



Completion Report

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Enhancing ADB's Engagement in Fragile and Conflict-Affected Situations

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TA No., Country and Name		Amount Approved: \$800,000	
TA 8065-REG: Enhancing ADB's Engagement in Fragile and Conflict-Affected Situations		Revised Amount: \$921,320	
Executing Agency ADB	Source of Funding TASF IV Government of Australia	Amount Undisbursed: \$150,580.82	Amount Utilized: \$770,739.18
TA Approval Date: 29 March 2012	TA Signing Date: Not applicable	Fielding of First Consultant: 7 January 2013	TA Completion Date Original: 30 April 2014 Account Closing Date Original:
			Actual: 30 June 2016 Actual: 5 July 2016
<p>Description</p> <p>Improving development effectiveness in fragile and conflict-affected situations (FCAS) is an increasingly important challenge for development partners. This reality is acknowledged and supported by the (i) Organisation for Economic Co-operation and Development (OECD) in its Fragile States Principles; (ii) donors that committed to the 2008 Accra Agenda for Action; and (iii) World Bank in its 2011 World Development Report. Members of the International Dialogue on Peacebuilding and Statebuilding, including ADB, endorsed the New Deal for Engagement in Fragile States (the New Deal) at the 4th High-Level Forum on Aid Effectiveness held in 2011 in Busan, Republic of Korea. ADB's Strategy 2020 provides an even stronger endorsement—support for FCAS is highlighted in its midterm review, which notes the importance of understanding the local context, making long-term commitments, and ensuring country ownership, in addition to being flexible in responding effectively to the unique challenges in FCAS developing member countries (DMCs).</p> <p>In 2007, ADB adopted its Approach to Weakly Performing Countries (now referred to as FCAS countries). The two pillars of the 2007 Approach—(i) selectivity and focus and (ii) strategic partnerships—are consistent with OECD's Fragile States Principles. To build on its 2007 Approach and to clarify ADB's commitment to FCAS and provide guidance to staff, ADB endorsed an operational plan for FCAS DMCs in 2013. The TA supports implementation of the 2007 ADB's approach and the FCAS operational plan aiming to help ADB's FCAS DMCs build effective institutions to support their peacebuilding and statebuilding efforts. The TA also builds upon the achievements of the previous TA supporting ADB's engagement in fragile situations.</p> <p>Expected Impact, Outcome, and Outputs</p> <p>The TA was expected to improve effectiveness of development assistance in FCAS DMCs. The expected outcome was enhanced capacity of key government agencies in FCAS DMCs to address fragility issues. Major outputs included (i) country-led fragility assessment processes and tools successfully tested and documented in selected FCAS and (ii) country-led capacity development plans implemented in selected FCAS.</p> <p>The TA was also expected to support the implementation of the FCAS operational plan aiming to (i) make country strategies and plans for all FCAS countries more fragility- and conflict-sensitive; (ii) strengthen human resources for FCAS operations; (iii) augment financial resources for FCAS operations; (iv) adopt differentiated business processes for FCAS operations and develop a more appropriate risk framework; (v) develop an institutional strengthening framework for FCAS DMCs; and (vi) refine ADB's approach to identifying FCAS DMCs.</p> <p>Delivery of Inputs and Conduct of Activities</p> <p>For output 1, fragility and conflict-sensitive tools, frameworks, and assessments were developed, documented, and published. The tools and frameworks include fragility index, practical guide to fragility assessment, customized risk management framework, and institutional strengthening framework. Assessments on land acquisition and resettlement planning in Afghanistan's transport sector, tourism sector in the Federated States of Micronesia, energy and transport sector in Papua New Guinea (PNG), urban and rural projects in Nepal (conducted jointly with International Alert), and political economy of Vanuatu have been used to inform ADB's country partnership strategies and country operations business plans. Moreover, a fragility assessment workshop was co-organized with the Asia Foundation in Bangkok in June 2015, with 23 experts and policymakers to contribute to effective programming and policy responses on the ground.</p> <p>For output 2, a high-level forum was co-organized with the Australian Agency for International Development (AusAID) in June 2013, with more than 60 participants, including high-ranking government officials and senior representatives from development partners. A capacity building program on peace-sensitive approach, led by the Nepal Administrative Staff College and supported by ADB and the United Nations Development Programme, has been implemented across Nepal's government agencies. As of end of 2014, more than 600 government officials have been trained on the peace-sensitive approach, who in turn are expected to train their colleagues. A manual for the peacebuilding tool was prepared by the government and a brochure on local capacity building was published by ADB. In Solomon Islands, capacity building was conducted for the Ministry of Development Planning. Project preparation and appraisal guidelines have been prepared to provide institutional support to implementation of Solomon Islands' National Development Strategy. A personnel training and capacity development plan has been</p>			

developed with the Chuuk Public Utility Corporation to improve service delivery in Chuuk, Federated States of Micronesia. A consultation with youth representatives from nine Pacific countries was held in partnership with the Pacific Community and Pacific Youth Council in Suva, Fiji in May 2016 to find appropriate options securing decent work in Pacific FCAS.

Supporting the FCAS operational plan, the following were achieved: (i) ADB's strategies, programs, and projects in FCAS DMCs have been informed by specific assessments (i.e., fragility- and/or conflict-sensitive assessments, political economy analyses) and designed to respond to local conditions and constraints; (ii) more than 330 ADB staff from headquarters, AFRM, NRM, PLCO, and SPSO have been trained on FCAS; (iii) ADB has introduced a minimum allocation in the performance-based allocation system of \$3 million per year for ADF DMCs, starting from 2015; (iv) a customized risk management framework has been developed and published; (v) an institutional strengthening framework has been developed and published; and (vi) ADB has adopted the multilateral development banks' harmonized score for determining a FCAS country since 2013. A total of 14 knowledge documents were published capturing the experiences, lessons learned, and knowledge gained from ADB's operations in FCAS.

Evaluation of Outputs and Achievement of Outcome

The outputs and outcome have laid the foundation for understanding the local context, long-term engagement, and country ownership and leadership, including flexibility in operations, as called for by the Strategy 2020 midterm review. Fragility and conflict-sensitive approaches have been mainstreamed in most strategic and project documents. ADB has supported countries' statebuilding efforts through long-term engagement to build and reinforce the foundation for social and economic development. ADB's support to FCAS DMCs promotes ownership by key stakeholders, including government, civil society, private sector, and development partners. Existing ADB assistance modalities and business processes can be flexibly applied in FCAS DMCs without compromising due process. Ten consultants were engaged to support the TA; they all performed satisfactorily, especially the research and knowledge management specialist who assisted the team implementing the TA and the peace-building advisor who supported NRM to implement a conflict-sensitive approach in Nepal.

Overall Assessment and Rating

The TA is rated successful and has provided the continued momentum for ADB to effectively engage in FCAS. The milestones mentioned above are also significant groundwork for building effective institutions in FCAS DMCs that will support peacebuilding and statebuilding.

Major Lessons

The major lessons are (i) fragility and conflict-sensitive approaches need to be incorporated at concept stage before project design to avoid possible operational risks and they have to be used continuously during implementation to mitigate the existing fragility risks; (ii) flexible modalities and processes for FCAS exist in ADB, and staff need to be aware of them to be used systematically for projects in FCAS; (iii) weak performance and fragility do not disappear when a country moves marginally above an arbitrary cut-off point of 3.2 country performance assessment score, therefore ADB should still pay attention to issues of fragility to that country (e.g., Nepal; PNG; Vanuatu); (iv) the performance of government agencies (central and sector) and core government functions are the binding constraints to building states and strengthening, if not restoring, the delivery of all public and private goods and services in FCAS; (v) participation is key to providing for inclusion, and participation needs to be a major consideration when designing a FCAS intervention; and (vi) no development intervention can be sustainable when there is country ownership, commitment, and leadership.

Recommendations and Follow-Up Actions

Building on the current momentum and the lessons from its FCAS engagement, ADB should (i) continue to apply a "FCAS-sensitive" approach in its FCAS operations by conducting political economy and fragility assessments from concept to implementation stage and by systematizing the use of available flexible processes and modalities in FCAS; (ii) consider exceptional (or specific) support to countries facing "turn-around situations," (those exiting the "fragility status" and considered in "transition" and committed to reform, or former FCAS countries recently exiting the fragility status and no longer identified as FCAS within the last 5 years); (iii) design institutional capacity building for all stakeholders, including communities and ethnic groups, with long-term focus on core development sectors and institutions; and (iv) implement a communication strategy in selected FCAS to inform and engage stakeholders as well as enlist and sustain public support, to build trust, and to promote ownership.

The next TA, Mapping Resilience to Fragility and Conflict in Asia and the Pacific, will support the implementation of these recommendations. It will (i) conduct fragility- and conflict-sensitive assessments in selected FCAS; (ii) strengthen institutional capacity for fragility- and conflict-sensitive approaches to development; and (iii) implement a communication strategy to promote and advocate wider use of resilience mapping and fragility- and conflict-sensitive approaches in selected FCAS.

DMCs = developing member countries, FCAS = fragile and conflict-affected situations, TA = technical assistance,

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