



Fragile Situations

INFOCUS

ADB uses flexible and tailored development approaches for countries faced with unique fragility and conflict challenges

- Challenge** Institutional weaknesses, economic and social vulnerabilities, and conflict or post-conflict situations often combine to create unique and particularly complex development challenges in some of the poorest, smallest, and most isolated countries in Asia and the Pacific.
- Strategy** Because doing business in countries experiencing stress involves higher operational risk, ADB takes a flexible, long-term approach to delivering aid by developing customized ways of engagement, and prioritizing partnerships and synergies with development partners.
- Response** ADB has developed a strategic and operational approach for the needs of weakly performing and post-conflict countries. This approach drives (1) selection of aid instruments; (2) focus and direction of operations; (3) application of business procedures, requirements, and guidelines; (4) responses to the challenges of delivering effective aid; and (5) field presence and operations supervision capacities.

“Maintaining a flexible approach is essential to ensuring results in fragile and post-conflict situations.”

—Patrick Safran, Focal Point for Fragile and Conflict-Affected Situations

ADB’s Strategy 2020 meeting the needs of Asia and the Pacific

Strategic Direction

- Inclusive Economic Growth
- Environmentally Sustainable Growth
- Regional Integration

Drivers of Change

- Private Sector
- Good Governance
- Gender Equity
- Knowledge Solutions
- Partnerships

Read more at www.adb.org/Strategy2020/

The question of aid effectiveness and engagement in situations of fragility and conflict has lately received growing attention in international development debates. Countries in stress have unique development needs that must be addressed in order to avoid major human, economic, social, and security costs for the country—and its neighbors.

The Principles for Good International Engagement in Fragile States and Situations, proposed by the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC), were largely adopted by the development community to facilitate the implementation of the 2005 *Paris Declaration on Aid Effectiveness*. The 2008 *Accra Agenda for Action* reaffirmed the commitment of donors and partner countries to adopt customized strategies for countries in fragile situations.

Meeting the challenges of fragile situations

As a multilateral development bank, ADB faces specific challenges in countries under stress. Where

there are high corruption, poor governance, political instability, and weak country systems, aid tends to be less efficient and effective in reaching the poor.

In such fragile situations, conditions for ownership (a country’s exercise of leadership over development management) are often not met, and donor alignment (a measure of consistency between aid and national priorities) and the ability of development partners to harmonize and coordinate their efforts become equally problematic.

ADB’s long-term strategic framework 2008–2020 (Strategy 2020) pays particular attention to fragile and post-conflict situations. To enhance effectiveness in these difficult settings, ADB developed a strategic and operational approach outlined in ADB’s *Achieving Development Effectiveness in Weakly Performing Countries*. It provides a framework for engagement that promotes flexibility, innovations, and partnerships.

A particular challenge for ADB is to effectively contribute to “whole-of-government” approaches, which can take it outside the mainstream of standard operations and may require interaction with

nontraditional partners in the diplomatic, defense, and humanitarian communities.

A steering committee, chaired by the strategy and policy department's director general and composed of ADB department heads, guides implementation of ADB's approach to engagement in fragile and conflict-affected situations.

A Fragile Situations Support Team, based at ADB headquarters, helps ADB's country teams integrate elements of the approach into operations and support corporate partnerships with other development organizations and civil society.

Implementing ADB's approach by doing things differently

Like other development partners, ADB's engagement in fragile and post-conflict situations aims at helping countries achieve a sustainable "turnaround," defined as a durable exit from conflict and strengthening of institutions necessary for long-term development.

To contribute more effectively to this goal, ADB has to work differently and consider changes that affect both its internal processes and interactions with clients and stakeholders.

Differentiated approaches. To ensure country partnership strategies address root causes of fragility, ADB often undertakes specific analytic work, such as conflict assessments, analysis of constraints to inclusive growth, and political economy studies.

Strategies in post-conflict situations should be aligned with transitional results frameworks and joint needs assessments that aim at responding to the short-term reconstruction and peace-building efforts of the country.

ADB's *Disaster and Emergency Assistance Policy* can also be used to provide a quick response to support post-conflict reconstruction. Recent work in Georgia, conducted jointly with the United Nations, European Community, and World Bank, is a prime example.

In countries where peace-building processes need consolidation, ADB more systematically considers its operations from a conflict-sensitive perspective. In Nepal and Sri Lanka, for example, it

is piloting the use of "conflict sensitive approaches" to assess the potential impact that ADB projects will have on conflict and peace building at the community level.

In fragile settings, the priority of ADB assistance is to strengthen the capacity of the state to perform its core functions, including delivery of basic services.

ADB can also support innovative, community-driven development operations and partnerships with nongovernment organizations or the private sector to accelerate the delivery of "quick gains" to populations at risk.

Flexibility and adaptation to changing circumstances are essential in fragile situations. This is why, as part of ADB's framework for engagement, relaxation of business processes requirements can be considered on a case-by-case basis, and without compromising prudent policies and safeguards.

Increased engagement and presence. To enhance engagement in Pacific countries that have extensive capacity development needs and are particularly vulnerable to natural disasters and external shocks, a pool, equivalent to 4.5% of Asian Development Fund resources, is earmarked for the Pacific region.

ADB is also increasing its technical assistance to fragile and small countries that experience acute capacity and aid absorption problems. This grant financing modality typically supports skills and capacity development, institutional and policy reforms, and project management.

Increasingly, technical assistance is used to build country systems, including those related to procurement and anticorruption, financial management, social and environmental safeguards, statistical capacities, and results-based monitoring and evaluation.

Because "doing business" in fragile and conflict-affected situations typically involves high risks and costs, ADB should maintain a presence at the field level and develop its own staff skills mix.

ADB's preferred approach is to share resources with other development partners. This is the case in small Pacific countries like Samoa, Solomon Islands, Tonga and Vanuatu, where it has established joint offices or joint representations with the World Bank.

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