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Working Effectively in Conflict-affected and Fragile Situations

Briefing Paper G: Act Fast ... but Stay Engaged

DAC Principle 9: Act Fast ... but stay engaged long enough to give success a chance

- In situations of conflict and fragility, assistance must be fast and flexible enough to take advantage of windows of opportunity and respond to changing conditions on the ground.
- Given low capacity and the extent of the challenges facing fragile states, international engagement may need to be of longer duration than in other low-income countries. Capacity development of core institutions will normally require an engagement of at least ten years.
- Since volatility of engagement is potentially destabilising for fragile states, international actors must improve aid predictability in these countries and ensure mutual consultation and coordination prior to any significant changes to aid programming.

Introduction

The right balance and sequence of the different types of international engagement in conflict-affected environments – humanitarian, security, reconstruction, development – has been debated for many years. The sequence was once thought of as a continuum, running from relief to development, with a gradual shift of activities as conditions allowed. The idea behind the continuum was a recognition that humanitarian assistance should help to pave the way for development – for example, by avoiding aid that created dependency, or by helping households preserve their assets – and that recovery activities should start as early as possible.

However, the idea of a continuum proved too mechanistic. It assumed that crises (whether natural or man-made) were discrete, transitional events, or breaks in the normal development process. We now recognise that conflict dynamics are non linear – that is, states or particular territories can move in and out of conflict, with no clear dividing line between conflict and post-conflict. Underdevelopment, injustice and state failure may be root causes of conflict and cannot be left until a resumption of ‘normal’ development assistance. When dealing with complex, protracted crises, different forms of engagement may need to share the same arena.

Working in conflict-affected countries poses political as well as practical challenges. While relief can be provided in states that are characterised by conflict, repression or corruption, development assistance works through partnerships. Political conditions and capacity constraints may make it very difficult to engage with national authorities as full partners. Engaging in conflict-affected countries may entail many different

types of relationships, from full partnership to much more cautious forms of engagement, requiring adaptation of standard instruments and approaches.

When planning assistance to exploit new openings created by peace agreements or political transitions, DFID will normally provide support for a combination of humanitarian assistance and early recovery activities. Both should be delivered in such a way as to lay the groundwork for longer term approaches to development. This paper reviews some of the considerations involved in balancing these different objectives.

Engaging at the humanitarian–development interface

Humanitarian assistance

DFID's support for humanitarian assistance is guided by the core principles of humanitarianism set out in the Principles for Good Humanitarian Donorship, namely **humanity** (the centrality of saving human lives and relieving suffering wherever it is found); **neutrality** (humanitarian assistance should not favour any side in an ongoing conflict); and **independence** (humanitarian objectives should be independent of any political or military objectives). Humanitarian assistance should be designed as far as possible to complement and pave the way for other forms of engagement.

It has long been acknowledged that poorly designed humanitarian assistance can undermine recovery and development objectives, by changing the incentives and livelihood strategies of beneficiaries. In particular, the provision of food aid, particularly if it is continued beyond the emergency phase, can distort food markets and suppress local agriculture. Food aid provides beneficiaries with few choices, while its inherent unpredictability can force beneficiaries to sell productive assets in order to survive.

An alternative to food aid that is now increasingly considered is the provision of cash payments, either in the form of social safety nets or food-for-work schemes. Cash payments are thought to make a more effective contribution to poverty reduction and livelihood development. In the right conditions, they may stimulate rather than suppress local food markets, while facilitating the engagement of the poor in productive activities. Beneficiaries have more flexibility over the use of the support, allowing them to develop livelihood strategies and cope with shocks. Evidence suggests that, even in emergency conditions, some of the funding goes towards investment. Cash transfers may therefore be a way of reconciling the essential function of humanitarian assistance (a rapid response to acute needs) with a credible approach to restoring livelihoods.

However, the literature warns that there are still a number of unknowns around cash transfers. Careful study is needed as to whether the local food market is able to respond to the demand created. If not, transfers may cause inflationary pressures. Cash transfer schemes may also be more difficult to organise and monitor in difficult security conditions. Some form of agreement with national or local authorities would also be a precondition.

Case study: Ethiopia Productive Safety Net Program (PSNP)

Ethiopia's PSNP is the largest social protection programme in Africa. It arose from the determination of the Ethiopian government to break out of a cycle of regular food crises and humanitarian appeals. In the early 2000s, after 20 years of emergency assistance, surveys showed that the majority of beneficiaries of humanitarian assistance were in fact chronically food insecure, irrespective of drought. In addition, the long-term provision of food aid was costly and inefficient, with delays in provision often forcing households to sell productive assets.

In June 2003, the government established a New Coalition for Food Security with its development partners. The partners agreed on the design of a safety net programme, using a mixture of conditional transfers based on contributing labour to local public works, and unconditional transfers for households with no labour to contribute. The scheme now reaches some seven million beneficiaries, with 80–90% contributing up to five days work per month for six months a year. It provides a combination of cash and food, as well as access to complementary services, including microcredit and agricultural extension. The programme costs around US\$250–300 million per year.

The programme is assessed as effective in targeting the most needy households. There was some early evidence that beneficiaries receiving primarily cash transfers were able to acquire and retain more assets. However, this may no longer be the case given the level of food prices.

Developing the programme required strong political leadership from the Ethiopian government, to overcome resistance to what was popularly perceived as providing cash handouts to the 'undeserving poor'. There was initially some disagreement between government and donors on the appropriate balance between conditional and unconditional transfers, but these issues were resolved during implementation.

Another way in which humanitarian assistance can support broader objectives is by helping to develop partnerships or working arrangements with local authorities in difficult environments. For example, in Burma following Cyclone Nargis in May 2008, international assistance was initially heavily restricted by the military government. Three weeks after the cyclone, diplomatic efforts by ASEAN, the UN and donors resulted in an agreement with the regime to relax restrictions on access to the affected areas. A Tripartite Core Group, consisting of government, ASEAN and UN representatives, was established to oversee assistance, creating for the first time a regular platform for resolving operational difficulties, such as using a market exchange rate for external assistance. For more detail, see *Briefing Paper F: Practical Coordination Mechanisms*.

Early recovery

DFID uses the term 'early recovery' to refer to the suite of activities required to take advantage of a political opening in a conflict- or crisis-affected state and support a process of state-building and peace-building. Such activities may overlap with stabilisation activities (see below), and include:

- securing stability (including security sector reform);
- establishing peace (rapid implementation of a peace settlement or establishment of political arrangements);
- resuscitating markets, livelihoods and services; and
- building state capacity to manage political, security and development processes.

These activities collectively seek to deliver a ‘peace dividend’ – which should be understood not as discrete, material benefits to the population, but as a set of convincing political, administrative and economic processes that establish public confidence that a transition out of conflict is underway.

Early recovery requires particular attention to some key issues. First, it often has explicit political objectives – these should be recognised from the outset. Second, conflict sensitivity is fundamental (as with humanitarian and development assistance more generally). This means that assistance must be provided in such a way as to avoid exacerbating tensions and divisions – which entails careful attention to inclusion and equity issues in programme delivery. Third, there are likely to be trade-offs – for example, between short-term ‘peace dividend’ objectives and long-term capacity-building. *Briefing Paper B: Do No Harm* provides more detail on conflict-sensitive approaches, and trade-offs.

A recent study¹ identified five common weaknesses in international support for early recovery:

- There is a lack of focus on national capacity, and evidence of what works in capacity-building, leading to weak support for the emergence of national ownership and leadership. We should always begin from the ‘state of the state’.
- There is often weak support for the implementation of peace agreements.
- There is a lack of effective, overarching strategies encompassing political, security, development and humanitarian goals.
- International funding instruments are neither sufficiently flexible nor dynamic.
- There are a series of capacity gaps among the main international actors.

The UK is supporting a range of reforms to the international architecture to address the gaps in strategy, funding and capacity (see *Briefing Paper F: Practical Coordination Mechanisms*).

Nurturing indigenous drivers of socio-economic transformation

A recent UNDP study² on early economic recovery suggested that the goal should be socio-economic transformation, rather than a restoration of past structures, whose inefficiencies and inequities may have been a source of conflict in the past. Correcting past socio-economic and political imbalances is necessarily a long-term undertaking and requires active engagement by national stakeholders. The study suggests a number of measures that can be taken to nurture indigenous drivers of socio-economic change:

- Allow national actors to take the lead in the recovery process.
- Provide basic services to ex-combatants and host communities alike.
- Consider using large-scale public works interventions to jump start employment creation.

¹ NYU Center on International Cooperation, ‘Recovering from War: Gaps in early action’, paper for DFID (July 2008).

² UNDP, *Post-Conflict Economic Recovery: Enabling local ingenuity* (2008).

- Restore livelihoods quickly by working with what is left after the conflict, such as existing stocks of agricultural inputs and crops currently in the ground.
- Draw selectively on pre-war structures to re-establish local consultative mechanisms. Rebuild capacity for local project design and implementation, while avoiding capture by spoilers.
- Avoid excessive reliance on parallel mechanisms for service delivery. Invest in local resources, procure supplies locally and consciously build private sector capacity.
- Recognise that microfinance and remittances are both essential to re-establishing livelihoods.

Stabilisation

Stabilisation is commonly used to refer to HMG activities in places such as Afghanistan and Iraq, where the UK has a military presence and has explicit political and military objectives – for example, the UK may choose to support a government against domestic insurgency. Stabilisation is a phase of activity that aims to move from active conflict towards the foundations for peace and development. As with early recovery, the three issues of explicit political objectives, conflict sensitivity and difficult trade-offs are fundamental to consider.

Emerging guidance and lessons from the UK's experience of stabilisation suggest the following:³

- Where it is necessary for international actors to have direct involvement in basic state functions, there should be plans from the outset as to how and when to transfer ownership.
- Be inclusive, rather than attempting to pick political winners.
- Choose a small number of priority areas for engagement – and give donor division of labour very careful consideration.
- Work with existing institutions and capacities – starting with the 'state of the state' and never assuming that there is no capacity.
- Support the emergence of an inclusive political settlement, ensuring that any intervention goes 'with the grain'.
- Aim for peace dividends, but avoid activities chosen simply to create the appearance of activity.
- Let the state take both the credit and the blame, to help support national accountability.

Acting fast

In practical terms, what options are available for mobilising assistance rapidly, to take advantage of political openings in conflict- and crisis-affected countries? The issue is not simply one of financing, although this is a critical variable. The funding instruments selected should contribute to a coherent engagement by multiple actors, working to a common strategic framework, with support channelled to the most effective implementing partners. While a single funding channel may be an appealing idea, it is rarely possible in practice. In complex, post-conflict environments, there are too many competing demands to be met by a single instrument. Usually, we should aim for a strategic mix of instruments and channels.

³ Stabilisation Unit, *The UK Approach to Stabilisation* (November 2008).

This section surveys the range of options available for rapid financing of post-conflict and post-crisis interventions.

Quick Impact Projects

Quick Impact Projects (QIPs) have been used by a range of actors, from armed forces to development agencies, in a range of contexts, from conflict areas to post-conflict contexts, and often for a range of reasons. Experience has shown that programming of QIPs is difficult and requires high capacity (which is often unavailable on the ground) and suggests this programming should only be undertaken as part of a wider development programme. Detailed guidance on QIPs in stabilisation contexts is available from the UK Government's Stabilisation Unit. See *Briefing Paper B: Do No Harm* for a summary of key lessons.

Emergency Response Fund

An Emergency Response Fund (ERF) is a rapid and flexible funding instrument, providing funding to address unforeseen humanitarian needs. From a central Global Fund established in 2005 and managed by the UN Office for the Coordination of Humanitarian Affairs (OCHA), country-specific funds can be established to provide small grants (usually US\$100,000–250,000) to UN agencies and NGOs. An ERF can typically manage a turnaround of 30–40 days from application to disbursement.

The UN Peacebuilding Fund

The Peacebuilding Fund (PBF) is a mechanism established by the UN Peacebuilding Commission⁴ to provide finance for the early stages of peace-building, before regular donor funding becomes available, and to fill critical gaps thereafter. It is administered by UNDP, and has a window for emergency projects.

Where support from the PBF is made available to a particular country, the government is required to work with donors and national stakeholders to establish a Strategic Framework for Peacebuilding – namely, a prioritised action plan for securing peace, with an agreed monitoring and tracking mechanism. There is a description of the pilot process in Burundi in *Briefing Paper F: Practical Coordination Mechanisms*.

UN Consolidated Appeals Processes

UN Consolidated Appeals Processes (CAPs) have been the traditional mechanism for raising funds to support humanitarian action in conflict-affected countries and following natural disasters. They tend to be better at raising funds for quick-onset disasters than chronic ones. The focus is usually on food aid, and the link between humanitarian assistance and longer term recovery in areas such as health, water and sanitation has tended to receive insufficient attention.

⁴ The UN Peacebuilding Commission is an intergovernmental advisory body bringing together multiple stakeholders to promote integrated approaches to post-conflict peace-building and recovery. The UK is a permanent member of the Commission, and to date its biggest donor.

The CAP appeal is usually based on a UN needs assessment. One of the past weaknesses has been the lack of robust, objective assessments, leading to appeals that are often poorly prioritised and perceived as overinflated. Quality assessment has been undermined by poor information sharing between UN agencies. The separation of humanitarian fundraising from other development needs also raises the risk that the appeal may undercut national government or state-building financing needs.

Another problem has been donors earmarking their responses to CAPs to such an extent that the UN Humanitarian Coordinator has little influence over resource allocation, making it difficult to mount a coherent, prioritised humanitarian operation.

UN Common Humanitarian Funds

The UN, with international partners, developed Common Humanitarian Funds (CHF) to address shortcomings in the Consolidated Appeal Process (CAP). CHF provide a pool of funding at country level within the CAP that can be allocated under the authority of the Humanitarian Coordinator in accordance with an agreed Action Plan, working closely with sector leads. They offer a quick and flexible mechanism for supporting strategic priorities emerging from the field. A range of contractors, including both UN agencies and international NGOs, are pre-approved to facilitate rapid disbursements. They use a flexible definition of humanitarian assistance, enabling them to support a range of early recovery and transition objectives. They help to support local coordination and the decentralisation of funding allocation authority to field level.

The CHF mechanism has been piloted in two countries – DRC and Sudan – and has since been introduced into the Central African Republic. The experience so far suggests that the development of Action Plans still needs strengthening, to ensure they are prioritised and based on accurate needs assessments.

UN and World Bank Multi-Donor Trust Funds

(See also *Briefing Paper F: Effective Coordination Mechanisms* for a description of examples in Afghanistan and Zimbabwe.)

Multi-Donor Trust Funds (MDTFs) have become increasingly important in post-conflict settings. As a mechanism for donors to share political and fiduciary risks, they have proved a highly effective fundraising tool. They also help to improve coordination among donors, while joint governance arrangements and planning processes with national authorities can help to provide a platform for building country ownership and leadership.

There are two main types of MDTF, administered by the World Bank and by the UN. UN MDTFs are much quicker to establish than MDTFs administered by the World Bank, and typically have much more rapid disbursement arrangements. The UN has a dedicated MDTF office in New York, and more flexible procedures. UN MDTF funding is generally used for projects implemented by UN agencies or NGOs. Its funds are provided off-budget and are often earmarked by donors, and it has not

been very effective at involving government in decisions or delivering funding through government systems.

By contrast, a World Bank MDTF is more effective at using developing country systems and supporting long-term development initiatives. But its effectiveness and speed depends on the nature of the relationship with national counterparts, and their capacity to meet the Bank's often rigid funding requirements. The World Bank's MDTF procedures are based on its general lending operations, and have sometimes proven too slow and rigid for post-conflict environments. The Bank also has some difficulty in deploying experienced staff to manage the funds. However, the Bank has good capacity to support government policymaking and systems development, and tends to be the partner of choice once the emergency phase has passed.⁵

It may therefore be desirable in some situations to set up both a UN and a World Bank MDTF, or to sequence them. A UN MDTF could be used for quick impact projects, to demonstrate a peace dividend, while the World Bank MDTF, which may take much longer to establish, could be developed in parallel to support longer term development goals.

A joint World Bank/UN Fiduciary Principles Accord for crisis and emergencies has been approved by the World Bank Board (July 2009). It permits each institution to use its own fiduciary systems when executing activities financed under crisis MDTFs administered by the other. The Accord is part of a wider Partnership Statement between the World Bank and the UN for crisis and post-crisis situations, which establishes guiding principles for cooperation, improved coordination of planning, financing and field missions, and goes some way to establishing a more rational division of labour at country level. It may provide the option in the future of establishing a single Trust Fund for post-conflict situations, with separate windows administered by the World Bank and UN respectively.

World Bank State and Peace-Building Fund

The World Bank State and Peace-Building Fund (SPF)⁶ (US\$100 million over three years) can disburse funds through procedures that are less onerous than standard World Bank operations. It can be used to support a wider range of partners, including national governments, UN agencies, international NGOs, transitional authorities and local civil society. It includes both earmarked and flexible donor financing, and can be used to support early recovery activities. As part of reforms designed to strengthen the Bank's engagement in post-conflict countries, new corporate-level rapid response committees have been established for a number of countries, including Cote d'Ivoire, DRC and Sudan, leading to significant improvements in portfolio performance.

UN agencies

Channelling funding through UN agencies offers the possibility of rapid disbursement, provided that the agency is already present in and familiar with the country. There is

⁵ Scanteam/Norway, *Review of Post-Crisis Multi-Donor Trust Funds: Final Report* (February 2007).

⁶ In July 2007, the World Bank merged its Fragile States team and its Conflict Prevention and Reconstruction Group, to create a single Fragile and Conflict-Affected Countries Group. This Group administers the State and Peace Building Fund.

still a range of internal coherence issues that are being gradually addressed through 'One UN' reforms. One of DFID's concerns with the UN in the past has been a tendency to be slow on transferring functions back to government. Direct humanitarian funding to UN agency budgets has tended to be less for disbursement and more to aid internal capacity-building.

Decision-making criteria

The optimal combination and sequencing of funding channels to support a rapid response will depend upon a range of country-specific factors. Several factors should be taken into account:

- What is the nature of the political relationship with the national authorities? Are we in a position to move quickly into a 'normal' development partnership, or are non-government channels more appropriate?
- What level of capacity is available within government to lead on early recovery activities? Where capacity is relatively strong, mechanisms such as the UN Peace Building Fund (for peace-implementation activities) and a World Bank-administered MDTF (for state-building and longer term recovery processes) allow a platform for building up government ownership and leadership. Where there is little capacity in place, funding activities (including capacity-building) via a UN-administered MDTF may be more appropriate.
- Is there a need to provide supplementary budget resources? A World Bank MDTF is usually the most appropriate instrument for supporting recurrent expenditure (e.g. salaries or basic service delivery).
- Is there a call for a pooled funding mechanism to support implementation of a common strategic framework? Where there is a credible, overarching strategy, a pool of unearmarked funding may provide the best means of ensuring that the strategy is implemented according to identified priorities, rather than according to short-term donor preferences.
- Which national stakeholders need to be brought into the resource-allocation and monitoring process? There may be an urgent political imperative to include former warring parties in the governance arrangement. In the time it takes for new constitutional arrangements to become effective, setting up participatory processes around a pooled funding mechanism may make a useful contribution to the peace process, but it must be handled with a high level of political sensitivity.
- What is the balance of funding required across different forms of engagement, namely humanitarian and early recovery? Which funding mechanisms are appropriate for which type of support?
- Which agencies have the comparative advantage (in-country or globally) in particular areas? Which offer the lowest transaction costs?

Experience also suggests two other general lessons that should be kept in mind. First, it is important to be realistic about time frames. Critical delays in mobilising support have often resulted from unrealistic expectations about how quickly funding mechanisms – particularly pooled funds – can be put in place. If we are realistic about time frames, we can plan strategies to avoid critical gaps – for example, by using a short-term mechanism to fill the gap while an MDTF is being established.

Second, none of these financing mechanisms should be left on autopilot. Even where responsibility for managing a pooled funding mechanism is entrusted to a multilateral partner, it will need careful supervision and support. In particular, funding mechanisms require strong political support – a function which the leading bilateral donors need to provide. In South Sudan, for example, donors have tended to keep their distance from the funding mechanisms, criticising their performance but not offering effective support.

South Sudan: Experiments in different funding mechanisms

The peace agreement in Sudan in 2005 opened the door to major new donor financing, both for the Khartoum government in the North, and for the new regime in the South, to help it make the transition from a resistance movement to a government. Initially, DFID and other donors planned to provide all of their non-humanitarian funding through twin World Bank-administered MDTFs, for the North and South. These funds were set up with similar governance arrangements, involving government and donor representatives, and with the capacity to fund both local and national initiatives. The activities were to be implemented by the national authorities, with a requirement for two-thirds counterpart financing to ensure national ownership.

Both MDTFs encountered extensive problems during their establishment phase, leading to long delays in mobilising funding. In the South, the new institutions lacked the capacity to comply with standard World Bank funding procedures. In the North, capacity was much stronger, but the government had limited interest in supporting pro-poor initiatives, and relations with donors were strained.

DFID Sudan and its partners reached the conclusion that the World Bank MDTF was not well suited to supporting early recovery activities in the South, being based on inappropriate assumptions about counterpart capacity. Even when donors agreed to share fiduciary risks with the Bank, disbursement remained very slow. Donors therefore moved to develop a number of additional financing mechanisms.

First, the UN established a Capacity Building Trust Fund, administered by a management agent, to help the new authorities in the South acquire basic capacities in areas such as procurement and financial management, to help them access the World Bank MDTF. While this proved a quick-disbursing mechanism, it was not well targeted, with resources being diverted into low-priority areas.

DFID also established the Basic Services Fund (BSF) to support NGOs for small-scale, community development activities. The BSF initially experienced some procedural problems, particularly through its practice of financing activities retroactively. Many NGOs were unwilling or unable to provide the upfront funding of projects in a highly uncertain environment. Some of these problems have now been resolved.

In 2008, donors agreed to establish a Sudan Recovery Fund for Southern Sudan (SRF-SS) to support early recovery. The SRF-SS aims for a mixture of quick impact, community-level activities and capacity development for the South Sudan authorities. It will be overseen by a steering committee chaired by the government, with participation of donors, UN agencies, the World Bank and NGOs, and will be managed by UNDP. Activities are to be implemented by UN agencies and NGOs. DFID Sudan finds the arrangement to be less burdensome than direct funding of partners.

The lessons from these experiences have been reflected in advance planning for early recovery in Darfur, once a political settlement is achieved. The Darfur Joint Assessment Mission process (D-JAM) was designed with two phases – one for early recovery and one for long-term development. A UNDP-administered Darfur Community Peace and Stabilisation Fund has been established for supporting small, community-level projects in appropriate locations, despite continuing conflict in much of the territory. A UN MDTF will help to prepare the way for a more substantial, World Bank-administered MDTF, when conditions allow.

Staying engaged

DFID has moved in recent times to making long-term commitments, in the form of ten-year Development Partnership Arrangements (DPAs), even in the most difficult of environments. DPAs have an important signalling function in fragile states, showing both the national counterparts and donor partners that the UK is making a serious, long-term commitment, and creating a useful platform for dialogue. DPAs are based on a commitment from the partner country in three areas: poverty reduction, respect for human rights and other international obligations, and adequate financial management and accountability arrangements. These constitute the minimum standards for DFID's engagement and help to establish mutual accountability. They should be accompanied by annual dialogue mechanisms, which allow both parties to assess their own and the other's performance. This can be linked to assessment processes developed for Poverty Reduction Strategy Papers or budget support arrangements.

Deteriorating political conditions and difficult partnerships can test DFID's resolve to maintain a long-term engagement. DPAs provide for a graduated response in the event of problems in the relationship, beginning from heightened dialogue, with suspension of assistance treated as a last resort. Any delay or suspension of support requires a judgement to be made as to its overall impact, not just on the partner government conduct but also on the intended beneficiaries of the assistance. This is particularly important in fragile and conflict-affected states, where the risk of 'doing harm' needs to be carefully assessed along many possible causal chains. (See *Briefing Paper B: Do No Harm* for examples of where DFID has suspended budget support).

Rwanda's Development Partnership Arrangement

Rwanda was one of the first countries to which DFID made a long-term financing commitment, in order to demonstrate support for the first post-genocide government. A Memorandum of Understanding (MoU) was concluded in April 1999, offering predictable support over ten years. The Government of Rwanda committed to advancing the six core areas of its national development strategy, as well as to reducing conflict, promoting national unity and reconciliation, prioritising measures to overcome social exclusion, building an open and inclusive state, promoting sound macroeconomic policies and improving public financial management. The MoU provided for periodic independent review of progress, providing the basis for annual UK/Rwanda Development Partnership Talks.

The MoU was substantially revised five years later (in the process helping to establish the current DPA format). It contained a detailed monitoring framework and an annual review process, which from 2007 also included an assessment of DFID's progress against its aid effectiveness commitments. This is now being superseded by a Common Performance Assessment Framework for all the budget support donors, which will include a donor assessment framework incorporating the Paris Declaration indicators.

In order to stay engaged, difficult political conditions may require DFID to rethink how assistance is delivered. In Ethiopia, for example, DFID moved from budget support to a more targeted form of assistance for basic services, sending a clear political signal while avoiding the damage that an interruption to aid flows might have had on such services (see case study in *Briefing Paper B: Do No Harm*). Similarly, over the past

decade, DFID assistance to Nepal has been through a number of different phases, from support to government reforms to delivery of pro-poor programmes through non-state channels, depending upon the state of the conflict. In Zimbabwe, despite very tense relations with government and the decision of the UK and its partners not to provide government-to-government support, DFID has remained engaged in trying to support the public health sector by using UN agencies and NGOs as intermediaries.

Key lessons

- **Humanitarian assistance, early recovery and planning should be implemented in such a way as to support each other.** Humanitarian assistance can help establish sustainable livelihoods. Early recovery can create the preconditions for state-building and long-term development.
- **However, each may require different instruments and approaches.** Humanitarian assistance and early recovery require rapid-disbursement instruments with light and flexible procedures. Longer term development initiatives require partnerships with national authorities that can take longer to establish.
- **QIPs can be important for establishing a peace dividend, but need to be carefully designed** to be conflict sensitive and supportive of state-building and peace-building processes.
- There is a wide range of options available for acting quickly in response to a peace settlement or political transition. The **optimal selection of instruments and approaches** must be based on such factors as the nature of the relationship with national authorities, the level of national capacity and an appropriate form of donor coordination.
- **We must be realistic about the time frames required to develop different instruments.** Where instruments require lengthy lead times (e.g. World Bank MDTFs), they can be supplemented by quick-disbursing mechanisms.
- **No funding mechanism should be left on autopilot.** They require careful supervision and political support.
- **DFID can make effective use of Development Partnership Arrangements to signal a long-term commitment to its partners,** even in fragile and conflict-affected situations, but they must be **reviewed regularly** to be a useful platform for dialogue.