Department for International Development

A DFID practice paper

Briefing

MARCH 2010

Working Effectively in Conflict-affected and Fragile Situations

Briefing Paper A: Analysing Conflict and Fragility

DAC Principle 1: Take context as the starting point

- International actors must understand the country context and develop a shared view of the strategic response that is required.
- They should recognise the different constraints of capacity, political will and legitimacy, and differences between (i) post-conflict/crisis or political transition situations, (ii) deteriorating governance environments, (iii) gradual improvement and (iv) prolonged crisis or impasse.
- Sound political analysis is needed to allow international responses to be adapted to country and regional contexts, beyond quantitative indicators of conflict, governance or institutional strength.
- Donors should mix and sequence aid instruments and other interventions according to context and avoid blueprint approaches.

Introduction

Getting our analysis right in conflict-affected and fragile situations is a critical starting point for developing effective responses. Analysis serves a number of important purposes, helping us to:

- develop a shared understanding of context with our partners;
- understand the underlying causes, features and dynamics of fragility and conflict, and identify the more immediate risks of instability;
- interpret changes on the ground, including trends and events;
- identify priorities and opportunities for engagement, including levers for supporting social, political and economic change; and
- decide on appropriate forms of alignment and partnerships, and ensure these are sufficiently robust and resilient to change.

Joint analysis with our development partners, and working to achieve a shared view of the context and appropriate responses, should be the foundation for our engagement. DFID and other donors are committed to carrying out joint assessments in fragile states as part of the Paris Declaration, with a target of 66% of country analytical work conducted jointly in 2010. The Accra Agenda for Action also includes a commitment by donors to conduct “joint assessments of governance and capacity and examine the causes of conflict, fragility and insecurity, engaging developing country authorities and other relevant stakeholders to the maximum extent possible”.

Achieving a genuinely shared understanding of conflict and fragility among donors and other partners is not simply a technical exercise. The way in which findings are interpreted and used by donors is inevitably influenced by political considerations. Even where a level of shared understanding is achieved, this may not easily translate into joint responses. But developing a common understanding of political, social and economic dynamics (and their inter-relationships) remains the foundation for joint action.

A lack of solid analysis can also have serious consequences. Development assistance can inadvertently exacerbate conflict dynamics, undermine state legitimacy or fail to respond to deteriorating social, political or economic conditions. Incentives within the development community to present a situation as a success story can distort analysis and discourage dialogue and action from taking place. Where analysis is not carried out jointly within donor governments, development, diplomatic and security policies can start to pull in different directions. Robust, shared analysis is therefore needed to ensure that we 'do no harm' (see *Briefing Paper B: Do No Harm*).

For example, in Nepal, DFID (like other donors) initially treated the conflict as an obstacle to be worked around. However, conflict and exclusion analysis conducted between 2000 and 2003 revealed that DFID partners were inadvertently recruiting staff exclusively from high-caste groups, and that the benefits of their programmes were concentrated among the urban elites. The assistance therefore tended to mirror the dynamics of exclusion that sustained the conflict. This analysis led to a major reorientation of the programme (see *Briefing Paper E: Aligning with Local Priorities*).

East Timor (Timor Leste): Lack of conflict analysis

> *"The surprise was not that a political crisis would occur, but rather that violence could escalate through interaction with the other dynamics emerging after Independence."*

In East Timor in 2006, the government's dismissal of one-third of the armed forces triggered the breakdown of security institutions, followed by extensive violence and physical destruction. The crisis was in sharp contrast to international perceptions of East Timor as a post-conflict reconstruction success. Between 2002 and 2006, development partners focused their analysis on *external* risks to the territory (from Indonesia), and paid insufficient attention to the risks of *internal* conflict and instability emanating from tensions between groups and within the Timorese elite.

A review initiated by the Norwegian government found that international actors viewed East Timor as a small, homogeneous country, politically unified in its opposition to the Indonesian occupation. This proved to be incorrect. The state-building strategy thus failed to address the critical factors that led to the 2006 crisis. It contributed to the centralisation of power in the executive branch of government, and at the national level, exacerbated political exclusion and restricted economic opportunity to the capital, Dili. The review also revealed a significant disconnect between internal reporting by development partners (including the UN) and their public positions.[1]

[1] Adapted from Norad, *Review of Development Cooperation in Timor Leste* (2007). Available at http://www.norad.no/en/Tools+and+publications/Publications/Publication+Page?key=109749:

Analytical tools and approaches

DFID has a range of analytical tools and approaches at its disposal for conflict and fragility, each with different strengths and fields of application. These are summarised below in Annex 1. Experience suggests that combining more than one perspective for in-depth analysis – e.g. conflict, exclusion and/or political economy analysis – is likely to produce the most robust and comprehensive analysis of fragility.[2]

While the majority of our tools are geared towards country-level analysis, we should also seek to draw out the links between local, national, regional and international dimensions of conflict and fragility. This means drawing on global, regional, sub-national, sectoral and other data to inform our understanding of context. The process of developing HMG conflict prevention strategies in Africa is teaching us important lessons about how to do this.

Keeping analysis fresh and updated is particularly important in situations of conflict and fragility, where conditions can change very quickly. Analysis that is rapidly outdated is of little practical use. Analysis should be viewed as a dynamic process rather than a static output. Establishing a regular mechanism to develop shared analysis and ongoing assessment with FCO and other relevant UK government departments is an essential first step. This process should be used to identify gaps in knowledge and analysis.

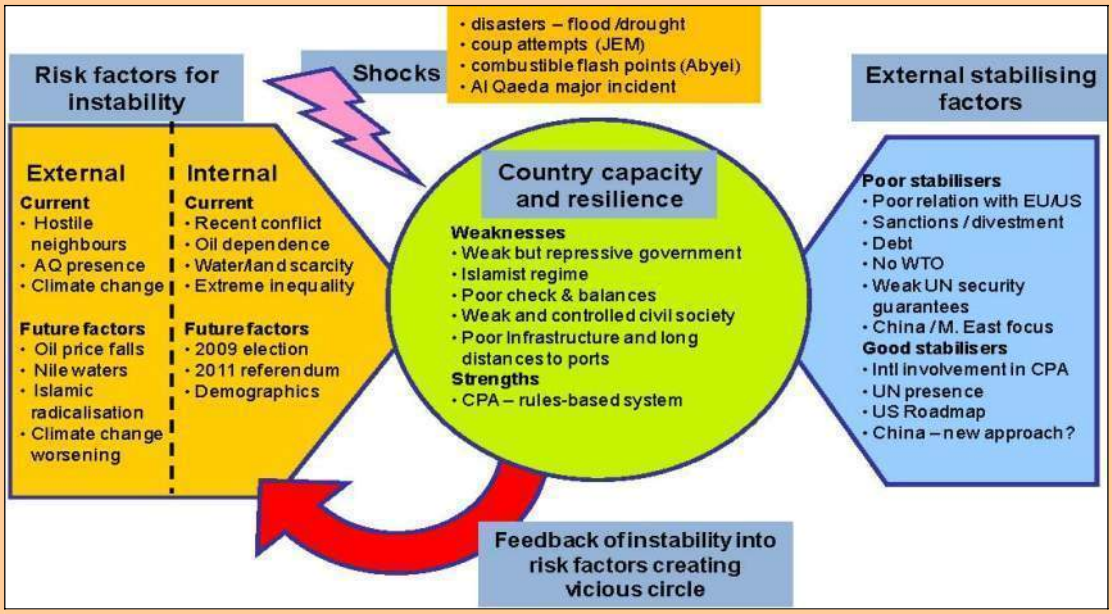
In-depth analysis (often commissioned from independent consultants or within HMG, e.g. FCO Research Analysts) should be combined with regular political reporting and media monitoring. It should underpin our understanding of state-building and peace-building, as set out in the new DFID Policy Paper, *Building Peaceful States and Societies,* and committed to in the 2009 DFID White Paper. It should also inform the Country Governance Analysis (CGA) and scenario/contingency planning, which are now a mandatory part of the DFID's country planning process. Data from programme reviews can also be used to validate or update our analysis.

Political Economy Analysis (PEA), Strategic Conflict Assessments (SCA) and exclusion analysis are now common across DFID. Two approaches with which DFID is less familiar, but with particular relevance for understanding conflict and fragility, are the Countries at Risk of Instability (CRI) framework and the Critical Path method. These approaches, which bring together political, security and development dimensions, can support joint analysis with our Whitehall partners. The CRI approach has recently been used by DFID and HMG in Bangladesh, Sudan (see below) and Yemen. It combines analysis of internal and external sources of fragility, and identifies the most critical risks.

[2] Overseas Development Institute, *Fragility Analysis Summary Overview*, Report for DFID (May 2008).

Sudan: Analysing risks of instability and future scenarios

In 2007, DFID Sudan commissioned a wide ranging analysis to inform the development of its country plan and the broader HMG strategy for Sudan. This included joint HMG analysis of drivers of instability and stabilising factors. Using the Countries at Risk of Instability (CRI) methodology, the analysis focused on three main areas: (i) risks of instability (internal and external); (ii) country capacity and resilience; and (iii) external stabilising factors. The results suggested that Sudan is in a highly unbalanced situation, with a propensity to slip back into violence. The diagram below summarises the key findings:



(Source: DFID Sudan Framing Paper, July 2008)

The drivers of instability analysis informed the development of future scenarios for Sudan to 2012. These scenarios in turn were used to test strategic options against possible futures. The two main drivers of stability/instability which emerged were the balance of power between centre and periphery and the cohesion of power at the centre.

Through internal workshops, the available analysis was used to derive DFID's and HMG's engagement priorities. The DFID Sudan country plan, for example, gives the highest priority to those areas that will achieve significant impact over the period 2008–2012 (the Comprehensive Peace Agreement implementation time frame) and will tackle the major drivers of instability. This experience demonstrates the value of building a high degree of external and internal challenge into the strategic planning process and of identifying and focusing on the most critical issues.

The Critical Path tool has been used in Somalia (see below) and DRC to bridge the assessment–planning nexus, and to work towards agreement between international actors on priorities and sequencing in complex transitional environments.

Somalia 2007: Critical Path to the next stage of stability

An informal group of international actors engaged on Somalia convened a workshop in Nairobi. Through brainstorming, participants clustered social, political, economic and security obstacles to stability. They articulated three 'platforms towards stability' (each being set of interim outcomes) which could eventually lead to a stable state, and set out a Critical Path towards achieving the first platform of 'good enough stability'. Participants also agreed on five interim results bridging the security–political–humanitarian nexus that could be communicated to Somali political groups. These included an acceptable local administration, 'good enough' security in Mogadishu and unimpeded access for humanitarian assistance.

The Somalia process offers a number of important lessons. The short process relied heavily on individuals to ensure the analysis of context was robust and would have benefited from joint underpinning analysis. The process was successful in generating consensus among the representatives in Nairobi on a clear goal and a set of priority objectives, but it fell short of agreement on *how* to achieve these. The consensus was also not easily translated into agreement in donor capitals – better communication before and after the workshop might have helped with this. Keeping the analysis updated as events intervene has also been difficult, as frequent repetition of such an intensive process is hard to sustain. A useful addition to the exercise might be an analysis identifying the incentives for interested parties to carry out or resist the actions identified as important.

Joint analysis with development partners

While DFID is committed to joint analysis and assessments, achieving a genuine common understanding among development partners can be challenging. The 2008 review of DFID's CGA identified several reasons why there is little harmonisation and sharing of analysis: (i) donors have different objectives for undertaking analysis; (ii) use of headquarters corporate frameworks makes donors unwilling to negotiate on 'their' approach at country level; and (iii) there is a high level of sensitivity and some discomfort around outsiders 'assessing' a partner country's progress.

We need to strike an appropriate balance between ensuring the analysis meets DFID's requirements (i.e. that it is sufficiently independent and robust) and maximising its potential value as a basis for dialogue, shared understanding and collaboration with others. It may not always be possible to achieve all of these objectives, and our approach must depend on our objectives in each context. But we should always identify opportunities to use our analytical tools and approaches to contribute to a wider collective understanding of the context.

There is an important distinction between *joint analysis* and analysis that we *share with others*. Joint analysis requires collaboration from the outset, including development of the scope and Terms of Reference, agreement on the expertise required, budget and time frame, and full engagement with the emerging findings throughout the process. DFID's own analysis can be shared and disseminated, but this is much less likely to lead to a genuinely shared understanding of context or to buy-in from others.

Country offices should take as their starting point whatever analysis, process or dialogue is already in place. Where joint analysis is not feasible, we should seek to share our analysis with others. For example, the Sierra Leone CGA draws heavily on the European Commission (EC) Governance Profile, which was undertaken jointly with all donors and discussed with government in 2006, as well as DFID's *Drivers of Change* report from 2006. The CGA has been agreed with FCO and MOD in-country colleagues and incorporates feedback from other donors, while remaining a DFID assessment.

Sharing analysis with others can add practical value in other ways. Country offices should share analysis with the World Bank to inform IDA Resource Allocation Index (IRAI) assessments, which influence aid allocation. There are also opportunities to work with the new Governance Partnership Facility to support the World Bank in undertaking more political analysis of countries and sectors to underpin effective programming choices.

Civil society organisations (CSOs) provide important sources of information that can be incorporated into our analysis. They can contribute during consultations or fieldwork, or be commissioned to gather data and conduct analysis. They add particular value in helping to 'ground' or validate analysis at local level, using qualitative and other methods to reflect the perceptions of different groups in society. In insecure environments, CSOs may be able to reach areas and groups that are inaccessible to DFID and other donors, and so may be the most suitable partners to commission. In such contexts, their analysis should be triangulated with other sources where possible.

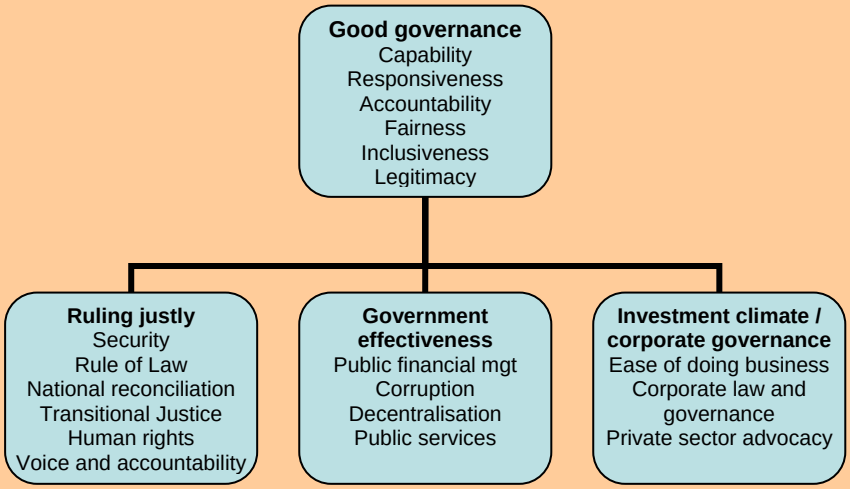
Where circumstances allow, joint analysis that brings together **national government** and development partners can support consensus-building, ownership and harmonisation. In Nigeria, the 2003 SCA was the first multi-donor conflict assessment to be led by a government body – in this case, a national institute attached to the Office of the Presidency. The SCA review (2005) notes that conducting SCAs with national governments or institutions enables the analysis and follow-up action to be endorsed and supported at the highest levels. It also permits greater access to local information and a wider range of areas and stakeholders.

Government and other national partners are likely to hold different assumptions and views on politically sensitive issues such as conflict and fragility, and their capacity to engage in lengthy, complex analysis may be limited. When considering joint analysis with national partners, it is important to begin by assessing the capacity and willingness of potential partners to meet the technical and logistical requirements of the exercise. On balance, however, experience suggests the benefits of working with national governments, institutions and partners can often outweigh the costs.

Rwanda: Joint Governance Assessment

Rwanda's Joint Governance Assessment (JGA) emerged in response to a situation where many different governance assessments had been conducted in parallel by different development partners. This resulted in duplication of effort and the lack of a coherent basis for dialogue with government. There has also been a degree of controversy in Rwanda surrounding some international governance indicators. Responding to suggestions made by President Kagame at the Development Partners Meeting in 2006, the JGA aims to provide an assessment of the governance issues facing Rwanda that is grounded in the country context, and to achieve a harmonised approach based on a common set of indicators and benchmarks. Its guiding principles are joint ownership and constructive dialogue.

The JGA avoids taking an overly normative view of the *form* that institutions should take to bring about ideal government. Instead, it takes a pragmatic view on how to strengthen the existing institutional framework to promote particular attributes of good governance. The JGA addresses three broad subject areas, in each case seeking to: (i) identify governance priorities and appropriate approaches, taking local realities and international norms into account; (ii) assess how governance in Rwanda compares to these standards and what progress has been made since 1998; and (iii) propose indicators to assess whether Rwanda is moving in the right direction in the future. The report proposes a total of 45 indicators as the basis for a future monitoring framework, to be reviewed annually. Eight of these will be monitored through the Common Partnership Assessment Framework, which underpins the budget support dialogue between government and budget support donors



A key challenge has been agreeing on how to represent controversial aspects of Rwanda's history and governance. These have been addressed through careful negotiations and compromise on both sides, and it has been important for stakeholders to accept that the JGA is a mediated assessment and basis for joint dialogue, rather than an independent analysis.

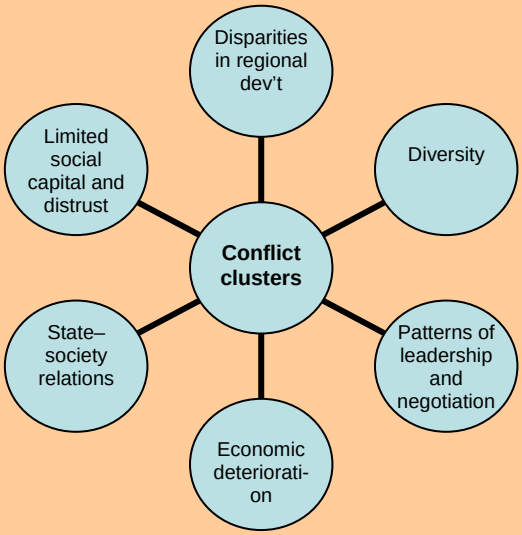
The JGA has required a significant investment of time and funds from DFID. However, achieving a joint basis for a review of governance issues is a major achievement in a context often characterised by polarised views, where governance dialogue between government and development partners can be a source of mutual dissatisfaction. It is yet to be seen whether the JGA will fully succeed in its aims, but there are encouraging signs and a high level of ownership, demonstrated by its formal adoption by the Rwanda Cabinet.

In situations of protracted crisis, where opportunities for joint analysis and engagement with government and other national partners are heavily constrained, joint analysis with international partners can still add significant practical value. It can

help develop a shared understanding of the political constraints, and can challenge and strengthen positions taken in international and regional dialogue. It can also inform programming choices by identifying opportunities to help build the foundations for economic, social and political transition, as well as the risks of engaging in these areas.

Burma: Using the Strategic Development Assessment

In Burma (Myanmar) in 2005, DFID, the UN Resident Coordinator, Japan, Australia and Germany funded a Strategic Development Assessment (SDA) to explore the relationship between aid, conflict and politics. The SDA analysed the patterns and origins of conflict dynamics and examined state–society relations, characterised by repression, violence and arbitrary decision making. It suggests that a sustainable political settlement will need to accommodate Burma's cultural, linguistic, religious, regional and political diversity through a system that protects individual, community and minority rights.



The SDA challenges the international community to move beyond diplomacy and a 'do no harm' approach, and to focus on building the conditions necessary for peace, reconciliation and political transition. Priority areas suggested by the SDA include:

- building social capital;
- strengthening civil society;
- strengthening civilian government institutions;
- supporting better service delivery (primarily health and education) and regional development; and
- exploring the potential role of religion in reconciliation.

The SDA changed DFID's thinking on how to support the foundations for transition, and contributed to a wider debate in the donor community on how to work effectively in Burma. Discussions around the SDA have influenced other donor programmes. For example, a large UNDP livelihoods programme (supported by DFID and other donors) has recently targeted its support more at poorer and marginalised communities in conflict-affected areas.

Responding to the SDA, DFID is supporting a new £3.5 million Pyoe Pin ('Green shoots') programme to strengthen local civil society and support the development of coalitions around issues. In its first few months, Pyoe Pin has supported a vibrant civil society humanitarian response to Cyclone Nargis. DFID has also started support to a local NGO working on education in ethnic ceasefire areas, and has contributed to a new multi-donor fund supporting humanitarian aid through local community organisations in areas affected by conflict.

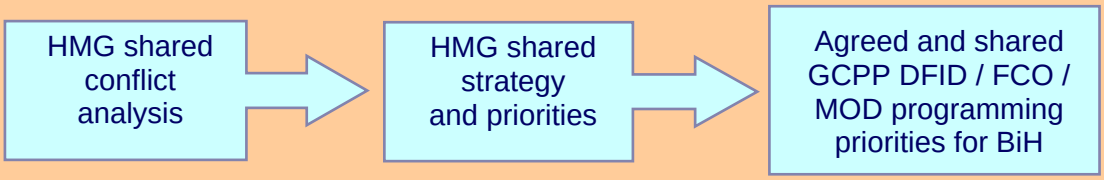
Developing shared analysis with our **Whitehall partners**, particularly FCO, is an essential part of the process in all types of fragile situations. This is also a specific commitment under the cross-government Public Service Agreement on Conflict, PSA 30. But achieving this together with joint donor analysis is particularly challenging. Collaboration tends to be cross-government, or between donor agencies, but rarely both simultaneously. Ideally, a cross-Whitehall perspective will inform DFID's participation in joint donor analysis, but the sequencing of analytical work and mechanisms will need careful consideration.

Because of its in-country presence and political focus, FCO should be a natural partner in generating ongoing political analysis. Its analytical capability lies in its reporting from embassies and high commissions, the work produced by FCO Research Analysts and by policy staff and planners; and the wider knowledge and experience of FCO staff. Dialogue and collaboration around analysis and planning can be used to draw on this capability, including through joint commissioning of analysis and development of joint plans. Other HMG bodies may have specific knowledge and expertise to offer as well, and some may also have in-country presence.

Joint HMG analysis can aid the development of a shared understanding of context, and can help to work through differences and tensions between departmental perspectives and preferred responses. This has been a particular benefit of the recent scenario/contingency planning exercises in fragile states. It can also help us derive new HMG priorities, including for Conflict Prevention Pool activities, where joint analysis is now a requirement.

Bosnia: Joint conflict analysis and strategy process

The Global Conflict Prevention Pool (GCPP) for the Western Balkans was programmed according to four strands of activity, two managed by FCO, one by DFID and one by MOD. A 2006 review noted that, although there was a level of information sharing between the departments, the strategy did not provide a shared analysis of the challenges or a genuinely integrated plan for tackling them. In response, a tri-departmental GCPP Committee was established by the embassy in Bosnia and Herzegovina (BiH) and developed a new planning process.



A review of the process found that the **independent external facilitator** (who supported the conflict analysis) had been useful because they (i) were neutral (not from any department), (ii) could drive and manage the process, (iii) offered expertise in conflict prevention issues not widely available in country, and (iv) had the experience to ensure the strategy was genuinely 'owned' by HMG. Meetings with lead individuals from each Department before the first joint session were essential to identify expectations, ensure buy-in and provide an opportunity to voice concerns (including about other departments).

The available **guidance** on how to prepare a conflict analysis may have reinforced rather than challenged departmental boundaries by separating issues into political, development and security boxes. A clearer **mutual appreciation** of the other Departments' approaches and conceptual tools would have helped. Overall, there is a need to ensure balance between rigour, accessibility and utility in the analysis and strategy.

Putting analysis into practice

As the Somalia example above illustrates, translating analysis into practical programming choices continues to be a significant challenge. Analysis does not automatically lead to practical and prioritised policy and programming recommendations; specific attention should be given to this before, during and after the analytical process. There are a number of factors that influence the practical utility of analytical work and the likelihood that it will be carried forward to programme design, implementation and monitoring.

Timing	Is the timing right to feed into strategy, planning, reviews or other decisions? Is the length of process proportionate? Will the final output be usable as well as comprehensive?
Audience	Who is the primary audience? What are the political dynamics underpinning how the analysis is used and interpreted? Are there tensions between different audiences, and if so how can these be managed?
Participation	Who will conduct the analysis? It is common for much analysis to be conducted solely by external consultants, but lessons from HMG planning and analysis indicate the real value of involving HMG staff where possible, particularly those likely to be involved in implementing recommendations.
Ownership	Is there sufficient buy-in to the importance of the analysis and its value for strategy and decisions? Is there a clear 'owner' or 'champion' with responsibility for taking forward the implications (e.g. Head of Office)? Are key staff being actively engaged in the process, and not just as recipients of the conclusions/output?
Scope	Does the scope of work address the need for drawing out policy and programming implications?
Quality and legitimacy	Are expertise, quality, independence and objectivity assured? Are the right partners involved in supporting and challenging the analysis to ensure it is robust and rigorous? Is a multi-disciplinary approach being used?
Clear process	Is there an agreed process for moving forward once the analysis is complete? Are key stakeholders on board? This is likely to include Whitehall partners.
Resources	Have the resource implications of taking forward the analysis been considered and budgeted for, including costs of updating the analysis? Has sharing costs or resources with other donors been explored?

Ultimately, the objective of joint analysis is to guide coherent and coordinated international action. As the Burma case study above shows, engaging multilaterals (particularly the UN and the World Bank) and regional organisations (such as the EU, ASEAN or regional development banks) can be critical in order to link analysis to agreed international action.

DRC: Agreeing a Critical Path towards the 2003 elections

The Critical Path work in DRC was carried out at an early stage in the transition process from the peace agreement towards the 2003 elections. It was designed to provide a road map for the most influential international actors (P5[3] plus EC) and a basis for dialogue with the DRC government. It informed the UN Special Representative of the Secretary General's regular progress reporting and the mandate of the UN peacekeeping mission in DRC (MONUC). The value of the Critical Path analysis was in identifying the most urgent priorities in a context where progress was needed on every aspect of the transition. It identified as priorities: (i) the functioning and protection of power-sharing institutions; (ii) army integration; (iii) disarmament, demobilisation and reintegration of armed groups; and (iv) 'good enough' policing to ensure crowd control and election confidence.

The success of the DRC process was in large part due to the use of a respected, expert consultant, who was viewed by key stakeholders as a legitimate and neutral authority on the issues. The process was kept short and simple, and carried out in a timely manner to inform major international decisions. Priorities were linked to actions that were already planned and so did not impose new burdens or political challenges. However, as the process was designed to forge consensus among international actors, it did not initially extend to securing ownership of national government or other national actors, an important limitation and trade-off.

At the programming level, analysis can result directly in decisions to 'do different things', such as rethinking a country strategy or programme priorities or designing new programmes. The Peace Building Framework in Moldova is an example where six years on, significant impact on conflict reduction has been achieved by DFID/FCO.

The Peace Building Framework in Moldova

Moldova's political and social development has been severely hampered by the long-running dispute over Transnistria. In 2002, DFID commissioned a Strategic Conflict Assessment, which found that the region was acting as a haven for smugglers, racketeers and organised crime, contributing to the entrenchment of corruption throughout the Moldovan state. The resulting illicit economic interests acted as a major barrier to any political solution. However, the analysis found a complete lack of public information or debate on the real situation, resulting in widespread apathy, disenfranchisement and exhaustion.

In response, DFID in coordination with FCO developed a three-year Peace Building Framework through the Global Conflict Prevention Pool. It had four components: strengthening local civil society; training journalists; building research capacity among Moldovan think tanks; and improving awareness of the conflict among international actors. The Peace Building Framework was considered one of the most successful conflict-reduction programmes in Moldova, and the only one to engage at the grass-roots level in Transnistria. It has helped to build capacity and networks among local actors active in conflict reduction, and to promote awareness of the importance of local democracy to conflict reduction. The project completion report praised its high levels of flexibility, coherence and sensitivity to local conflict dynamics.

[3] P5, Permanent Five UN Security Council Members

Analysis may also lead DFID or other donors to 'do things differently' at the programming level, such as improving conflict sensitivity or developing new modalities or partnerships.

Sierra Leone: Responding to analysis of youth and exclusion

Youth exclusion was highlighted in the DFID/EC Joint Country Strategy Paper as a key contributor to Sierra Leone's 11-year conflict. DFID carried out a scoping analysis of the main issues, and government, donor and civil society engagement. The study identified key issues faced by young women and men, including a history of exclusion from decision-making processes at household, community and national levels, perceived exclusion from economic opportunities (particularly employment) and a lack of opportunities to play a positive role in society. These factors were compounded by widespread perceptions of young men as idle and prone to crime and violence.

DFID's response has been to ensure youth issues are addressed more explicitly across the country programme. This has included:

- focusing on the youth voice and accountability, including through youth councils;
- providing substantial support to an NGO programme implemented by Students Partnership Worldwide, which trains young people as peer educators to work with youth and their communities on sexual, reproductive and other health issues. It places positive young role models in communities, and equips the volunteers to be stronger, more employable citizens;
- engaging in existing donor/government initiatives around youth employment, including labour-market analysis.

Sector analysis is often needed as a complement to country-level analysis, to draw out practical implications for sector programmes. Political economy and governance analysis are increasingly being used at the sector level in conflict-affected and fragile situations. DFID Yemen has recognised the importance of such perspectives in the water sector, and commissioned analysis of the politics and conflicts associated with this sector in Yemen. This analysis will feed into decisions about future engagement on water resources management. DFID has also conducted a conflict assessment of the mining and minerals sector in DRC. The EC has developed a general framework for analysing sector governance and translating this into action.[4] The World Bank has also developed a good practice framework on 'Problem-Driven Governance and Political Economy Analysis'[5]

Analysis can be linked directly to monitoring of country context and programme impact. This involves establishing a baseline and using analysis to develop qualitative and quantitative indicators. In a rapidly changing environment, monitoring indicators drawn from conflict or drivers of instability analysis helps to ensure the continuing utility of in-depth analytical work. See *Briefing Paper I: Monitoring and Evaluation* for suggestions and examples.

[4] EC Reference Document, *Addressing Governance in Sector Operations* (2008).

[5] World Bank, *Good Practice Framework: Problem-Driven Governance and Political Economy Analysis* (September 2009).

Key lessons

- **Clarify the objectives and audience for the analysis** – these are not always straightforward. Political considerations will affect how the analysis is used and interpreted, and should be considered early on.
- **Make sure the analysis is dynamic, not static** – this can be done by linking in-depth analysis to regular political monitoring and reporting, scenario/contingency planning and programme/project reviews to test its validity over time. Indicators can be developed and monitored over time to track changes to the political, social and economic environment.
- **Aim for joint analysis with other donors and Whitehall partners as a starting point** – while this may not be possible in every case, we should always seek to ensure our analysis contributes to a wider collective effort to understand the context and develop a shared, international response. Work closely with multilaterals and regional organisations where possible. If joint analysis is not feasible, ensure that DFID/HMG's analysis is shared.
- **Work towards joint analysis with national governments and institutions where feasible**, while taking into account the trade-offs that this may entail given the sensitivities of conflict and fragility issues. Where 'up-stream' aid modalities (e.g. budget support or Sector-Wide Approaches) are in use or being considered, there is a strong argument for joint analysis to underpin dialogue.
- **Consider how to generate practical options and recommendations** – ensure this is in the scope of work, that the analysis will be legitimate and robust and that there is a 'champion' for taking forward the findings of the analysis. Factor in the resource implications of translating the analysis into action as early as possible. Help staff understand the use of analysis as a way of improving their programmes.
- **Be aware of sensitivities** – think these through before commissioning or initiating analysis, including the domestic political imperatives among bilateral donors and the particular constraints facing multilaterals. Consider classification and/or publication issues early on, to avoid problems with development partners once analysis is shared. Consider having two versions or classified annexes if necessary.

Annex 1: Tools for understanding conflict and fragility

<table>
<tr><td colspan="2">DFID's state-building and peace-building framework

[Policy Paper 'Building Peaceful States and Societies' (2010); HTN on State-building workshops]

Country plans in all fragile states should be informed by DFID's integrated framework for state-building and peace-building. This requires understanding the main state-building and peace-building dynamics in the country, building on more in-depth analysis (see below) and working through the implications for DFID programmes and objectives. Our understanding of state-building and peace-building should also be informed by the key findings of the Country Governance Analysis (CGA).</td></tr>
<tr><td>Analytical approach</td><td>Advantages and limitations</td></tr>
<tr><td colspan="2">A. Mandatory for DFID country plans</td></tr>
<tr><td rowspan="2">Country Governance Analysis [Revised How To Note, CGA review]
Summarises the governance context, broad trajectory and critical trends and risks. Based on the Capability-Accountability-Responsiveness framework. Used to inform DFID ministers and senior management of governance context, inform donor–government governance dialogue and inform priority interventions for DFID's governance programme. Combines quantitative indicators and qualitative analysis.</td><td>+ Useful source document, provides basis for discussion of key governance issues
+ Enables governance trends to be tracked over time on a more consistent basis, and allows one-off events to be put into a broader context to inform judgments</td></tr>
<tr><td>- CGAs to date have been weak on conflict and insecurity issues [link: CGA review]
- CGA is a summary, dependent on in-depth underpinning analysis (conflict, political economy, exclusion etc.) to be valid</td></tr>
<tr><td rowspan="2">Scenario and contingency planning (see Briefing Paper H: Risk Management)
[DFID guidance note, HMG guidance]
Develops a range of plausible futures (scenarios) on the basis of objective context analysis. Draws on analysis of drivers, trends, future events and key stakeholders, using a variety of methods. Used to test or 'future proof' strategies and programming choices and ensure they are resilient to change. Contingency plan sets out what our response would be should a particular scenario unfold.</td><td>+ Improves shared understanding of context by challenging assumptions about the future
+ Helps think through mix of aid instruments and partners needed to deliver true change
+ Provides a 'reality check' on over-optimistic country plans</td></tr>
<tr><td>- Scenarios are not predictions. The real future is likely to be a combination of factors from several scenarios
- Can be done in-house, but time is required to follow a robust methodology that generates an auditable trail of findings</td></tr>
<tr><td colspan="2">B. In-depth underpinning analysis</td></tr>
<tr><td rowspan="2">Political Economy Analysis ('Drivers of Change')
[How To Note]
Studies the relationship between economic and political power among and within states. Explores institutions and incentives that shape the behaviour of leaders, elites and groups in society. Helps explain institutional weaknesses and why important actors behave in certain ways, including ways that increase social and political instability.</td><td>+ Contributes to understanding the way political systems really work and therefore to which interventions are likely to succeed or fail
+ Highlights where positive opportunities for change exist and what this implies for policy dialogue and influencing strategies</td></tr>
<tr><td>- Operational implications arising from PEA are not always clear-cut or simple
- PEA is often difficult to do in partnership with partner governments given its sensitive nature – needs careful handling</td></tr>
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Strategic Conflict Assessment *[Review of SCAs]* Analyses the causes of conflict and underlying structures, actors and dynamics. Focuses on understanding the relationship between conflict and development policy and programming; outlines ideas towards more 'conflict sensitive' aid. Draws on a political economy approach, to understand the production and distribution of power. Can be applied at a regional level.	+ Widely used, tried and tested + SCA approach is understood and valued by other government departments (and other donors) therefore good at helping create a coherent response + Depending on the approach taken, can involve field research and help build new relationships; can also be more light-touch
	- Depending on how conducted, can remain more macro level, with further work required to develop programming (e.g. sector analysis)
Gender Inequality and Social Exclusion Analysis *[How To Note]* Identifies the processes, mechanisms and formal and informal institutions that perpetuate discrimination and prevent women, girls and other excluded groups from accessing social, political and economic opportunities. Identifies entry points and drivers of change for tackling social exclusion and ensuring development assistance reaches all poor groups.	+ Analyses not only which groups are excluded in particular contexts but also the underlying processes that cause exclusion + Links micro (intra-household) to macro levels and has a strong focus on cultural and informal practices and on power relations
	- Political economy or conflict analysis are also needed to ensure Gender and Social Exclusion Analysis does not focus only on social dimensions, but also explores links with political and economic issues
Human Rights Assessment *[How To Note]* Analyses the human rights situation, including the partner government's commitment to respecting human rights and patterns of human rights violations and abuse. Draws out implications for aid modalities and priorities. Focuses on: ▪ civil and political rights; ▪ economic, social and cultural rights; ▪ Rights on paper v. Rights in practice; ▪ accountability mechanisms.	+ Highlights patterns of abuse that can indicate key risks of conflict and fragility + Analysis of state policy and practice on human rights provides a basis for influencing and dialogue, programming choices and risk management
	- May not explain the underlying factors that drive human rights violations, should be complemented by political economy analysis - Focuses on state actors rather than non-state (e.g. rebel groups, militia)
Countries at Risk of Instability *[CRI report]* Aims to understanding the causes, dynamics and critical risks of instability by looking at the interaction between: ▪ a country's internal capacity and resilience (e.g. state capacity, legitimacy, rule of law); ▪ internal and external drivers of instability (natural resources, high inequality, regional neighbourhood); ▪ external stabilisers (e.g. international security guarantees, regional organisations)	+ Brings together internal and external drivers, going beyond country context to include regional and global dimensions + Draws out critical risks as well as underlying causes, which helps to link the analysis to priority areas for intervention
	- Not widely used or tested in DFID - If carried out, likely to be classified as a joint HMG exercise, which may limit sharing or collaboration with other donors and partners
C. Assessment–planning nexus	
Critical Path *[How to Guide, Critical Path]* Bridges the nexus of assessment and planning. Begins with an objective assessment of the situation, including constraints to progress and incentives. Identifies issues and problems and the linkages between them. Works back from the desired 'end state' to produce a set of immediate deliverables around which to begin	+ Conducive to immediate practical application by identifying actions + Useful for 'unpacking' a complex environment in which there are many urgent priorities and for building consensus on action
	- Focuses on a desirable 'end state' which can risk tending towards an over-optimistic analysis, and/or priorities that do not address

planning. Value is as much in the consensus-building process as in the outcome.	underlying problems