



A re-focussing of development on conflict - Implications for the UK's aid

UKAN Policy Paper 3 – January 2010

SUMMARY RECOMMENDATIONS

UKAN members make the following recommendations to the UK government in dealing with the significant challenges it faces in scaling-up its aid effectively to conflict-affected and fragile states in support of development objectives:

- ❖ **Continue to deliver the bulk of development support in conflict-affected and fragile states through DFID, but also through closer engagement with the FCO**
- ❖ **Continue to support and develop mechanisms to help DFID, FCO and MoD work together on conflict and security issues; restrict the military's role in aid delivery to its niche areas of expertise (e.g. large infrastructure and security) and avoid giving it independent management of aid delivery**
- ❖ **Deliver 0.7% of GNI as aid from 2013, so that the UK can adequately fund its work on conflict and security issues across all developing countries; continue to focus the UK's aid on the poorest countries.**
- ❖ **Continue to work with other donors to protect and strengthen the definition and development focus of aid and principles for effective aid delivery in conflict-affected and fragile states**

1. Introduction

Given that 73% of the world's poorest billion people live in countries that are in or have recently experienced civil war (Collier, 2007, p17), and that a protracted war can increase poverty by 30% (World Bank), it is perhaps no surprise that conflict and security issues are getting increasing attention from development practitioners. Despite these statistics it has taken a range of coalescing agendas to give conflict this new prominence, including concerns around the MDGs in the most fragile countries, growing global security threats from fragile states and some successful recent conflict prevention operations in the developing world (e.g. Cambodia and Sierra Leone).

2. How have donors been responding to conflict issues?

Donors have responded in different ways to this emerging conflict and development agenda in recent years, with some responses motivated more by development concerns and others more by donor national interests.

OECD Principles for Good International Engagement in Fragile States and Situations (2007)

1) Take context as the starting point; 2) Do no harm; 3) Focus on state-building as a central objective; 4) Prioritise prevention; 5) Recognise the links between political, security and development objectives; 6) Promote non-discrimination as a basis for inclusive and stable societies; 7) Align with local priorities in different ways in different contexts; 8) Agree on practical coordination mechanisms between different actors; 9) Act fast...but stay engaged long enough to give success a chance; 10) Avoid pockets of exclusion (aid orphans)

Over the last few years many donors have been working to develop principles to guide development interventions in and promote effective aid to conflict affected and fragile states (above). The UK has been one of the primary supporters of this work.

However, worryingly a significant number of donors have also responded by adding their national security objectives to the mandates of their development agencies, raising concerns about aid becoming more politically motivated and being diverted away from development priorities to meet these objectives (example below).

Perhaps the most worrying of these examples, is that of the USA delivering its aid in Afghanistan through the military implementing quick impact projects, aimed at winning “hearts and minds” of communities in conflict areas. Not only have such interventions led to neglect of long term development interventions, which communities express wider support for, they have also paid limited attention to sensitive community dynamics (BAAG/ENNA 2008), achieved limited impacts and led to the blurring of lines between the military and development actors - who require neutrality to operate effectively (BAAG/ENNA 2009).

Examples of aid practices motivated by national security interests

USA – Much of the USA’s aid to Afghan + Iraq is controlled by the military and directed to military aims; in 2006/7 24% of the US’s aid went to Afghanistan and Iraq (OECD 2009).

Australia – Australia has added counter-terrorism to its development assistance objectives and has since spent an increasing proportion of its on security interventions in neighbouring countries, dwarfing aid spent on social development in those same countries (RoA 2006).

Denmark – In 2004 Denmark added fighting terrorism to its priorities for development assistance, which has led aid being explicitly linked to countries supporting the War on Terror (RoA 2006).

Another worrying response from donors has been efforts through the OECD to widen the definition of official development assistance to include peacekeeping, counter-terrorism and other military related activities (RoA 2006).

3. How has the UK government responded to conflict and development issues?

Managing delivery - In the UK, increasing attention on the complex development challenges in conflict countries has led to the establishment of two funds jointly managed by the 3 main UK government ministries working on conflict issues– the Department for International Development (DfID), Foreign and Commonwealth Office (FCO) and Ministry of Defence (MoD) – to stimulate more effective joint collaboration and pooling of expertise across these Ministries.

UK Government Tripartite Conflict Funds

- Stabilisation Aid Fund - Established in 2004; funds civil conflict stabilisation activities in Afghanistan + Iraq; been allocated £269m for the period 2008/9-2010/11
- Global Conflict Pools – The Africa and Global Conflict Pools (est’ in 2001) became the Global Conflict Pool in 2008; the joint SAF GCP budget was £171m for 2009/10.

These funds have played an important role in supporting DFID, FCO and MoD to improve their dialogue, cooperation and joint work in conflict-affected developing countries (DFID 2004), focussing mainly on formal security sector interventions.

However, most of the UK’s development funding for conflict work is delivered through DFID programs. These are focussed on a wide range of activities aimed at preventing conflict, building peaceful societies and dealing with community security challenges. It is this full range of activities that is required to respond to conflict sensitively, with societal wide interventions and over the long term, as well as to meet the Fragile States principles.

Aid allocations –The UK’s aid allocations have to some degree been influenced by the UK’s foreign policy goals around conflict, as Afghanistan and Pakistan, modest aid recipients a decade ago, were in 2008/9 the 3rd (£148m) and 6th highest

(£120m) recipients respectively of the UK's aid (DFID 2009). However, because these sums are a modest share of total aid and the UK's aid has been increasing, other countries have not seen their aid levels decrease as a result. Around 87% of the UK's bilateral aid goes to low income countries (OECD 2009).

International policy influence - The UK government has been one of the most important voices in international policy debates around conflict and development, as illustrated by its support for the Fragile States Principles, the EU's work on fragile states, the UN's Peace-building Fund (contributed 17% of its funds) and its opposition to opening up OECD aid definitions. This development-oriented approach by the UK may well be due in part to its strong independent development ministry (DFID), whose cabinet representation allows it a major say in international policy.

4. Ongoing debates, policy options and challenges for the UK's response to conflict and development issues

In July 2009, the UK Government and the UK Conservative Party both published major new policies on international development which emphasised conflict and security issues as part of their core agenda for future UK development efforts. Given this consensus and existing plans to increase the UK's aid (to 0.7% of GNI by 2013), it is likely that UK government will be significantly increasing its support for conflict and security priorities in the developing world in the coming years.

This scaling-up of support poses some significant questions around the fundamentals of its delivery, with questions likely to be intensively debated including: Who should manage its delivery? Which countries should this effort be focussed on? And perhaps most fundamentally, how best can development and poverty reduction objectives be kept at the forefront of this support? What follows are the responses of UKAN members to these questions.

5. Where next for UK engagement on conflict and development issues?

Managing delivery - Given the importance of wider societal engagement, long term community support and grass-roots peace-building efforts - areas where DFID has a clear comparative advantage - it will be important for DFID to continue to direct and deliver the bulk of the UK's support on conflict and security issues.

DFID would though benefit from more intensive engagement with the FCO in designing its programs, in order to ensure it has sufficient knowledge of the politics of countries in which it is investing and can tailor its engagement and interventions accordingly.

Given the unique development challenges posed by conflict-affected and insecure environments, it is vital that DFID, FCO and MoD can pool their very relevant skills to provide effective UK support. Tripartite funds like the Global Conflict Pool and Stabilisation Aid Fund will have an important role to play in incentivising this engagement and ensuring development objectives are considered in decision-making processes for programs handled outside of DFID.

In addition, it is important that the UK military does not have independent management of the UK's aid and its role is restricted to areas where it has niche expertise, including: helping deal with large scale infrastructure issues in immediate post conflict environments; providing basic security; and dealing with issues like demobilisation and small arms control. This is due to the military's lack of expertise on long term development challenges and community engagement and its limited legitimacy in countries in which it is operating. Existing evidence suggests that where the military manages aid outside of these parameters, such aid is likely to be ineffective, at best, and create further community tensions and obstructions to development actors, at worst (see Section 2 for research backing-up this analysis).

Aid allocations – Given the significant conflict, security and poverty challenges facing countries such as Afghanistan and Pakistan, increased aid to them may well be important and address the over-reliance on military interventions in these countries.

However, it will be important to ensure that any increase in aid to these countries does not lead to reduced support for (lower profile) conflict and security challenges elsewhere in the developing world; nor weaken the focus of the UK's aid on the poorest countries. Such concerns will be easier to address if the UK meets its commitments to scale-up its aid to 0.7% of GNI by 2013.

International policy influence – It will be important for the UK government to continue to champion the implementation of the Fragile States principles and support other related initiatives. It will also be important for the UK government to work with other donors to ensure that aid definitions are not weakened at the OECD, which will help to ensure that aid continues to be focussed on core development challenges.

6. UKAN recommendations

UKAN members make the following recommendations for how the UK government can put in place the institutional arrangements and policy approaches to allocation and international engagement required to deliver a development-oriented approach to scaling-up its work on conflict and security issues:

- ❖ **Continue to deliver the bulk of development support in conflict-affected and fragile states through DFID, but also through closer engagement with the FCO**
- ❖ **Continue to support and develop mechanisms to help DFID, FCO and MoD work together on conflict and security issues; restrict the military's role in aid delivery to its niche areas of expertise (e.g. large infrastructure and security) and avoid giving it independent management of aid delivery**
- ❖ **Deliver 0.7% of GNI as aid from 2013, so that the UK can adequately fund its work on conflict and security issues across all developing countries; continue to focus the UK's aid on the poorest countries.**
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