a plan that is being discussed now and over the coming months, which will increase by up to 70% the amount of resources that go into fragile and conflict-affected states. This would be a paradigm shift, a significant shift in the resources that we put into fragile and conflict-affected states. And we need to make sure we use them most effectively.

## Lessons Learned

What are the lessons we are learning? It is to make sure that those resources are used most effectively.

First, we have to come back to risk aversion because working with fragile and conflict-affected states is all about taking risks, and yet we can be very risk-averse institutions. So we are working on the attitude and approach to risk within our staff.

Second, we have to work in partnership. This is critical not only with development partners and with civil society, but with security and political institutions because peace and development are inextricably interlinked and we are working much more closely with the United Nations and the regional security institutions to do that.

Lastly, we need to change our approach to thinking about our projects. We tend to do our projects in a fixed way. We design projects, then we implement them according to those designs. But we know the world in fragile and conflict-affected states is much, much more volatile and uncertain. And we need to build in feedback loops, learning, experimentation, innovation into the projects themselves so we can shift those projects more flexibly as the situation changes. So we are trying to make those changes.

I am leading an organization here in Nairobi and in Washington that tries to build and bring together the World Bank's experts on conflict, security, and fragility in order to bring these lessons across the entire globe, not just here in Africa. We are close to some of our agent clients in Afghanistan and Nepal but we are working to become even closer to some of our clients in the Pacific and elsewhere working in fragile states. We have big programs in our countries and in those countries of operation, but we want to bring this lens of fragility and conflict to those programs. And we are trying to do that through our center in Nairobi. I will be happy to talk more about it or to give you more information through my colleague, Matt Stephens, about what we are doing.



## THE ASIA FOUNDATION



**Dr. Steven Rood**  
Country Representative,  
Philippines and Pacific Island Nations  
and Regional Advisor for  
Local Governance

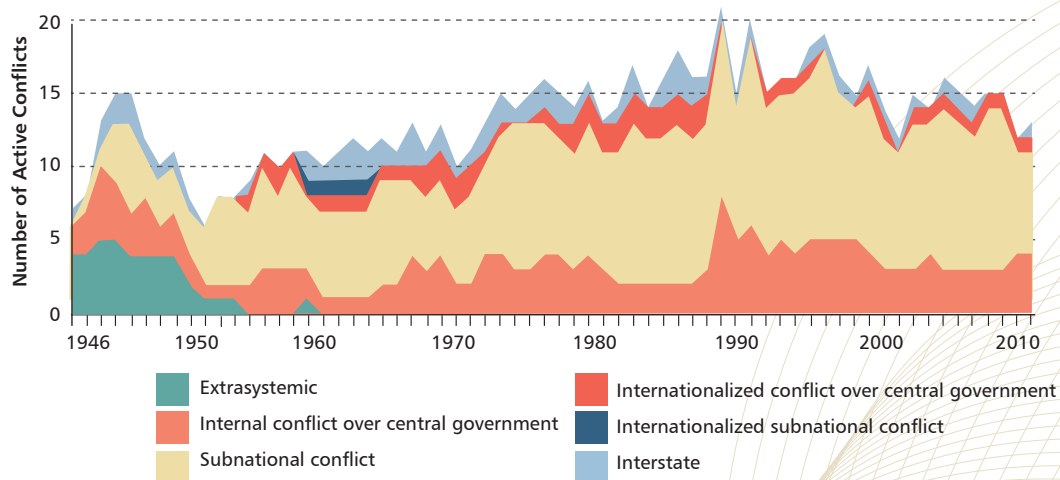
I am sorry that our regional director for conflict and governance could not be here. He had a family emergency. It is particularly poignant for him because he has just finished a 3-year project on *The Contested Quarters of Asia: Subnational Conflict and International Development Assistance*. The publication is on the web, copies are available at the front desk, and I also have copies with me.

The Asia Foundation is very glad to have been financed by the World Bank's State and Peace Building Fund to be able to undertake this research. We were looking at subnational conflict in considerable detail, in particular because we work in Aceh [Indonesia], Southern Thailand, and Mindanao [Philippines]. For instance, in Mindanao, my program has 160 different partners: local government, civil society,

academic, all strewn across the island. And so we wanted to contribute to the knowledge that is already there.

Subnational conflict, in particular, is aimed at control over a particular part of a country rather than the entire state. It is primarily found in remote border regions with ethnic minority populations. It is usually ethno-nationalists who are in conflict with the central government, and they tend to be along international borders or on maritime boundaries such as Mindanao, or Aceh, and elsewhere in Southeast Asia. This graph demonstrates that of the active conflicts by conflict type or for the number of deaths in conflicts, by far, throughout Asia, subnational conflict is the most prevalent (Figure 9).

Figure 9 **Active Conflicts by Conflict Type in Asia (1946–2011)**



Source: Uppsala Armed Conflict Dataset

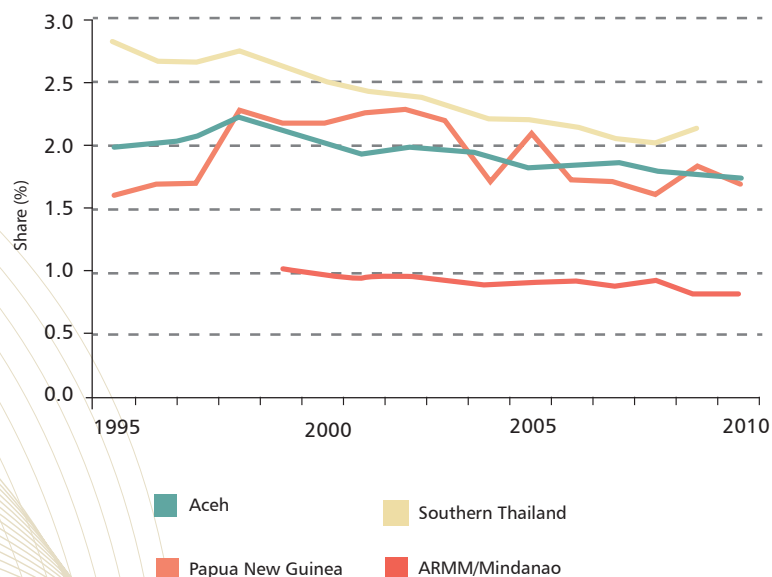


The key areas of difference between fragile states and subnational conflict is that subnational conflict can, indeed, take part in either fragile or weak states. This is where people are attempting to get control over subnational territory rather than the entire country. There is some overlap, but only Nepal at the moment has a clear overlap where there was a fragile state and where we are still into transition there, and there are some subnational conflicts there, mixed in with other moves toward federalism.

One of the things we wanted to do in the research was to interrogate conventional wisdom on the relationship between conflict and development, because development does not reduce conflict in subnational conflicts. The improvements in economic growth at the national level do not necessarily reduce conflict in subnational areas and in fact, in some cases, can exacerbate conflict. So, if you take a look at this graph, in Papua New Guinea, Southern Thailand, and Mindanao, of the percentage of the GDP [gross domestic product], GNP [gross national product] in a country, you will find that it goes down over time (Figure 10). It may not be that poverty causes conflict but it is certainly the case that conflict causes poverty, and these areas are getting poorer all the time, which is one explanation as to why national-level economic growth does not necessarily solve the problem.

Taken as a whole, the problem of subnational conflict is enormous. Across Asia the average population percentage involved in subnational conflicts is about 6.5%. But when you take it all together, we have 131 million people in Asia. [some] 1.35 million people have been killed in subnational conflict since World War II over an area of 1.75 million square kilometers, approximately the size of Indonesia. So, if you take Asia as a whole, subnational conflicts are indeed a problem. The trouble is we, in development institutions, don't really understand the impact of international aid on long-running subnational conflict, which is one of the reasons why we were able to work with the World Bank. At the same time as they were doing their *World Development Report 2011* on conflict, security, and development, we were able to launch this parallel study on subnational conflict. It is implausible that aid alone will end conflicts (but it can certainly contribute in some cases). We have little or no evidence of the impact on key dynamics. We often don't monitor the key factors that lead to "transformation"—political change, confidence, institutional transition, and the like—when we are doing development programs.

Figure 10 Share of National Income (1995–2010), Excluding Capital City



ARMM = Autonomous Region in Muslim Mindanao.

It is hard to work on sensitive political issues. I am glad to hear that Undersecretary [Luisito] Montalbo mentioned that this is inevitably a political issue because it is. We need to encourage reform of discriminatory policies. We need to build support for concessions for peace processes where there are subnational conflicts. And these necessary changes lead to new winners and losers. Technical or capacity building is necessary but certainly never sufficient. Sometimes, innocuous service delivery can be politicized. Is it going to the wrong ethnic group? Is it seen as counter insurgency? We have a definite problem with some of these issues.

“One-size-fits all” risks making things worse. And what we talked about, following the *World Development Report* in terms of transformation strategies, is building confidence of key actors in the transition to peace, and transforming institutions that are directly related to the sources of conflict. Aid programs can play an influential role in showing up confidence in a transitional process. It can buy political space and time for institutional changes. It is not necessarily the same, however, as confidence in the national state of the government. It is confidence in the peace process that is ongoing. Similarly, transforming institutions means we have to adapt or establish institutions that can change the dynamics that fuel contestation and conflict. These are usually related to identity group marginalization, or inequitable service delivery, and abusive state practices.

Now, part of the trouble with dealing with this is, while we are identifying the areas and conflicts that we are talking about in terms of subnational conflict, meaning state–minority conflict, once that gets going down at the local level, it is very often interleague competition and communal conflicts that are bound up in a state–minority conflict to different points in the transition. So what we would like to do is to emphasize how to move through transitions from the beginning of the peace process into consolidation, in order to restore confidence or transform institutions and at different points in that transition. These are different kinds of work and that is important.

At the beginning, you need to expand space for debate on key issues and encourage public support. Toward the end, you need to give local elites more confidence in the state provision of security and resources. Similarly, when transforming institutions, you have to begin with the political process at the beginning. But by the end you have to have established new self-governance institutions such as the Bangsamoro that we are trying to establish here in the Philippines by 2016.

So in summary the strategy for aid actors: You need to address the most important level of contestation. You need to focus on transformative outcomes and calibrate your strategy based on the state of political transition.

We point to a particular blind spot and that is local-level political and conflict dynamics. Local-level interaction is not usually what we are able to see and that is why USAID [United States Agency for International Development] is focusing on a number of places that they know so well. In that way they understand what is going on in Basilan, in Jolo, in Iligan, in Cotabato, and so on. Poor understanding of local conditions and diversity—largely due to challenges of access, limited time, and large-scale programs—often do not allow for customizing to local conditions. So we, at a local level, find that local political dynamics shape the delivery and impact of aid in most cases, rather than aid shaping the lower power structures. This often can be counterintuitive; in some places, it turns out in our case studies that we were able to do that development worked well with a single monopolist, local elite rather than a place where the elite were divided and contesting over the resources provided by aid.

Capture of aid benefits by local elites is not always a bad outcome, if it helps a transition to peace. But when you take that out, you have to be very clear how you are going to get out of that capture, how you can move away from that state capture.

There is extreme diversity in local-level conditions and political dynamics in subnational conflict areas.

So just to talk a little bit at the end about customizing programs with some examples:

In Thailand there is no transition; there are some preliminary talks being undertaken with peace talks in Kuala Lumpur but the Muslim Attorney Center focuses on legal advice and human rights. The Berghoff Foundation facilitates insider track II dialogue through organizing multi-actor forums down there inside Thailand. And UNICEF [United Nations Children's Fund] is supporting school programs of bilingual education in zones of peace so that we begin to get Malay language education and work for the first time with a Patene–Malay–Thai dictionary.

A fragile transition such as Mindanao, I must read this because it says, “The Asia Foundation support to Rido clan conflict mapping and capacity building.” The fact that what we have been doing, as an institution, for the last decade with local-level conflict is meant to help understand conflicts that can arise from interleague competition. AusAID [Australian Agency for International Development] targets programs of equal access and quality basic education in underserved Bangsamoro areas often through innovative means, partnering with Bangsamoro institutions so they have ownership of it. Mindanao Peoples Caucus, with European Union support, empowers local conflict-affected areas to monitor cease-fire through the use of cell phone technologies and reports to an international monitoring team.

In an accelerated transition, such as we found in Aceh, at the beginning of the European Community independent observer mission, this was really at the very beginning, support for the post-MOU [Memorandum of Understanding], back in 2005, confidence and trust building was built through a prisoner release and reintegration program that gave the local elites—that is, the GAM [Free Aceh Movement] elite insurgent group—the confidence in the peace process.

So what we are saying is essentially, there needs to be a great deal of local knowledge and there needs to be the flexibility that everybody is talking about to change programs and with respect to where you are in a political transition.

Thank you very much.



## INTERNATIONAL ALERT



**Dr. Markus Mayer**  
Regional Program Manager, South  
and Southeast Asia

### Adopted Frameworks and Approaches

International Alert's work is guided by a programming framework that identifies five peace factors as an analytical lens to understand how well-established and resilient peace is (or is not) in a given context. It provides a framework within which to evaluate the relative utility of institutions, policies, projects, or tools from a peacebuilding or a conflict-sensitivity perspective, and a lens through which to examine a context in terms of the features which either strengthen and enable or undermine and block peace and progress toward peace. Such a perspective allows the identification of opportunities to strengthen those features which are already quite robust, and/or to try and remove or circumvent those features which are obstacles to peace (see [www.international-alert.org/resources/publications/programming-framework](http://www.international-alert.org/resources/publications/programming-framework) for further details).

Those five peace factors are

- **Power.** The degree to which relationships between people, and between people and governing or otherwise powerful institutions, allow for participation, accountability, mutual support, and legitimate and effective decision making and actions.
- **Income and assets.** The degree to which people have equal access to opportunities to make a living, and to invest in and manage economic assets which provide them with capital for further improving their livelihoods, and a cushion for difficult times.
- **Law and justice.** The degree to which people are predictably and equally accountable, and have equal opportunity for recourse under the law (including formal and informal norms and traditions).
- **Safety.** The degree to which all people are able to stay safe from physical and psychological harm.
- **Well-being.** The degree to which people have equal access to shelter, health, education, and a decent living environment, and can reasonably aspire to improve their living conditions.

The five peace factors are interrelated, in that each can reinforce or undermine the others. For example, a positive impact on income and assets can negatively impact on security in a fragile situation without well-established law and order, as higher levels of income can increase the exposure to threats such as extortion, kidnapping, and other forms of criminal and political violence. Programming strategies that aim toward interventions in one particular sector (e.g., income-generating programs) need to take such dynamics into account in the design and implementation of respective programs if they want to avoid causing harm!

### *Political Settlements*

The political settlement approach proposes that state power is captured by elites who have decided on and maintain existing power-sharing arrangements. More equitable arrangements result in more stable peaceful societies. If one is to understand how elites have captured the state and how to challenge this, a focus on understanding elite behavior and its significance for political process is crucial. For peacebuilding purposes, it is important to recognize that elites are a heterogeneous



group, some of whom are more motivated to work toward greater equity, and together with whom it is possible to successfully challenge existing elite/power arrangements. This perspective provides strategic direction to peacebuilding efforts.

A political settlement perspective provides strategic directions for engagement with an existing political system and enables bargaining for a more inclusive social and political contract between the state and citizenry. This perspective would also help identify internal incentives (or pressure points) to push for necessary reforms and changes. And finally, an analysis that utilizes this approach can help identify societal groups and constituencies that are particularly well-positioned to support such processes and who can strengthen the impact of change agents within the political system.

An analysis of state–citizen relations (and the level of inclusivity of these relations) needs to incorporate the following perspectives:

- The relationships between the center and peripheral regions and their respective elites. Power dynamics and structures in borderland areas can have significant impact on national-level peace processes and vice versa and development interventions can impact on such relations.
- The relationship between the formal, informal, and illegal sectors. A shadow economy strengthens power and authority of local strongmen, local political elites, and clans, often with complex relations to elites at the regional and national levels. There is a need to understand incentives and organizational structures that make shadow/informal economies thrive in order to develop measures to subdue them and/ or integrate them into the formal economy.
- The degree of impersonal politics (e.g., to what extent citizens can reasonably expect their rights and entitlements to be delivered by the state) versus the degree of personalistic politics (laws may exist but citizens need social and political “connections” to enjoy them). Addressing the issue of political interference by political parties and other political stakeholders in the provision of state services is an important prerequisite to ensure successful implementation of reform programs (e.g., on social policy issues or the security and justice sector).

## In-Country Operations

### *Implementation Examples*

Building multi-stakeholder alliances that ideally include new peace constituencies. Example—Conflict-sensitive economic governance in the Philippines: working with companies such as Aboitis or Sagitarrius Mines on conflict-sensitive business practice, while empowering local communities to engage and negotiate with companies on joint natural resource utilization and strengthening capacities of local government authorities to improve and enforce legislation.

Channeling voices from the local level to national-level decision makers. Example—Business for Peace Alliance in Sri Lanka: working with business leaders associated to district chambers to strengthen local voices and capacities. To pursue the idea of regional empowerment, it is important that there are more horizontal linkages between the different regions and districts and a broader institutional platform to engage with government, for any regional network to increase “voices” from the local level.

### Monitoring and Evaluation

There is a need for a policy change at the headquarters level in regard to evaluation frameworks and indicators for development interventions in fragile situations. Income generating projects, for example, are still evaluated primarily along efficiency, financial return, and entrepreneurial success criteria. Aspects that accommodate the need for risk management of entrepreneurs in fragile situations, the interest of job seekers to develop social networks (social capital) through jobs rather than just meeting financial interests, attempts of building bridges and economic cooperation across conflict divides, or attempts to formalize shadow economy activities all would require a radically different evaluation framework.

### Lessons Learned

- **Engage strategically:** Build strategic relationships, communicate the approach to manage expectations, and identify positive entry points (“joint visioning”).
- **Operate responsively:** Support dialogue (even if time-consuming) to capture multiplicity of diverse views. Complex local dynamics require complex and dynamic responses.
- **Structure flexibly:** Instead of building institutions (in fragile situations), try to better understand existing informal structures and develop ways to transform them toward more formal ones. In this way we might create hybrid institutions that over time can be transformed further by putting them into the accepted framework of formal laws and regulations.



# Stronger Partnerships for Building Resilience: Beyond the New Deal

## MODERATORS



**Mr. Atanteora Beiatu**  
Alternate Governor for Kiribati in the  
Asian Development Bank, Secretary for Finance  
and Economic Development  
Ministry of Finance and Economic Development



**Mr. Paul Daniell**  
Director, Fragility and Conflict  
Australian Agency for International  
Development

**In implementing the New Deal Compact to ensure harmonization and donor coordination and call for timely and predictable aid,** previous and continuing efforts by some development partners to join in-country development forum and other discussions that occasionally lead to joint commitments were acknowledged. It was also noted that joint development partner missions to countries in fragile and conflict-affected situations (FCAS) could be more efficient and effective when beneficiaries are fully involved in the missions and the local context (political economy) is well understood by all parties. Aligned with the transparency commitment of the New Deal, countries raised the importance of strong national development assistance databases that should be managed in both an accountable and transparent manner. A special aid effectiveness unit can also help improve aid effectiveness. Development partners should also disclose the performance criteria that they use for their development assistance.

**In implementing the New Deal commitment to use and strengthen country systems,** in particular public financial management systems, participants recommended that more development assistance should be channeled through the budget to align with national development priorities. Some participants made a special call for improved partnerships in support of debt forgiveness or debt refinancing, for development partners to avoid creating competitions among ministries and/or departments in the country.

**The New Deal FOCUS on a vision and plan** that is country-owned and country-led was strongly endorsed by all participants. To implement this commitment, participants endorsed the New Deal commitment to fragility assessments and recommended that countries and development partners conduct joint fragility mapping exercises that would include assessments of capacity and political economy. An improvement in development partner engagement in the country's national planning processes was noted.

**To implement the New Deal commitment to risk sharing and the importance of local context,** country participants welcomed development partner intent to be more flexible and to better understand local context for building resilience. Better account of existing levels of capacity within the country is highly recommended. Complicated concepts need to be broken down into simple steps or processes so they may be locally understood. One country participant was concerned that program conditionalities did not take full account of local social impacts.

The Washington Communiqué reiterates a “strong commitment to fostering constructive state–society relations.” According to forum workshop participants, such partnerships should extend to nongovernment organizations and the private sector through appropriate processes of participation and consultation. Some Pacific island participants called for development partners to assist in strengthening traditional systems, including traditional justice and dispute resolution.

The discussion concluded that the New Deal implementation should help improve partnerships and promote country ownership, therefore supporting building resilience to fragility.





## ADDRESS



**Honorable Emilia Pires**  
Governor for Democratic Republic  
of Timor-Leste in the  
Asian Development Bank  
  
Minister of Finance and Chair  
of the g7+  
  
Co-Chair of the International  
Dialogue on Peacebuilding and  
Statebuilding

Thank you for inviting me here today to speak about

- the International Dialogue for Peacebuilding and Statebuilding,
- the New Deal for Engagement in Fragile States, and
- areas for future consideration, which is no doubt the post-2015 agenda for the future of the Millennium Development Goals.

My role as a participant and observer in the transformation of development has been a fascinating one. I have been the co-chair of the International Dialogue, Chair of the g7+, which began as 7 and now is a forum of 19 conflict-affected and fragile states, and over the last year I have been a member of His Excellency Ban Ki Moon's Panel of Eminent Persons to consult on the post-2015 agenda.

When we began, never did I believe that we, as fragile and conflict-affected nations, could have a global impact. When we began it seemed an uphill battle that was unwinnable. The g7+ felt blocked at every corner by the organizations and institutions that are so set in their ways of doing

business, they could not easily adapt to a new way of thinking or working. The will was there, but the systems, attitudes, and corporate cultures so deeply entrenched in the concept of donor-led rather than partner support. Even the meetings themselves became a point of contention.

### "Nothing about us without us!"

The International Dialogue was the first time we, from the conflict-affected nations, sat with our partners in development to tackle the real challenges we faced. Astonishingly, the countries from the g7+ are from different regions, cultures, religions, and traditional backgrounds but were firmly aligned in our collective challenges in dealing with donors. We knew what we needed to do to move from fragility to sustainable development. You cannot have development without peace and you cannot have peace without development. You also cannot have solutions that are not understood locally but imposed globally from analysts in countries a lifetime away that have never stepped foot in our countries.

In the first International Dialogue meeting, ministers from the g7+ came together and we were not with our counterparts. We were with technical people from organizations and institutions. And in many meetings we would be outnumbered by 10–1. This way of doing business was not conducive to establishing a fair and equitable work setting, so even in the very beginning the International Dialogue itself has had to adapt and pioneer a new way of doing business. Ministers must chair with counterparts that are ministers. Numbers must be equal to avoid g7+ members from feeling overwhelmed. Don't forget, we from the developing nations spend all day running our nations, fighting fires—representatives from institutions and organizations spend all day trying to figure out how to run OUR countries BETTER. Our first message was clear—NOTHING ABOUT US WITHOUT US!

"Use country systems; if they are never used, they are never built..."

"...you cannot ask us in fragile countries to plan long term if our partners cannot do the same."

"...we have gained more than we ever anticipated and changed the understanding, insight, and needs for sustainable development with our partners."

If you look at institutions like the World Bank, OECD [Organization for Economic Co-operation and Development], USAID [United States Agency for International Development], AusAID [Australian Agency for International Development], UN Systems—they put out a plethora of information, policy, research, and analysis, but we are not privy to it, and although it is about us, because it is without us it does not benefit us who are actually in the trenches nationbuilding. To be honest, we only usually find out about these papers and data when it is bad and exposed by our opposition.

**“Use country systems; if they are never used, they are never built...”**

So firstly we had to get the dynamic right *within* the international dialogue. The way of doing business was a small symptom of the wider global problem; but on both sides there was the will and want to get it right, to deepen understanding, knowledge, and to earnestly listen and respond to the concerns and challenges that had restricted aid from being effective for the last half century.

To be effective in the next 50 years we needed a total transformation, way of thinking, way of engaging. The g7+ has the largest global constituency: 1.5 billion. These are the most vulnerable, the most in need, and the least likely to achieve any Millennium Development Goal (MDG). Why? In order to provide health, education, combat disease, institute policies for gender balance, enact global partnerships, you need a state with effective state institutions. If you cannot deliver services, you cannot meet the MDGs, so we needed a precursor step. And that was to peacebuild and statebuild. This we all agreed on. This was the “ah-ha” moment, the moment of unification between the developed and developing that will, I believe, change the course of history as we know in development.

The New Deal for Engagement in Fragile States emerged with set priorities that were necessary for our states to meet the MDGs. There were three pillars. The peacebuilding and statebuilding goals, that include inclusive politics, safety, justice, resource and revenue management, and economic foundations—then two important but simple acronyms that all could remember—FOCUS, a new way of engaging; and TRUST, a new set of commitments to implement the New Deal.

I will tell you a funny story. The second International Dialogue on Peacebuilding and Statebuilding was in Monrovia, Liberia in July 2011. We had one day to decide on the *Monrovia Roadmap [on Peacebuilding and Statebuilding]*. The g7+ has decided on our five peacebuilding and statebuilding priorities. However, four of these priorities were published 6 months earlier in January 2011 in an OECD document called Supporting Statebuilding in Situations of Conflict and Fragility. This document never came up, was never discussed. And while about us was done without us, there was one vital component missing—resource and revenue management. Most of our nations in the g7+ are resource rich but unable—because of lack of capacity, war, or weak state institutions or, to be honest, wider international manipulation within the resource sector itself—to manage the resources for tangible benefits for our people.

The New Deal was the first aid architecture specific to the conditions of fragile and conflict-affected states and a milestone for the 1.5 billion people who are suffering in our world, the states they live in, and the organizations that support them. It outlined a strategy to ensure self-assessment and reflection; rather than others assessing us, ownership of national planning, one vision one plan, compacts so everyone is on the same path, and continued political dialogue, through inclusivity and concord, to strengthen national unity. This is FOCUS.

TRUST means transparency, which does not affect the political economy but ensures that a technical provision for state assets exists for long-term planning, sharing risk and taking it—it is much more detrimental to sit on the fence than to take the risk to save just one life. Use country

systems; if they are never used, they are never built and strengthened and we never have a chance at establishing a functioning state. Strengthen capacity, don't take the place of but support and train within the country context and systems. Lastly timeliness of aid—you cannot ask us in fragile countries to plan long term if our partners cannot do the same.

The New Deal is being piloted around the world, different contexts, different processes, but coherent in methodologies. The most important aspect it must be country led and country owned; if it is not, it will fail.

**"...you cannot ask us in fragile countries to plan long term if our partners cannot do the same."**

I can proudly say that we have gained more than we ever anticipated and changed the understanding, insight, and needs for sustainable development with our partners.

The g7+ is now a global forum that has expanded the breadth of knowledge, insight, and understanding of our unique circumstances; and our partners are adapting, but it will take time. I will give you a personal example: the global policy for international engagement is the three Ds: diplomacy, defense, and development.

This week Australia held an inquiry into the relationship with my country, Timor-Leste, with whom we are piloting the New Deal. From 72 submissions, 2 were from Timor-Leste, 1 from our embassy. While the New Deal is a milestone for their development arm, it had not been a policy in spirit adopted throughout the government. In spirit, this should have been a mechanism which was jointly established with counterparts and large parts of each country coming together to reflect, respond, and strengthen the future relationship. With that said, while changes are slow in some areas, giant leaps have been made in others.

The high-level panel of the post-2015 agenda has acknowledged the role of peacebuilding and statebuilding. This is a policy driven from the g7+, a group who just a few years ago had no voice. This is to be celebrated not only by the g7+ but the institutions, organizations, and countries that supported the journey from the first International Dialogue to where we find ourselves now.

Imagine the pride we felt for the first time having a seat and voice at the table of the World Bank on deliberations of reform to the IDA [International Development Association].

The hard fact is this: at the heart of this global transformation is ownership—trusting and respecting the sovereignty of each nation to find their path from fragility to resilience with the support of the global community. This takes FOCUS and TRUST. It also takes time and patience to change the status quo. The risk of not taking the leap of faith is ending with the same results we have now, which is simply not good enough.

The global shift has begun. We are beginning to see the world through the eyes of the developing rather than through the lens of the developed. This is when real gains will be made and we are already seeing them.

Thank you.





## Ways of Engaging for Successful Transition from Fragility to Resilience





## ADDRESS



**Senator Mattlan Zackhras**  
Former Minister of Resources  
and Development  
Biodiversity champion for  
UN Convention on Biological Diversity  
Republic of the Marshall Islands

Honorable ministers from Afghanistan and Timor-Leste, government representatives of fragile states, donor organizations and partners, distinguished ladies and gentlemen:

Yesterday I referred to “investing in paradise.” Marshall Islands’ ability to adapt to sea-level rise will very much depend upon these investments being strategic, successful, and timely. It is incumbent upon the current and next couple of generations to accelerate investment in paradise; otherwise we will be truly lost. Current investment and well-meaning development assistance programs barely stay ahead of the challenges; most are far behind. We need to create a surge in local and regional economic development in order to build and sustain our resilience and address fragility. Our communities and families are painfully well-aware that jobs and development provide resilience; that if you have money, you have options. The majority moved to urban areas with this in mind. But, with narrow atoll lands just a meter or two above high tide, and a meter rise in global sea-levels

predicted this century—and already happening—our very survival depends upon significant investment partnerships, many of which need to focus increasingly and more desperately on elevating land. How can we achieve this cost-effectively?

Just last week in the *Washington Post*, the Marshall Islands [RMI] foreign minister wrote about the “Pacific Islands’ deadly threat from climate change,” highlighting the RMI hosting the Pacific Island Forum Leaders Summit in Majuro in early September, and advocating for the “new bolder approach” by all governments and sectors of global society to sign on to measurable commitments that reduce greenhouse gases and avert our climate catastrophe. Sadly for the RMI, all warming scenarios—with or without successful commitments—put the whole nation of the Marshall Islands under water. As far as sea-level rise goes, we are the canary in the coal mine. Our northern atolls’ drought state of emergency is the canary’s plea. Please hear it—a harbinger of things to come.

It is the same for Tuvalu, Kiribati, Tokelau, the Maldives, and atolls in the FSM [Federated States of Micronesia], Solomon Islands, Papua New Guinea, Timor-Leste, Turks and Caicos, Seychelles, the list goes on. We are all at risk of being obliterated. And let me ask each of you—how are your governments and partners doing in securing the adaptation funding you need to adapt to sea-level rise? From our own experiences I’d say the answer is we are not engaging productively with the adaptation funds that have been pledged. Only a few donors’ funds are actually reaching the “sea-level.” Clearly we need different, more diverse approaches, with an emphasis on investment in the local economy; in urban redevelopment; and in land, building, and infrastructure protection projects. Government’s role includes providing the stable environment for investment while sustaining our nation’s customs, people, landowners, and resources, all the time being good stewards of our environment.

Life in an atoll paradise requires sustainable water and energy. Not much else. Oh, and we like to eat—quite a lot, when we can—so food security is vital also. To grow our food, and raise our

families, we need land and water. To catch our fish we need reefs. Not much, but just enough, balanced precariously on our living coral island matrix between huge ocean waves pounding the reefs on one side and placid blue lagoons on the other. I am sure, like me, you can hear those gentle trade winds, swaying coconut palms, the singing from the village.

We have the right to live here. These are our islands, this is our home, we have been here for thousands of years, and will be here forever more. We are not planning on going anywhere.

Therefore, just like every coastal nation we are going to have to protect our lands against sea-level rise (...1 meter by 2100), to learn to prioritize, and then either build or retreat. Clearly we need investment.

A useful adaptation partnership model recently initiated by the RMI Ministry of Public Works has been acquisition of heavy equipment from Japan, leased under projects to local governments on each atoll for coastal road and runway protection. Our responsibility now is to keep the investment and climate-proofing projects flowing. We envisage using locally grown and processed coconut biodiesel to fill the heavy equipment fuel tanks, which will reduce construction costs.

Making more efficient use of what we have and what we earn, spend, and borrow is also crucial. Debt-swap-for-adaptation as part of a national debt restructuring package is one example that makes a lot of sense to the people and the Government of the Marshall Islands. Our primary lenders have been ADB and the US [United States]. We have over \$100 million in debt, a large proportion in so-called nonperforming loans that are a legacy of poorly implemented ADB consultant projects. Surely these should be written off by ADB, given the vulnerability and adaptation stakes, or at least reprogrammed into capitalizing a performing trust fund that supports local adaptation projects?

It is good to hear that RMI is this year transitioning to a grant-recipient country with ADB. Grants are fundamental, since it is highly inequitable to require the Marshall Islands to go into debt to pay for adaptation caused by the shortsighted policies of polluting nations. It makes most sense to invest in our local economies.

Marshall Islands is a “large ocean state” with a “blue economy” based on fisheries; local island products (biodiesel, handicrafts); and huge potential for fueling an economy using ocean-based sources of energy (wind, waves, tides, current, thermal differences). We are currently initiating a globally significant ocean thermal energy conversion) site feasibility study at Kwajalein Atoll to generate electricity, water, hydrogen, and lithium.

In conclusion, and in preparation for today’s discussions, the main issues that concern us are our physical survival and protection (water, food, land, coastal protection); together with our economy (jobs, savings, lower debt, growth) coupled to effective governance; and finally capacity building and leadership. To survive we need to raise our game. It is time to Invest in paradise.

Thank you and *Komol tata*.



## REFLECTIONS ON FRAGILITY AND CONFLICT: THE SAME DIFFERENCE



**Mr. Stephen Pollard**  
Consultant Economist  
Asian Development Bank

A number of participants have asked how they could all be sitting around the same table sharing the same interests? Afghanistan and Tuvalu, Nepal, the Philippines, and Solomon Islands. There are a lot of differences between the situations in these countries. However, some have pointed to certain similarities. These countries experience very different geographic conditions, different histories and power struggles, different governance, resource and economic situations. But there is also a common story that plays out in each country, with different areas of emphasis, but the same story.

As forum participants have articulated, the story surrounds four interrelated issues. The first issue is the power, political economy set of issues. Secondly and related to power is that of governance, not just as a static set of measured conditions but a set of processes;

that is, how the state operates through the governance processes of accountability, transparency, participation, and predictability. Third is how power, state operations, and governance underpin resource development or exploitation, economic management, policy and economic achievement; that is the nature of the economy and economic growth. These issues are all interrelated. And this relationship leads to the fourth concern, one of the inclusion or exclusion of people. As forum participants have deliberated, fragile and conflict-affected states are more concerned about the creation of exclusion. Participants gave examples of how exclusion may arise at the local, subnational, or national level. It may occur through physical isolation or from climate change. Exclusion may result in displacement or poverty, unemployment, or gender bias, or ethnic bias. This is therefore a similar, if not the same story. It is a story of how power relations, governance, state operations, and the economy result in people's exclusion. Though this story is played out differently in very different countries it is a very similar story of power, governance, state, economy, and exclusion.

Participants have suggested that this story of exclusion conforms to both a framework and to a sequencing of reforms. Participants stated that to deal with fragility or conflict there must first be political stability. Once that is in place, the processes of good governance, accountability, transparency, participation, and predictability can then be built. And once good governance is in place, state operations can then function more effectively and efficiently. Good governance and effective state operations are the building blocks for public service delivery, the operation of private markets, and the growth of the economy and society. These essential reforms can therefore be sequenced, but as the forum has repeatedly expressed, this sequencing may take a long time. The reforms also need to be paced as they incur a social and political price and may therefore unravel without broad acceptance.

Forum deliberations have highlighted how certain keys and key approaches lubricate this sequencing. These keys are a stronger country voice; working within context; country-led actions; broad attention to developing capacity and institutions; a minimum, continuing level of assistance; mapping of fragility and the political economy; structural reforms to release economic potential; and attending to core government functions. These keys make difficult reform possible. And one key that is important to all stages of reform is participation.





# From Fragility to Resilience: Main Issues and Priority Interventions

## MODERATORS



**Secretary Teresita Quintos Deles**  
Presidential Adviser on the Peace Process  
Office of the Presidential Adviser on the  
Peace Process, Philippines



**Mr. Ayumi Konishi**  
Deputy Director General, Pacific Department  
Asian Development Bank

A summary of the major recommendations from the two workshop groups follows.<sup>27</sup>

**Political stability** must be secured first and the countries themselves must first take an approach to the political situation to create space for reform and development partner support. Fostering inclusive political settlements and conflict resolution is one of the five peacebuilding and statebuilding goals of the New Deal.

**Capacity and institution building** must be more pragmatic and inclusive, in that it takes a long time and must address the needs at the local level as well as that of women. Development partners cannot expect immediate results and should therefore revisit capacity and institutional building to develop new monitoring indicators for long-term interventions. The Dili Declaration called for the development of effective and accountable government institutions to facilitate service delivery. One of the challenges noted is the “unrealistic time frames for reform, weak capacity to implement plans, and limited effectiveness of capacity development approaches.” The New Deal also calls for a strengthening of capacities.

Core functions of government—that is, revenue generation and fiscal management, policy formulation, public service management, and improving the environment for private sector development—must be prioritized.

<sup>27</sup> Group 1 consisted of representatives from the Federated States of Micronesia, Nepal, the Philippines, Tuvalu, Vanuatu, AusAID, International Alert, and the World Bank. Group 2 consisted of representatives from Afghanistan, Kiribati, Nauru, the Philippines, Republic of the Marshall Islands, Solomon Islands, ADB, AusAID, and International Alert.

**A lack of participation** of government, civil society, and the private sector can lead to fragility and conflict and there needs to be far greater attention to participation in all assistance to fragile and conflict-affected situations (FCAS). The Washington Communiqué calls for g7+ governments to continue strengthening national ownership and leadership of New Deal implementation.

**The political economy** must be understood and charted when supporting reforms in FCAS countries. The Dili Declaration noted the challenge of a lack of a shared vision among key stakeholders. Countries and their development partners should conduct joint mapping exercises to develop a common understanding of the local context so that the development partners, the country, and the various stakeholder groups in the country buy into the same, common understanding of context. Based on this understanding, the government can then prepare long-term programs with sequenced priority actions that development partners can then support.

**The environment for private sector development** must be improved to attract investment, job creation, growth, revenue generation, and development. This includes the need to adjust structural policies and to prioritize, sequence, and pace the required economic reforms. One of the five peacebuilding and statebuilding goals of the New Deal is to secure economic foundations that will generate employment and improve livelihoods. The Washington Communiqué calls for enhanced dialogue with the private sector aimed at increasing the contribution from private sector investments in transitions out of fragility.

**Releasing funds for climate change adaptation** is a problem. There is an urgent need to improve the modalities and ease of access to the funds that have been set up for climate change. Climate adaptation funds require prior technical studies on the impact of climate change but the countries do not have access to such information and therefore cannot access these funds. Development partners should review climate change adaptation modalities and ease of access to funds and relevant countries were also called on to integrate climate change responses into their national development strategies and plans.

**Increased international labor mobility** should be considered as a climate change initiative for small island countries. Sea-level rise threatens the very existence of some countries and this is particularly acute in atoll countries. There will likely soon be a new form of extreme poverty requiring international support; that is, newly displaced persons due to the impact of climate change.

**There should be a stronger g7+ voice.** Commonalities between the fragile island states affected by climate change and the conflict-affected countries were noted. Both sets of countries should come together to speak with one voice through the g7+. Those countries that have not yet joined the g7+ are encouraged to do so to create a unified voice in the UN General Assembly and to help formulate the post-2015 development agenda. The Dili Declaration called for a mechanism to be set up to enable the g7+ meetings to continue. This may justify a follow-up forum.



**Aid dependence and aid coordination require greater attention.** The New Deal calls for timely and predictable aid. However, aid dependence may need to be addressed in some countries. Governments should lead aid coordination efforts and have a clear policy on aid coordination. Development partners then need to come in as willing participants in this process so that countries can convene regular meetings of all the development partners together to ensure proper coordination and avoid duplication of effort. Joint mapping exercises between the country and its development partners should be conducted to develop a common understanding of the impact of aid on domestic development incentives and operations.

**FCAS countries need a minimum, baseline level of funding.** This would help reduce the volatility of funding and provide for funding over the long term.

**FCAS resources need to be increased.** Development partners should consider (i) improving staffing incentives and training to attract high-caliber staff; (ii) reviewing FCAS country fund allocation policies; (iii) reviewing FCAS country strategy priorities; (iv) simplifying and streamlining aid procedures; (v) engaging local consultants in order to embed local knowledge in assistance programs; (vi) continuing research into the measurement of fragility, risk of conflict, and progress in building resilience; and (vii) taking further note of successes to date.





## CLOSING REMARKS



**Secretary Teresita Quintos Deles**  
 Presidential Adviser on the  
 Peace Process  
 Office of the Presidential Adviser  
 on the Peace Process  
 Philippines

I want to start off by saying “thank you” for inviting us to be part of this conversation. I think, within ADB and with other parties, it wasn’t clear in the beginning why and whether we should be a part of this, with the Philippines having different faces of this situation. We are doing well globally, a darling of credit rating agencies at this time, but with a very real subnational situation of fragility in an area that has been afflicted with armed conflict for far too long. At the same time, we also have areas of our archipelago under a very real threat of being overcome by the oceans. We do know that our shorelines are fragile in this situation of climate change.

As a result, we do have and have had different messages to the donor communities. One that has been saying that, in fact, we are ready to pay forward for all the assistance we have received. But, in the matter of our peace process, particularly with the Moro Islamic Liberation Front (MILF), is also the message to wait and hold back. We are resolving this. Do not overwhelm us with assistance and do not compete to be the donor agency that will do this or

that. We will have a plan, we will make a plan together with our major partner the MILF and we will be ready to say when we would like you to come in. On still another hand, in the face of the severe situation of climate change, we are often overwhelmed by the challenges and need help in addressing the different stresses of the globe that directly affect us, both floods, volcanic eruptions, and earthquakes since we are situated in the Ring of Fire where all of these things happen.

**“...for dialogues mediating complex interests, that it is important to make sure that no one feels left out. ... our only real choice of existence is coexistence.”**

And so, this forum is interesting and truly significant for being earnest in its effort to bring donors and countries in fragile and conflict-affected situations (FCAS) to a dialogue on the challenges and issues confronting the most marginalized and the most vulnerable communities and people in the region. I am not fully aware of how long this kind of a dialogue has been going on but, from the notes that I have been getting, I have a sense from the overwhelming list of issues and challenges that whatever time it has already taken has not been enough. It has been extremely valuable to have discussed these concerns in this extensive, expansive way over the last few days.

In this regard, I can understand the difficulty of sorting through complex issues, finding which ones to address first, and finding the broad issues that are common to all and that will make sure no one is left behind, as well as being able to emerge solutions that are home-grown and unique. And therefore, the challenge of also finding the balance for how inclusive a process can be versus the real asymmetry in capacities and resources among stakeholders. The perspectives are evolving while the contexts are urgent and sometimes volatile.

The difficulties of managing this kind of a dialogue are real, and we in the Philippines know this firsthand from the multiple peace tables that we are now engaged in. There are lessons we have learned that maybe I should share with you, for whatever they are worth.



We have learned, for dialogues mediating complex interests, that it is important to make sure that no one feels left out. It is important to keep talking to facilitate shared understanding. It is important to stay the course and to keep the faith and belief in the reality that more and more, our only real choice of existence is coexistence. It helps to keep bringing our issues and concerns on the table, and to be honest, earnest, frank, and fair in our manner of doing so. It helps to remember that our ability and commitment to keep our house in order is also an important contribution to the table.

**“When we talk about resilience, we do not mean only the important institutional reforms and the broad security and economic concerns, but more specifically, we are concerned about the resilience of the communities on the ground on whose strengths our life and our future depend.”**

I cannot ever speak without stressing the point that for us who are in situations of internal conflict and in other situations of fragility, it is important never to forget that we, the parties to the conflict or who are living with these fragilities, with our communities and fragmented peoples, are the first parties in the process. In the end, it is our choices which must and which will inevitably prevail. In the end, we are the ones who will live with whatever consequences the processes will sow. In the end, when everyone else moves to the world's next troubled spot there will be no one else but us to pick up the pieces to start all over again or, more hopefully, just push ahead and pursue its promise.

And so we cannot ignore the fact that the vast majority of the people who suffer most are out there and may never get the chance to sit at the table, many of them being women and children. We cannot ever neglect the roles of our local communities and constituencies. The need to build inclusive social and political institutions is an imperative that underlies all our work—inclusivity, meaning not just the obvious parties in conflict or with political interests, but including gender and generational inclusion. When we talk about resilience, we do not mean only the important institutional reforms and the broad security and economic concerns, but more specifically, we are concerned about the resilience of the communities on the ground on whose strengths our life and our future depend.

The Philippine government is glad to have been part of this forum, and would like to encourage this continuing engagement between donors and FCAS countries. We are happy to see ADB assuming this convening role in partnership with AusAID [Australian Agency for International Development] and we thank the constant companionship of the donor community in addressing the issues of development and peace, even as we continue to challenge them to listen better and to respond more effectively. We are grateful to have this chance to meet peacemakers, peacebuilders, and statebuilders from other country governments with whom we share the same realities and the same dreams.

Please enjoy the rest of your stay in the Philippines. Have a safe journey back home too.

Thank you.



# Looking Forward

The forum agreed on four steps to further the New Deal for Engagement in Fragile States and to building resilience to fragility and conflict in Asia and the Pacific:

1. Recognize the common story of fragile and conflict-affected countries, whether natural or man-made, as referenced by Mr. Mohammad Mustafa Mastoor, deputy minister, Ministry of Finance, Afghanistan.
2. Strengthen representation in the g7+ by inviting the fragile Pacific island countries to join and to thereby express their common concerns along with existing members as highlighted by the outcomes of the forum workshop.
3. Continue to press for a post-2015 development agenda that recognizes the universal importance of peacebuilding and statebuilding and that reflects the results and lessons of the New Deal as expressed in the Washington Communiqué and as recommended by the Honorable Emilia Pires, minister of finance, Democratic Republic of Timor-Leste and chair of the g7+.
4. Continue the FCAS [fragile and conflict-affected situations] dialogue for all affected situations and all affected countries as suggested by Secretary Teresita Quintos Deles, presidential adviser on the peace process, Government of the Philippines.

## APPENDIX 1

# Agenda

DAY 1: UNDERSTANDING THE WAY FORWARD FROM FRAGILITY TO RESILIENCE	
8:00–8:30	<b>REGISTRATION and GET TOGETHER: Morning Coffee, Auditorium Gallery</b>
8:30–9:30	<p><b>OPENING</b></p> <p>Call for Opening and Introduction of Guest Speakers: <b>Mr. Kazu Sakai</b>, Chair, Fragile and Conflict-Affected Situations Steering Committee and Director General, Strategy and Policy Department, Asian Development Bank (ADB)</p> <p>Welcome Remarks: <b>Mr. Takehiko Nakao</b>, President, ADB</p> <p>Keynote Address: <b>Mr. Mohammad Mustafa Mastoor</b>, Deputy Minister, Ministry of Finance, Government of Afghanistan</p> <p>Program Overview: <b>Mr. Richard Sisson</b>, Alternate Executive Director, Board of Directors, ADB</p>
9:30–12:00	<p><b>COUNTRIES' EXPERIENCES AND LESSONS LEARNED</b></p> <p>Moderators: Solomon Islands and International Alert</p> <p>Presentations by country representatives from</p> <ol style="list-style-type: none"> <li>1. Afghanistan</li> <li>2. Kiribati</li> <li>3. Republic of the Marshall Islands</li> <li>4. Federated States of Micronesia</li> <li>5. Republic of Nauru</li> <li>6. Nepal</li> <li>7. Papua New Guinea</li> <li>8. Philippines</li> <li>9. Solomon Islands</li> <li>10. Timor-Leste</li> <li>11. Tuvalu</li> <li>12. Vanuatu</li> </ol> <div> <p><b>Representatives from each country will highlight the following:</b></p> <ul style="list-style-type: none"> <li>• What is the local context, and what issues of fragility and/or vulnerability does the country experience?</li> <li>• What development approaches have been adopted to build resilience?</li> <li>• What important lessons have been learned?</li> </ul> <p>All presentations are limited to 10 minutes.</p> <p>Panel discussion will be conducted after all presentations.</p> </div>
12:00–1:30	<b>LUNCH: Executive Dining Room, Coffee Lounge</b>

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DAY 1 continued

DAY 1: UNDERSTANDING THE WAY FORWARD FROM FRAGILITY TO RESILIENCE	
1:30–3:30	<p><b>DEVELOPMENT PARTNERS' EXPERIENCES AND LESSONS LEARNED</b></p> <p><b>Moderators:</b> Nepal and the World Bank</p> <p>Presentations by representatives from development partners and civil society organizations:</p> <ol style="list-style-type: none"> <li>1. Asian Development Bank</li> <li>2. Australian Agency for International Development</li> <li>3. United States Agency for International Development</li> <li>4. The World Bank</li> <li>5. United Nations Development Programme</li> <li>6. The Asia Foundation</li> <li>7. International Alert</li> </ol> <p>Representatives from each institution will present their experiences of and approaches to fragile and conflict-affected situations (FCAS), addressing the following:</p> <ul style="list-style-type: none"> <li>• What frameworks and approaches has the donor/organization adopted in FCAS?</li> <li>• How does it operate in FCAS in terms of country strategy formulation, project preparation, implementation, and monitoring and evaluation?</li> <li>• What important lessons have been learned?</li> </ul> <p>All presentations are limited to 10 minutes.</p> <p>Panel discussion will be conducted after all presentations.</p>
3:30–4:15	<p><b>STRONGER PARTNERSHIPS FOR BUILDING RESILIENCE</b></p> <p><b>Moderators:</b> Kiribati and Australian Agency for International Development</p> <p>Participants will discuss how experiences and lessons learned can contribute to stronger partnerships for building resilience, particularly addressing the following:</p> <ul style="list-style-type: none"> <li>• How to improve partnerships.</li> <li>• How to promote country ownership and leadership for successful transition from fragility to resilience, building on Dili Consensus and the Washington Communiqué.</li> <li>• How to contribute to New Deal implementation.</li> </ul>
4:15–4:30	<b>WRAP-UP OF DAY 1</b>
4:30–5:00	<p><b>CLOSING</b></p> <p>Address by the <b>Honorable Emilia Pires</b>, Governor for Democratic Republic of Timor-Leste in ADB; Minister of Finance, Democratic Republic of Timor-Leste; and Chair of the g7+, Co-Chair of the International Dialogue on Peacebuilding and Statebuilding</p> <p>Group photo session will follow the keynote address.</p>
5:00–6:00	<p><b>COCKTAILS: Executive Dining Room Coffee Lounge</b></p> <p>Hosted by <b>Mr. Bruce Davis</b>, Vice President, Administration and Corporate Management, ADB</p>

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DAY 2: WAYS OF ENGAGING FOR SUCCESSFUL TRANSITION FROM FRAGILITY TO RESILIENCE	
8:30–9:00	<b>GET TOGETHER: Morning Coffee, Auditorium Gallery</b>
9:00–9:30	<b>OPENING</b> (Call for the Workshop: Summary of Day 1 and Overview of Day 2) Address by <b>Senator Mattlan Zackhras</b> , Republic of the Marshall Islands
9:30–12:00	<b>WORKSHOP</b> <p>Participants will split into two groups, to be determined on the day, to allow for more detailed discussions.</p> <p>Each group will identify a representative/moderator. Participants will address the following questions:</p> <ul style="list-style-type: none"> <li>• What are the main issues and challenges that we need to address to build resilience to fragility?</li> <li>• What are the three main development interventions to build resilience that need to be prioritized?</li> <li>• How can these priority development interventions support the New Deal?</li> </ul>
12:00–1:30	<b>LUNCH: Executive Dining Room, Coffee Lounge</b>
1:30–2:30	<b>PRESENTATION OF WORKSHOP OUTPUTS</b> <b>Moderators:</b> Philippines and Asian Development Bank <p>Group representatives will present the results of their respective group discussions.            Presentations are limited to 10 minutes, to be followed by questions and answers.</p>
2:30–2:45	<b>WRAP-UP OF DAY 2</b>
2:45–3:15	<b>CLOSING</b> Closing Remarks: <b>Secretary Teresita Quintos Deles</b> , Presidential Adviser on the Peace Process, Office of the Presidential Adviser on the Peace Process, Philippines <p>Group photo session will follow the closing address.</p>

## APPENDIX 2

# Speaker Profiles

### COUNTRIES

#### AFGHANISTAN



**Mr. Mohammad Mustafa Mastoor** is the deputy minister for finance in Afghanistan. He joined the Ministry of Finance as director general of the budget in 2005 and in 2009. He then became the deputy minister for finance. He is in charge of the budget, treasury, fiscal policy, and aid management departments. During his assignment, the Open Budget Index and the Public Expenditure and Financial Accountability have been significantly improved in Afghanistan and all major financial reform programs with key donors have been successfully implemented. When he joined the budget department, international consultants were preparing more than 95% of the budget. As of today, the budget is almost exclusively prepared by the Afghans. He has overseen the rollout of the Afghanistan Financial Management Information System and the development of the Aid Management Policy and Donor Assistance Database. Mr. Mastoor holds a medical degree from Kabul Medical University and an EMBA [Executive Master of Business Administration degree] from Preston University, Pakistan. He is the alternate governor of Afghanistan in the World Bank and the governor of Afghanistan in the SAARC [South Asian Association for Regional Cooperation] Development Fund. He is also the chair of the Golf Federation of Afghanistan.



**Mr. Shakib Sharifi** is the economic policy advisor in the Ministry of Finance. He joined the ministry in March 2012 and is responsible for improving the role of the budget as an economic policy instrument to implement the national development strategy through better aid management. Previously, he worked as an economic advisor to the Parliament of Afghanistan and as an economist with the BBC World Service. He holds a bachelor's degree in business economics from Westminster University London and a master of science in finance and economic policy from SOAS [School of Oriental and African Studies], University of London. He is also the co-founder of the Center for Economic Policy Research of Afghanistan, a think tank dedicated to economic

policy reform in the country.

## KIRIBATI



**Mr. Atanteora Beiatu** is the secretary for finance and economic development and national authorizing officer for Kiribati. He served as a program officer of the Pacific Islands Forum Secretariat from 2006 to 2009 and as director for Asia Pacific, Ministry of Foreign Affairs from 2004 to 2006. Prior to this, he also worked as chief planning officer, senior economist, and investment management officer at the Ministry of Finance and Economic Development. He graduated with a master of economic studies at the University of Queensland Brisbane.

## REPUBLIC OF THE MARSHALL ISLANDS



**Senator Mattlan Zackhras** is the current senator for Namdrik Atoll in the Nitijela (Parliament) of the Republic of the Marshall Islands (RMI). He was elected as the youngest member of Parliament when he first started his political career in 2003 and was again reelected to his third term in office in November 2012. Throughout his career in the Nitijela, he also held several Cabinet portfolios under different administrations in the RMI. He served as cabinet minister for public works and subsequently as minister for the Ministry of Resources and Development. He has been involved in a wide range of issues spanning energy, agriculture, climate change, solid waste, fisheries and aquaculture, infrastructure, sustainable development, and conservation efforts at the community level. As a member of Parliament, he has played an active role on the standing committees for Foreign Affairs and Trade and Resources and Development on these issues. He has served on numerous boards of state-owned enterprises, agencies, and organizations throughout the country. He was instrumental in the introduction of comprehensive legislation on the RMI's fisheries sector and contributed to the establishment of the Parties to the Nauru Agreement headquarters office in the RMI. Prior to his political career, Mr. Zackhras served as special assistant to several RMI presidents and was assigned as deputy chief of mission for the RMI Embassy in Washington, DC, from 1998 to 2003. Mattlan Zackhras was recently appointed

by the RMI government as “Champion for Biodiversity.”

## FEDERATED STATES OF MICRONESIA



**Ms. Evelyn Adolph** is the director for the Office of Statistics, Budget and Economic Management, Overseas Development Assistance, and Compact Management (SBOC) in the Federated States of Micronesia (FSM) national government. In this role, Ms. Adolph reports directly to the FSM President as a member of his Cabinet. Before taking on this role in September 2011, she worked in various roles in the government, the most recent of which was managing the initiative to strengthen tax administration and reform the tax system in the FSM. Ms. Adolph also serves as one of the two FSM representatives in the Joint Economic Management Committee (JEMCO). Ms. Adolph holds a bachelor of arts degree in economics from Chaminade University of Honolulu and a master's degree in economic management from Columbia University.

## NAURU



**Ms. Chitra Jeremiah** is currently the consul general for the Republic of Nauru in Brisbane, Australia. In 2004, she was involved in developing Nauru's National Sustainable Development Strategy and in establishing a functional aid management unit within the Ministry of Finance.



From 2004 to 2008, she served as director of the Aid Management Unit.

## NEPAL



**Dr. Dilli Raj Aryal** has been working as director/senior statistician for the Economic Policy Analysis Division, Ministry of Finance for more than 6 years. He has been serving at the different ministries and departments in different capacities for the last 18 years. He has also been involved in research activities and teaching for the research students at Tribhuvan University as a guest lecturer. Dr. Aryal has earned a master of science in statistics and a bachelor's degree in law from Tribhuvan University, Kathmandu, Nepal. He has been awarded a doctor of philosophy in management science and engineering from Harbin Institute of Technology, People's Republic of China.

## PHILIPPINES



**Secretary Teresita Quintos Deles** is the presidential adviser on the peace process in the Philippines, mandated to oversee, coordinate, and integrate the implementation of the comprehensive peace process in the Philippines. She was recently designated by the Philippine President as the permanent representative of the Philippines to the advisory board of the ASEAN Institute for Peace and Reconciliation for a term of 3 years. Secretary Deles, a peacemaker and an advocate on women's empowerment, has pioneered and provided leadership to numerous national coalitions, community processes, and international linkages and initiatives, covering issues of conflict management and transformation, constituency-building for peace, poverty reduction, social reform agenda building, and political and governance reforms. Under her leadership as presidential adviser on the peace process, the Philippines became the first country in Asia-Pacific to implement a National Action Plan on United Nations Security Council

Resolution 1325 (Women, Peace, and Security).



**Undersecretary Luisito Montalbo** is presently the executive director of the Office of the Presidential Adviser on the Peace Process. He oversees the implementation of the Payapa at Masaganang Pamayanan (PAMANA) [Peaceful and Resilient Communities] Program of the Government of the Philippines, as well Sajahatra Bangsamoro, the confidence-building program of the government with the Moro Islamic Liberation Front. Undersecretary Montalbo likewise sits in the Technical Working Group for the Normalization Annex of the Framework Agreement for the Bangsamoro.

## SOLOMON ISLANDS



**Mr. Lennis Rukale** is the permanent secretary of the Ministry of National Unity, Reconciliation and Peace in Solomon Islands. Prior to this position, he served as provincial secretary in one of Solomon Islands' provinces. He was also in public service for more than 30 years as staff, establishment inspector, and job evaluation analyst.

## TIMOR-LESTE



**Honorable Emilia Pires** has been the finance minister of Timor-Leste since August 2007. She has a bachelor's degree in mathematics (statistics) from Latrobe University, postgraduate studies in government law from the University of Melbourne, and a master of science in development management from the London School of Economics and Political Science in the United Kingdom. Ms. Pires has over 20 years of management experience and 25 years of community planning and development work. Her professional career includes 7 years of senior posts with both the United Nations and the World Bank. Ms. Pires is the founding chair of the g7+, the first forum in history to give a united voice to countries emerging from conflict. Ms. Pires is also the co-chair of the International Dialogue of Peacebuilding and Statebuilding with Denmark. In 2012, Ms. Pires was appointed as one of the members of the High-Level Panel of Eminent Persons advising the United Nations secretary-general on the post-2015 global development agenda.

## TUVALU



**Mr. Avafoa Irata** has been the deputy high commissioner at the Tuvalu High Commission for nearly 3 years in Suva, Fiji. He has been in the public service in Tuvalu for 15 years and has held senior positions in government, including assistant secretary, senior assistant secretary, and acting permanent secretary positions. He holds a bachelor of arts degree majoring in economics and geography, a postgraduate diploma in international affairs, and a master's degree in development studies from the University of the South Pacific in Suva, Fiji. His interests include development and foreign relation issues, tennis, and fishing.

## VANUATU



**Mr. Simeon Malachi Athy** has been serving as director general of the Prime Minister's Office in Vanuatu since 2008. Prior to this, he worked as the director general of the Ministry of Finance from 2003. He started his career with the Reserve Bank of Vanuatu in 1993. He holds a bachelor's degree in economics from the University of Papua New Guinea.

## DEVELOPMENT PARTNERS AND CIVIL SOCIETY ORGANIZATIONS

### ASIAN DEVELOPMENT BANK



**Mr. Ayumi Konishi**, deputy director general, Pacific Department, of the Asian Development Bank (ADB) is a career international civil servant with 30 years of experience. He joined the United Nations secretariat in 1982 as an economic affairs officer and was first assigned to the Economic Commission for Western Asia in Baghdad, Iraq. He then served for the UN headquarters in New York and for the Economic Commission for Africa in Addis Ababa, Ethiopia before joining ADB in 1988. With two undergraduate degrees, one from Waseda University in Japan and the other from Oregon State University in the US, he did his postgraduate studies at New York University.



## AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT



**Mr. Paul Daniell** is currently the director of fragility and conflict policy at Australian Agency for International Development (AusAID). His role involves participating in the International Dialogue to support the implementation of the New Deal for Engagement in Fragile States, and in the OECD DAC [Organization for Economic Co-operation and Development's Development Assistance Committee] International Network on Conflict and Fragility. He has a strong focus advocating for efforts within AusAID to enhance the effectiveness of its policy and programs to support fragile and conflict-affected states, and shaping AusAID's training program for staff and partners working in these contexts. Mr. Daniell first moved to AusAID in 2011 as director of the Afghanistan program. His previous experience with the Australian government included over a decade in diplomacy, with postings to Port Moresby, the United Nations in New York, and Kabul—working on political, security, and development issues. He holds postgraduate qualifications in international relations.

## UNITED NATIONS DEVELOPMENT PROGRAMME



**Mr. Toshihiro Tanaka** is the country director of United Nations Development Programme (UNDP), Philippines. Prior to this assignment, he was UNDP country director in Pakistan (2009–2012) and in Myanmar (2008–2009). He was actively engaged in the humanitarian response to Cyclone Nargis in Myanmar and consecutive floods in 2010 and 2011 in Pakistan, leading the early recovery response and coordination. He was also instrumental in the implementation of One UN Joint Programmes in Pakistan, particularly in the areas of poverty reduction, Millennium Development Goals, disaster risk management, and environment. He also served as deputy resident representative in Bhutan (2004–2008) and [in the People's Republic of] China [PRC] (2002–2004) and as assistant resident representative in the PRC (1999–2002) and Myanmar (1994–1997). He also conducted research and monitoring and evaluation works for the Human Development Initiative Programme in Myanmar under the UN Office for Project Services (1998–1999).

## UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT



**Mr. Daniel Miller** first worked on development programs as a Peace Corps volunteer in Nepal in the mid-1970s, where he lived with yak herders and learned to speak Nepali and Tibetan. He has a bachelor's degree in biological aspects of conservation from the University of Wisconsin-Madison, a master's degree in forestry from the University of Montana, and also studied at the University of Melbourne, Australia. Trained as a rangeland ecologist, he has worked on livestock development and biodiversity conservation programs in Afghanistan, Bhutan, [the People's Republic of] China [PRC], India, Kazakhstan, the Kyrgyz Republic, Mongolia, Nepal, Pakistan, and Tibet. He has published numerous scientific articles about the rangelands, wildlife, and nomads of the Himalaya, Tibetan Plateau, and Mongolia. Prior to joining USAID, he worked as a consultant on rural development projects for ADB, the World Bank, and international NGOs in Bhutan, the PRC, Nepal, and Mongolia. He joined USAID as an agricultural officer in 2003 and has worked for USAID in the PRC, Mongolia, Afghanistan, India, Papua New Guinea, Fiji, Solomon Islands, and the Philippines. He currently serves as the office director of the Office of Economic Development and Governance for USAID/Philippines overseeing a \$200 million portfolio and 17 staff.

## THE WORLD BANK



**Mr. Joel Hellman** leads the World Bank's global practice on fragile and conflict-affected states as director of the Center on Conflict, Security and Development based in Nairobi, Kenya and Washington, DC. He has more than 20 years of experience working on issues of governance, conflict, and the political economy of development. At the World Bank, he has led the governance and public sector practice in South Asia (including Afghanistan and Pakistan) and Indonesia, as well as coordinated the bank's response to the tsunami in Aceh and North Sumatra. Prior to the World Bank, he served as the senior political counselor at the European Bank for Reconstruction and Development and as professor in the Department of Government at Harvard University and in the Department of Political Science at Columbia University. He has a PhD in political science from Columbia University and an MPhil from the University of Oxford.



**Mr. Matthew Stephens** is a senior social development specialist and country sector coordinator in the World Bank Office in Manila. He oversees the World Bank's work on conflict, security, and development in the Philippines, and has been working in the country since 2008. Prior to moving to the Philippines, he was with the World Bank in Jakarta, Indonesia and has work experience in Afghanistan, Timor-Leste, Cambodia, and Bangladesh.

## THE ASIA FOUNDATION



**Dr. Steven Rood** is the Asia Foundation's country representative for the Philippines and Pacific island nations. In his concurrent role as regional advisor for local governance, he helps build local government, decentralization, and municipal government programs throughout the region. Dr. Rood, an expert on local government, decentralization, and public opinion polling, has been a consultant to both government and nongovernment organizations and served as professor of political science at the University of the Philippines College Baguio from 1981 until joining the foundation in 1999.

## INTERNATIONAL ALERT



**Dr. Francisco “Pancho” Lara Jr.** is the Philippines country director of International Alert, an international peacebuilding organization based in the United Kingdom. In a multifaceted career spanning several decades, Dr. Lara has worked in the voluntary, nonprofit, and government sectors. He has served as Philippines country director of the British volunteer organization Voluntary Service Overseas, United Kingdom. He worked for the UN Food and Agriculture Organization, Philippines Office, as a policy specialist in agrarian reform and rural development, and subsequently served as chief of staff of the cabinet secretary of the Department of Agrarian Reform from 1998 to 2001. He has taught at the University of the Philippines, and has researched and written on diverse topics such as the political economy of conflict, legitimacy construction and political settlements, economic sociology, agrarian reform, food security, rural politics, and agricultural trade policy. His latest publication is a co-edited volume on the links between Mindanao’s shadow economies, conflict, and governance entitled *Out of the Shadows: Violent Conflict and the Real Economy of Mindanao* (2013). He is also the author of a forthcoming book entitled *Insurgents, Clans, and States: Political Legitimacy and Conflict Resurgence in Muslim Mindanao, Philippines* to be published by the Ateneo de Manila University Press. He finished his undergraduate degree in sociology at the University of the Philippines and obtained his MSc (1997) and PhD (2010) degrees from the London School of Economics and Political Science.



**Dr. Markus Mayer** is program manager for South and Southeast Asia at International Alert in London, covering work in Myanmar, Nepal, Pakistan, the Philippines, and Sri Lanka. Since 1995, he has worked on issues related to poverty and to the economic dimensions of conflict, with a focus on youth integration, employment in post-conflict situations, conflict-sensitive development programming, and business for peace interventions. He has a PhD in development geography from the University of Heidelberg on youth conflict and development planning, and is co-editor of *Building Local Capacities for Peace: Rethinking Conflict and Development in Sri Lanka* (Macmillan 2003) and *The Challenge of Youth Unemployment in Sri Lanka* (the World Bank–International Labour Organization 2010).



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# List of Participants

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## Forum on Building Resilience to Fragility in Asia and the Pacific—Proceedings

This publication captures the presentations and discussions of high-ranking government officials and senior representatives from development partners and civil society organizations during the Forum on Building Resilience to Fragility in Asia and the Pacific, held on 6–7 June 2013 in Manila. The forum aimed to foster stronger partnerships, support new thinking and innovative engagement, and enhance development efforts to better assist countries with fragile and conflict-affected situations.

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