



# 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.”*

—Marc Cohen, Focal Point for Fragile and Conflict-Afflicted 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/](http://www.adb.org/Strategy2020/)

The question of aid effectiveness and engagement in situations of fragility and conflict has received growing attention in international development debates. Countries in stress have unique development needs that must be addressed or else they may result in 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 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 adapt policies for countries in fragile situations.

### Meeting the challenges of fragile situations

As a multilateral development bank, ADB faces particular 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 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 situations of fragility and post-conflict. To enhance our effectiveness in these settings we have 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 us is to effectively contribute to “whole-of-government” approaches, which can take us outside the mainstream of standard operations and may require interaction with nontraditional partners in the diplomatic, defense, and humanitarian communities.

A steering committee composed of ADB department heads guides implementation of our fragile-situation strategy framework. A Fragile Situations Support Team, based at ADB headquarters, helps our country teams integrate elements of the approach into operations.

## 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, we have to work differently and consider changes that affect both our internal processes and interactions with our clients and stakeholders.

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

Our 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 *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, we more systematically consider our operations from a conflict-sensitive perspective. In Nepal and Sri Lanka, for example, we are piloting the use of "peace filters" to assess the potential impact ADB projects will have on conflicts at the community level.

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

We can also support innovative, community-driven development operations and partnerships with NGOs 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 our framework for engagement, relaxation of our 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 engagements 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.

We also plan to increase our 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, we should maintain a presence at the field level and develop our own staff skills mix.

Our preferred approach is to share resources with other partners. This is the case in small Pacific countries like Samoa, Solomon Islands, and Tonga, where we have established joint representations with the World Bank.

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