



## THE PARLIAMENTARY NETWORK

On The World Bank & International Monetary Fund

### *Parliamentarians & Development Series*

#### Donor Challenges in Conflict-Affected Countries

##### Conflict Settings

Conflict countries represent highly sensitive contexts for donor activities. The needs of conflict-affected countries respond to an intricate web of complexities, requiring urgent response and rapid results, while simultaneously necessitating sustainable solutions to shape through time. Conflictive contexts are therefore trapped in the contradictory timing of their requirements, as short-term and long-term goals rarely converge, leading to the difficulty of countering the cyclical perpetuation of violence. In that sense, developmental improvements are often identified by donors as the key to sustainable solutions to conflicts, since improving socio-economic conditions and governance can enable long-term pacification.

The urgency which affects conflict-ridden countries translates in all aspects of life, not only in the economic realm. Development endeavors, therefore, must address a broader scope of issues, including security but also political challenges. These political challenges do not only comprise institutional considerations; rather, they call for addressing the ideological, social, religious or ethnic grievances at the heart of conflicts, in order for institutional reconstruction to solidify in politically sustainable contexts. The broad challenge that conflicts pose to international donors, therefore, is ensuring that the neutrality with which they address security and development issues does not lessen the capacity for a simultaneous political resolution of conflicts domestically, or downplay the political element inherent to such situations.

##### Donor challenges

Specifically, international donors are faced with multiple challenges when carrying out developmental endeavors within broader security strategies in conflictive areas. Their focus must lie in rebuilding trust within conflict-affected societies, understood as people's attitudes towards national institutions, political systems and the economy, as well as a general feeling of security enabling to overcome the state of existential fear caused by violence and war. Building trust is the key to overcoming the explosive nature of conflict societies, and to moving beyond the "conflict trap" where violence is continuously triggered by underdevelopment, which in turn hinders the capacity for a country to pull itself out of poverty. In that sense, international actors are confronted with a multiplicity of elements which are difficult to distinguish as causes or effects of violence, as they all merge in a common negative dynamic.

Donors are therefore faced with the task of designing targeted and appropriate aid programs in contexts which are themselves difficult to define. In such contexts, short-term and long-term development goals, as well as punctual targets and overall aspirations, often collide. For instance, events such as the current uprisings in the Middle East may encourage the promotion of fiscal policies aimed at generating economic resources urgently, based on the understanding that economic deprivation is at the heart of the instability; however, these may not be the most effective options on the long run. The sequencing of reform is therefore an indispensable element of donor strategy, as it aims to progressively transform crises into more stabilized situations, enabling the implementation of longer-term oriented strategies. In addition, these reforms require precise information about the context they tackle in order for them to be well-adapted and gather the support of national stakeholders.

Indeed, the sustainability of long-term pacification and development lies in local empowerment and ownership. This goal translates into donors designing their programs in a way to avoid creating dependence. However, the power vacuum characteristic of conflict-affected fragile states implies that donor programs aimed at responding to the collapse of governance institutions and service-provision often result in substitute systems. This contradicts intentions of local sustainability, which require enabling nationals to lead their countries' way to peace and development. National and local empowerment requires identifying relevant donor counterparts, a serious challenge in conflictive states where institutions tend to be fragile and/or collapse. Healthy national ownership, furthermore, requires tackling corruption to secure institutional legitimacy and good governance mechanisms, as ways to counter perpetual violence and instability and thus break the conflict cycle.

Finally, the emergency inherent to conflicts triggers the involvement of multiple development actors, facing donors with the mission to ensure coordination among disparate programs, so as for the international community to provide coherent efforts and results in targeted countries. Coordination challenges for donors also imply tackling their dual accountability in making compatible the expectations of donor countries' citizens with the necessities of the targeted populations and states.

### **A role for parliamentarians**

Donor challenges call for the involvement of parliamentarians as sources of local knowledge and information, guidance, and mediation. Indeed, parliamentarians can provide donors with valuable first hand information to help determine the level and magnitude of destruction and compare situations before and after conflicts, so as to assess needs more effectively in the first place, and better define the priorities informing donor programs. They can also enhance the quality of donor programs through sharing best practices with their counterparts in other countries and International Financial Institutions.

Parliamentarians are also acquainted with different political actors at national and regional levels. Their capacity to reach different stakeholders makes them particularly valuable in a context where it is necessary to bridge gaps between opposing interests, and promote a participatory environment where different factions can take part in national dialogue to rebuild their country. Thus, parliamentarians can play an important role in helping donors reach the intended "inclusive-enough" nature of the institutions they promote.

Furthermore, parliamentarians' advice can be crucial in ensuring that donor programs address the right target populations, groups and geographical zones. Through consulting with parliamentarians, donors may be able to gather information about vulnerable and remote communities not usually

affected by aid, and reshape their strategies in order to reach them, thus making aid fairer and better targeted. Similarly, parliamentarians can channel their constituents' criticisms and observations about the impact of specific programs, which can serve as feedback for donors for better future program design.

Moreover, parliaments can provide a solution to donors' problems relating to identifying reliable counterparts in targeted countries. For instance, the International Monetary Fund cancelled a \$4.8 billion loan to Egypt due to concerns over the illegitimacy of the interim government following the ouster of elected President Mohamed Morsi. However, the Egyptian Parliament could serve as an alternative institution through which to channel these international funds, in order to avoid their blockage, and enhance the realization of a positive transition.

Finally, parliamentary networks can respond to issues of transnational scale, such as the lack of assistance focused on regional – rather than country – action, by providing a basis for shaping regional or global assistance programs. Parliamentary networks also create a platform for addressing the contradictions between the aspirations of the demand and supply sides, through jointly discussing the views of beneficiary populations with that of assistance providing countries, thus helping to fill the democratic deficit harming international financial institutions.

### **Illustration from Yemen**

Conflict-affected countries require donors to acknowledge the political nature of the issues at play. A lot of international assistance is designed in technical ways, so as to consolidate the institutional, administrative, financial, and social basis on which peace can later be sought politically. However, the importance of including a political dimension to donor assistance can take form through supporting national dialogue endeavors, in which parliamentarians play a key role.

In Yemen, the parliament formed the Government of National Reconciliation in December 2011 to ensure that a national dialogue would take place, in order to resolve political differences through consultation and provide an institutionalized form of power in the transition period leading to elections. This case shows how Parliaments can act as a reconciliation force and a catalyst for change.

The effectiveness of the aid system at place in Yemen is hindered by the low absorptive capacity of government institutions, as their weakness, fragmentation and lack of legitimacy hinder the efficient usage of donor funds. However, the means by which international actors are circumventing the dysfunctional Yemeni state to channel assistance is unwittingly consolidating a status quo, rather than pushing for reform and the formation of a more legitimate state. The reconciliation effort initiated by Parliament can therefore stir political debate, and supplant donor-led technical advances with local ownership for political change.

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