BUILDING AFRICAN STATES

Nation Building – 50 Years, and the Four ‘I’s

Peacebuilding and Statebuilding Priorities and Challenges

Building Effective, Inclusive African Nations

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Foreword by President Kaberuka

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eVALUatiOn Matters

A Quarterly Knowledge Publication from Independent Development Evaluation at the African Development Bank Group
Building Effective, Inclusive African Nations
Dominic O'Neill, Executive Director representing the United Kingdom, Italy and the Netherlands.

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Repositioning Africa to Finance Change
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Several African countries registered high growth rates over the last decade without that growth translating into discernible prosperity to alleviate poverty. Why are these apparent paradoxes? What are the broad imperatives for socio-economic transformation that can help resolve these gaps? Looking forward to the next 50 years, what might influence the overall development trajectory of the continent and its transformation to knowledge-based economies?
The mission of Independent Development Evaluation at the AfDB is to enhance the development effectiveness of the institution in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge

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WHAT DOES AFRICA NEED?

PEACEBUILDING, STATEBUILDING, OR NATION BUILDING?

‘Nation building’ is part of the context for our work at the African Development Bank. As we mark our 50th anniversary this year, many of our African member countries are just about as old, and we have played a part in their own nation building. We have watched the swinging pendulum of success and setback.

President Kaberuka, p.7

“Three inter-related concepts are central to the Bank’s work in building African nations: peacebuilding, state-building, and nation building.

• **Peace-building** involves actions taken to end or prevent violent conflict and support the establishment of sustainable peace. Peace-building supports and reinforces two other processes that are often discussed interchangeably, but are in fact different: state-building and nation-building.

• **State-building** is the process of establishing capable, accountable, responsible and legitimate states and state governments.

• **Nation-building** refers to the creation of a common cultural, social and national identity.

Rakesh Nangia, p.60
“Statebuilding is an endogenous process to enhance capacity, institutions and legitimacy of the state driven by state-society relations. Positive statebuilding processes involve reciprocal relations between a state that delivers services for its people and social and political groups who constructively engage with their state.”

Key statebuilding objectives include developing capacity and legitimacy of the state and promoting a constructive relationship between the state and society. This necessitates building inclusive political processes to facilitate a continuous exchange between state and society, while developing state capacity to perform its functions in ways that meet people’s expectations. Key state functions include (i) delivery of security and justice, (ii) revenue and expenditure management, (iii) basic service delivery and (iv) economic management.

Source: OECD
NATION BUILDING – 50 YEARS, AND THE FOUR ‘I’S

• Initiative
• Infrastructure
• Institutions
• Inclusiveness

What does it take to build a nation? The question has just been asked in Scotland, where we heard strong emotional and practical arguments from those both for and against independence. A flag and an anthem surely mean a great deal; and so too do more prosaic and substantial things – a functioning society, a strong economy, and strong institutions.

In the early 1990s – as the Soviet Union fell apart and its 15 socialist republics emerged as individual countries – I recall that the former German Chancellor Helmut Schmidt, then retired, was asked how long it would take Russia to become what was crudely called ‘a normal nation’. “I have three equally valid answers to that question”, he said. “It will happen overnight. It will happen in nine months. And it will happen in 50 years.”

At every turn of history, in Africa and beyond, the same question has been asked of ‘new’ nations – whether they have emerged from colonization, like those of Africa that emerged after Ghana blazed the trail of independence in 1957; or from conflict, like my own country of Rwanda 20 years ago. Each has experienced profound change ‘overnight’ and ‘in nine months’, no nation has ever been properly built in a short time. And every nation is in a constant state of evolution.
'Nation building' is part of the context for our work at the African Development Bank. As we mark our 50th anniversary this year, many of our African member countries are just about as old, and we have played a part in their own nation building. We have watched the swinging pendulum of success and setback. In the last few years – up to and including independence – we have given very practical support to the newest African nation of them all: South Sudan, whose own journey is still at the ‘9 month’ stage of dramatic change, and with it instability.

For every neat alliteration, there is another just as good. But I believe that four of the great elements of nation-building begin with the letter ‘I’.

**Initiative** is the brain and the quick wits of the nation. It is often embodied in leadership – sometimes just one or two driven and visionary people, but normally more. Just as often, it lies deep within a national psyche, and in a collective desire to work hard to achieve success. Initiative is closely allied with education and empowerment, and with a country’s will – now abundantly clear in Africa – to plan, to manage and to fund its own social and economic development. The African Development Bank knows this. It supports country-owned growth strategies; it empowers local businesses; it builds skills; it leverages the funds of local and international investors.

**Infrastructure** is the feet of the nation: the foundations on which it stands up. Again, the Bank knows this: it builds the roads that not only carry the crops to market, and the truck-loads of goods from one country to another … but also the children to school, and the pregnant mothers to hospital. It builds the power plant and secures the power supply that not only empowers the local businesses to trade … but also the local children to do their homework at night not by the light of a candle, but by the light of a lamp. Bridging the infrastructure funding gap will add two percentage points of annual growth to African economies – tipping them from mere economic growth into true and sustainable economic transformation.

**Institutions** are the backbone of the nation: without them, it would cease to function. They have to be painstakingly built, over years of training and learning, and of establishing the systems that operate. The Bank knows this: one of its key tasks is to strengthen the often-unquantifiable discipline of governance. Tax revenues have risen by a third in the countries where it has given governance support, while tax rates – and the numbers of days needed to start a business – have almost halved. Institutions can only run on integrity: they have to root out corruption, and earn the trust and respect of their constituents. The Bank’s support for the way that African countries manage their natural resource wealth, for instance, is based on the fact that equity and probity pays financial dividends.

**Inclusiveness** is the heart of a nation. ‘A house divided against itself cannot stand’, wrote Abraham Lincoln. The story of Africa’s extraordinary growth of the last decade is that it has been uneven, and unequal. The Bank knows this, which is why its 2013-2022 Strategy, which aims to put it ‘at the center of Africa’s transformation’, prizes inclusive growth above all. Growth that is shared embraces women as much as men, young people as much as old, rural communities as much as urban, and Africa’s most fragile and vulnerable states as much as its outperforming stars.

Helmut Schmidt knew that the only sure ingredient of nation-building is time: it really does take 50 years, or more.

All four ‘I’s take time; and all are indispensable.

I warmly welcome another volume in the excellent eVALUation Matters series, as it looks more closely at what it takes to build a nation.
AFRICA’s VISION
Africa sees itself becoming a prosperous continent with high-quality growth that creates more employment opportunities for all, especially women and youth. In this vision, sound policies and better infrastructure will drive Africa’s transformation by improving the conditions for private sector development and by boosting investment, entrepreneurship and micro, small and medium enterprises. In this context, transformation means diversifying the sources of economic growth and opportunity in a way that promotes higher productivity, resulting in sustained and inclusive economic growth. It also means supporting the development of industries that increase the impact of the existing sources of comparative advantage and enhance Africa’s global competitive position.

In this transformation—indeed driving it—growth will become much more inclusive, extending beyond some countries, some sectors and some workers. Many of Africa’s fragile states will be on a path to growth and recovery. Stronger institutions of governance (domestic and regional) will reinforce the rule of law, facilitate transparency and accountability and peacefully resolve conflicts. Africa will attract greater private investment from foreign sources. Faster growth, more formal economic activity and improved wealth management will greatly increase domestic resource mobilization, reducing the dependence on donor aid.

And more of Africa’s capital will be invested domestically, not parked offshore. But successful transformation requires visionary and determined leadership. Africa will seize opportunities for greener, more sustainable growth to become more resilient in the face of climate change. By incorporating green principles in development plans, African countries will extend access to water, energy and transport, boost agricultural productivity and create new jobs and expertise.

They will also build sustainable cities and develop their natural resources while reducing waste. They will chart their own green growth paths—reinforcing, not compromising, their development efforts. Africa as a continent will be much more integrated. Goods, services and people will move across countries and regions—creating larger markets, increasing companies’ competitiveness and expanding intra-African trade opportunities. Fostering cooperation within trans-boundary basins will support growth, peace and stability. Such regional approaches will also make resource use more efficient.

This vision reflects what the Bank heard during its widespread consultations with governments, private sector actors, academics and representatives of civil society. It coincides with the ambitions of African leaders and the vision of the African Union’s New Partnership for Africa’s Development as a continent where growth is inclusive—embracing the continent’s youth, its women, its fragile states—and sustainable. It also coincides with the ambitions of regional members as set out in their long-term poverty reduction and development strategies.

Source: African Development Bank Group

At the Center of Africa’s Transformation Strategy

p 5 - 6
PEACEBUILDING AND STATEBUILDING
PRIORITIES AND CHALLENGES

A synthesis of findings from seven multi-stakeholder consultations
**Peacebuilding and statebuilding** are reinforcing processes that support the building of effective, legitimate, accountable and responsive states. These overlapping but distinct processes are essential elements for guiding national and international efforts in addressing state fragility and promoting peace and stability in situations of conflict and fragility.

The Synthesis Report was prepared to inform discussions at the first meeting of the International Dialogue on Peacebuilding and Statebuilding on 9-10 April 2010 in Dili, Timor-Leste. “The Dialogue” is an ongoing discussion process that engages representatives of national and regional governments, bilateral and multilateral development partners and civil society in an open and frank conversation about improving peacebuilding and statebuilding efforts in fragile and conflict-affected situations.

This report identifies seven peacebuilding and statebuilding priorities as stepping stones to reach the Millennium Development Goals in conflict-affected and fragile states. These priorities were later defined as goals in the Dili Declaration – A New Vision for Peacebuilding and Statebuilding. The report also identifies bottlenecks and emerging good practices, drawing on findings of seven multi-stakeholder consultations that were carried out as part of the Dialogue in Burundi, Central African Republic, the Democratic Republic of Congo, Liberia, Sierra Leone, Southern Sudan, and Timor-Leste.

This report was prepared to inform discussions at the first meeting of the International Dialogue on Peacebuilding and Statebuilding (“the Dialogue”) on 9-10 April 2010 in Dili, Timor-Leste. The report synthesises the findings of seven multi-stakeholder consultations which were carried out between November 2009 and March 2010. Consultations were held in Burundi, the Central African Republic (CAR), the Democratic Republic of Congo (DRC), Liberia, Sierra Leone, Southern Sudan* and Timor-Leste. The main objectives of the consultations were to help generate a consensus around fundamental peacebuilding and statebuilding priorities, and to identify key bottlenecks and good practices in national and international support to these areas.

The analysis presented in this report also draws on the findings of the Fragile States Principles Monitoring Survey (“Monitoring Survey”); on a review of strategic planning frameworks in selected fragile and conflict-affected countries; and on recent policy-oriented research on peacebuilding and statebuilding. The report is based on an understanding of peacebuilding and statebuilding as two mutually reinforcing processes aimed at supporting the building of effective, legitimate, accountable and responsive states characterised by a healthy state-society relationship and by peaceful relations among communities and with external neighbours.

The findings from the seven consultations confirmed the relevance of these concepts and helped...
to articulate the various dimensions and dynamics of the two processes, recognising that different contexts will present different peacebuilding and statebuilding scenarios. They also suggested that there is an emerging consensus around a set of common peacebuilding and statebuilding priorities that national and international partners should consider in their work in fragile and conflict-affected contexts.*

Key priorities identified include first and foremost the promotion of successful political settlement and political processes and the halt of violent conflict through an increased focus on basic safety and security. Additional priorities identified by the majority of the country consultations relate to the rule of law, the promotion of mechanisms for the peaceful resolution of conflicts, and the strengthening of the state’s capacity to raise revenues and to provide services according to people’s expectations. Effective management of natural resources, inclusive growth and economic development are also seen as critical components of peacebuilding and statebuilding strategies, particularly in more stable postconflict situations. Strategies to build a positive relationship between the state and citizens and the need to support capacities and opportunities for social reconciliation within and across the communities and for participation were identified as gaps in current national and international peacebuilding and statebuilding efforts. Finally, the regional dimension of those efforts was also highlighted.

The country consultations identified a set of challenges in peacebuilding and statebuilding processes and in the engagement of national and international partners with such processes. These include the difficulty of operating in sensitive and fast-changing environments without a clear vision for change; weak planning and low implementation of agreed priorities; the difficulty of balancing short- and long-term objectives; financing modalities and other specific donor practices that are not fully aligned with peacebuilding and statebuilding priorities; capital-centric approaches to statebuilding; a narrow view of capacity development, often confined to human resource development and management rather than including deeper behavioural and institutional issues such as motivation and styles of management; and lack of mutual accountability between national and international partners.

The findings of the seven consultations, however, suggested that some good practices are emerging both in regard to how peacebuilding and statebuilding priorities are being addressed in-country, and in regard to the response of national and international partners to the challenges outlined above. Good practices were reported, for example, on ways national and international partners support political processes and critical sectors like security sector reform (SSR). Some good practices were also identified in relation to planning and accountability frameworks, more specifically in regard to donor efforts to increase alignment with and provide more effective support to national peacebuilding and statebuilding priorities.

In conclusion, the findings summarised in this report reconfirmed the usefulness of a peacebuilding and statebuilding approach and called for stronger and more coherent national and international engagement to support peacebuilding and statebuilding priorities in the short, medium and long term.

**Source:** OECD: “Peacebuilding and Statebuilding Priorities and Challenges,” International Dialogue on Peacebuilding and Statebuilding. Peacebuilding and statebuilding priorities and challenges. Reprinted with permission

*“Southern Sudan” refers to a region of Sudan. The semi-autonomous Government of Southern Sudan (GOSS) was established following the signing of the Comprehensive Peace Agreements in 2005. Consultations were organised by GOSS in February 2010 to take stock of Southern Sudan’s peacebuilding and statebuilding experience since 2005.*
NATION-BUILDING IN AFRICA: Challenges and Opportunities

Leonard Wantchekon, Princeton University
Africa is a continent of incredible size and diversity. With more than 3000 distinct ethnic groups and 1500 languages spread out among 54 sovereign nations, Africa’s multiplicity of national, ethnic, and linguistic groups—combined with its arbitrary national borders, the relics of ruthless colonial imposition and caprice—would seem a recipe for political disintegration and disaster. Yet, the opposite has in fact been true. Indeed, since independence and the imposition of artificial borders through colonization, African nations have evinced a profound stability in terms of national unity, with remarkably few cases of secession (Englebert et al.). Only a handful, such as Eritrea, South Sudan, and perhaps Somalia, have known successful secessionist movements—a remarkable feat for a continent as diverse and otherwise troubled as Africa.

This situation starkly contrasts with the case of Europe, for example, which has seen many nations break up in the post-Cold War world. Indeed, the fact that huge nations like the Democratic Republic of the Congo and troubled states like Cote d’Ivoire and Mali have managed to stay intact is impressive. By most measures, Africa does not come anywhere close to constituting a success story for nation-building; however, the surprisingly enduring national unity of African states signals that certain things have done well in the past to promote nation-building. In particular, three main factors can be identified as contributors to national unity: historical legacies of national independence movements, proactive national politics and policies, and economic integration. Considering the dynamics of these three factors, we can gain a better understanding of African nations’ surprisingly strong national unity, as well as an indicator of where nation-building efforts might bear fruit in the future.

To understand the dynamics of nation-building in Africa and the current national unity of African states, one must first and foremost understand the historical context that led to the present status quo. Undeniably, the anti-colonial movements helped nation-building in Africa. This is especially so as the main leaders in the original independence movements were deeply committed to nationalist principles, and fought ardently to preserve national unity. For example, the DRC’s Patrice Lumumba, who struggled and prevailed against the Belgian-sponsored Katanga secessionist movement in his country, was so determined to keep his country intact that he sacrificed his life for the cause. Moreover, the African nationalist movements often included an element of pan-African transnationalism as well such that even the political movements and parties in many states—such as South Africa’s African National Congress and Senegal’s African Independence Party—appealed to broader ideological unity and African ideals rather than regional factionalism or ethnocentrism (Cooper, 2002; Wantchekon and Garcia Ponce, 2014).

The early nationalist leaders’ strong commitment to unity, along with their charisma and the sacrifices made to achieve independence, have left a clear legacy that has influenced future generations toward national unity and away from secessionist movements. Indeed, this can be seen in subsequent African political developments. Upon independence, single-party systems sprang up in many African states, often generating conflict and even civil war due to power struggles within the dominant party or suppression of opposition groups. However, in spite of this violence and instability, these civil conflicts rarely spawned viable secessionist movements. While the political system failed to keep the peace, it did not fail to keep nations intact, and factions fought primarily for control over their country rather than to divide the country. Thus, even in the face of authoritarian rule and civil war, the overarching sense of national unity that Africa’s initial crop of leaders instilled in their nations held. Even in cases of potentially destabilizing situations, like the Casamance separatists in Senegal or the North-South rift that has led to recent violence in Cote d’Ivoire, secessionist movements have not gained widespread support or managed to tear apart the national fabric. Africa’s historical dynamics,

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1 I would like to thank Jonathan Liebman for research assistance.
2 From 1960 to 2000, 44 percent of domestic conflict years in Middle East and North Africa, 47 percent of those in Asia and 84 percent in Europe has separatist content against 27 percent in Africa. In addition most secessionist conflicts in Africa tend to be short-lived and minor (p. 399-400)
especially as shaped by its early nationalists and anti-colonial leaders, have preserved national unity despite great diversity and adversity.

Moreover, the widespread democratic development that Africa has known in recent decades has similarly contributed to nation-building efforts. Multi-party political systems operate by coalition, which help reinforce bonds between different national groups. Although these coalitions could theoretically take on a regional character—a development that would prove concerning—the nature of coalition-building generally requires political parties to work with others of different ideological and regional backgrounds, and thus the threat of secessionist movements arising out of democratic systems is minimal.

Indeed, the advent of democracy in Africa has led to a concomitant drop in conflict and demand for secession. Democratic countries in Africa are overwhelmingly less conflict-prone than non-democratic countries, and the only instances of secession in Africa have occurred in non-democratic countries. Indeed, it seems highly plausible that under a democratic system a settlement could have been reached with the Eritrean or South Sudanese secessionist movement, which might have preserved national unity and defused the tensions that led to their separation. To this end, the African Union has proved a positive force in promoting unity and nation-building both by intervening in countries like Cote d’Ivoire that appear unstable, as well as by condemning coups and encouraging speedy elections when power is seized by non-democratic means.

These positive continental developments for nation-building have also been complemented by certain instances of prudent public policy in Africa. One important development after independence in many African nations was the establishment of elite schools and universities, which educate top students from the entire country. By doing so, these schools draw students from otherwise disparate geographic, cultural, and ethnic backgrounds and socialize them to be part of the same educational and national system. Today, many African leaders are products of such schools, and consequently possess a sense of understanding and national unity with their compatriots from all around the country. As a former student at one of these schools, I have personally seen how these formative educational and social experiences preserve the bonds of friendship and national unity.

However, in many cases, public policies in Africa have failed to promote national unity and nation-building, especially with regard to insufficient infrastructure. The recent trend towards decentralization and regionalization thus poses problems for economic and political unity in Africa, and some of the aforementioned elite national schools have been recently closed, and today there is less integration than there was in past decades. Moreover, this worrying change has been accompanied by a simultaneous decline in infrastructure and transportation, especially in the form of rail travel. A strong infrastructure system is crucial to promote national and economic unity, as easy transportation facilitates economic and personal integration. Fragmented markets and communities pose a major threat to national prosperity and solidarity alike, and contribute to a creeping regionalism and insularity in opposition to substantive national unity (Wantchekon and Stanig, 2014).

My work on political clientelism in Benin supports this conclusion about the role of transportation and movement in effecting national solidarity (Wantchekon, 2003). One of the variables we test for in our surveys is cosmopolitanism, which we measure by asking respondents about both the frequency and duration of their travels. What the data show are that respondents who exhibit more cosmopolitanism, as shown by more frequent and further channels, exhibit greater national pride and are more likely to vote for candidates who run on substantive issues and programs rather than clientelist platforms. Thus, more cosmopolitan people are likelier to favor nation-building measures than less cosmopolitan. While Africa’s relatively strong sense of national unity across many states is impressive in light of the formidable barriers to transportation extant in many states, it is clear that infrastructure development would promote both economic and political integration and further nation-building efforts.
What, then, should be done moving forward to promote nation-building in Africa? In light of the aforementioned political, historical, and economic factors which inform the current situation in Africa, there are three main measures that should be taken to support national development.

First, it is critical to teach African political history to students in order to sustain and promulgate the ideal of nation-building that has hitherto supported national unity. This should be done especially with regard to Africa’s various national independence movements, in much the same way that the USA preserves democratic ideals in part by promoting civics education focusing on its founding fathers. It is also necessary to support the continued existence of elite national schools that embody and reify these ideals, thus providing a common socialization to Africa’s elite, which will enhance development efforts in years to come. For this reason, all students at the African School of Economics are enrolled in an African political history course.

Second, it is necessary to strengthen democratic reforms in Africa by minimizing the level of conflict and frustration among citizens. Promoting political freedom and human rights in Africa will help foster unity and prosperity, raising the wellbeing of citizens and furthering developmental goals. Democracy should also be focused on good governance and improving livelihoods, and care should be taken to ensure that the benefits of democracy and growth are shared by all citizens. This also entails supporting strong pan-African institutions such as the African Union and United Bank of Africa, which help promote unity and growth.

Lastly and perhaps most importantly, infrastructure development is crucial. As shown by my past work on cosmopolitanism and national unity, infrastructure is essential not only to economic growth and integration but also to political unity as well. While infrastructure is rarely thought of as a nation-building issue, it is a core developmental issue in all respects, and for this reason I am extremely supportive of the African Development Bank’s present push for improved infrastructure on the continent. Isolation and fragmentation are indubitably the worst enemies of nation-building, and by facilitating the easy transfer of people, ideas, and goods infrastructure promotes economic and political integration at both national and pan-national levels. By supporting infrastructure growth, the AfDB and other institutions are helping to build a more united national and African identity that transcends ethnic and geographic divisions, and promotes the stable and peaceful growth of Africa in the 21st century.

References


PROFILE OF THE AUTHOR
Leonard Wantchekon is Professor in the Politics department and associated faculty in the Economics department at Princeton University. His research is broadly focused on political and economic development, particularly in Africa. His specific interests include democratization, clientelism and redistributive politics, the resource curse, and the long-term social impact of historical events. He is a member of the American Academy of Arts and Sciences and the founder the African School of Economics (ASE), which opened in Benin in September 2014.
INCLUSIVENESS is the heart of a nation. ‘A house divided against itself cannot stand’, wrote Abraham Lincoln. The story of Africa’s extraordinary growth of the last decade is that it has been uneven, and unequal. The Bank knows this, which is why its 2013-2022 Strategy, which aims to put it ‘at the center of Africa’s transformation’, prizes inclusive growth above all. Growth that is shared embraces women as much as men, young people as much as old, rural communities as much as urban, and Africa’s most fragile and vulnerable states as much as its outperforming stars.

Donald Kaberuka, p.7
Although this vision of the future is inspiring a new generation of Africans to reach higher than ever before, the western media continues to focus on the negative stereotypes of Africa that we all know too well. These perceptions have undoubtedly deterred credible investors from looking at Africa as a viable investment opportunity – until now. I am pleased to see that today Africa is seen as the frontier market in which to invest, and we can look forward to watching the continent move from a frontier market to a mainstream investment destination over the next 50 years.

While the ‘Africa booming’ narrative is compelling and inspiring, we cannot ignore the fact that inequality, fragility and conflict persist across Africa. There are beacons of hope in countries that have moved out of conflict and made significant development gains. Rwanda and Sierra Leone, for example, have made focused efforts to build peace, allow the private sector to flourish, and deliver essential services to all. Other countries and regions, such as the Sahel and the Horn of Africa, have been less fortunate as new conflicts emerge that threaten food insecurity. These countries will need long-term support to lift themselves out of the cycle of poverty, conflict and food insecurity.

Building effective, inclusive nations supported by strong, viable economies that can resist shocks is key to any country’s success. Over the next 50 years, many of the challenges of the past will become more acute – rapid urbanization, population increase, growing inequality, youth unemployment, strained environmental resources, and increased expectations of citizens, to name but a few. Aggravating these challenges are social and political trends such as increasing religious intolerance, anti-immigration sentiment, and the use of identity-based politics to divide people and nations. None of these issues are exclusive to Africa and each country must be considered in its own specific context, but these are the kinds of challenges that must be overcome if the transformation of the African continent over the next 50 years is to be successful.

Many of these challenges can and should be dealt with through political processes. When conflict occurs, peaceful settlement should be sought through dialogue. I was happy to note that a recent AfDB High Level Panel Report on Fragile States stated that African governments have confirmed that they would very much welcome the Bank’s participation in political dialogue. This, however, is not enough to deliver long-term stability and development across troubled parts of the continent. In some situations the political process lacks the credibility and strength to resolve the issues. In others, the political process may be weak or lack the institutions to ensure stability, development and prosperity for all. In my experience, the private sector will find space to work anywhere and everywhere in Africa, but in these unstable, fragile situations a shadow economy often emerges that can subvert governments, exacerbate conflict, and starve the economy of much-needed domestic revenues.

I spent three years in Sierra Leone between 2008 and 2011 and saw it transform from a country that required a full-scale UN peacekeeping mission to one of the hottest tourist and investment destinations in the world.
In 2008 Sierra Leone ranked as one of the most dangerous countries in the world for a mother to deliver her baby. But after President Koroma’s launch of a free health care initiative in 2010, the country’s improvements in maternal and infant mortality figures was dramatic. Through the prudent use of donor-funded support, the Government stabilized the economy, and through the newly established National Revenue Authority now seeks to mobilize its own domestic resources to replace donor funds. By focusing on private sector development and improving its mining concessions, Sierra Leone will have one of the fastest growing economies in the world this year.

This is not to say that the future for Sierra Leone is guaranteed – poverty and youth unemployment persist and people have yet to see the dramatic growth figures translate into increased prosperity and improvements in services. While security has been strengthened in the country, the region continues to experience fragility and faces new and ongoing risks such as the smuggling of illicit drugs from South America, tensions during elections, and conflicts over mineral resources – all of which present a real challenge to governance and stability.

The ingredients for Sierra Leone’s recovery are clear:

- Securing peace
- Supporting an inclusive political process with smooth transfers of power after elections
- Establishing strong institutions that can bring about positive change (e.g. re-establishing the judicial system and establishing the National Elections Commission, the National Revenue Authority, the Anti-Corruption Commission and the National Minerals Agency)
- Supporting the private sector to build a strong, inclusive economy where everyone can participate.

While these ingredients constitute a work in progress, each of them has contributed to the success of the country and created a positive outlook for a country that many had written off as a lost cause.

I use Sierra Leone as an example of what can be achieved and what issues need to be tackled when moving out of conflict and fragility. There are of course countries and regions that have not fared so well in the last decade and can expect to continue to face serious challenges going forward. The Sahel in particular is a region facing serious challenges of fragility due to food insecurity, extreme poverty and pockets of instability. Complex problems require complex solutions, and because many of the problems transcend national boundaries the solutions must also be regional in approach. So far this has not been possible and for a range of reasons the various development institutions have not yet been able to provide a coherent, adequately funded response to the complex challenges that confront the people of the Sahel. The situation in the Sahel requires the countries in the region to work together at the political level and international development partners to align their efforts and resources. The complexity of this challenge is enormous and we all need to do better to overcome it.

While it is important to understand and mitigate the impact of fragility and conflict in Africa, the reality is that more than 90 percent of Africans today live free from conflict. Moreover, many countries in Africa are experiencing annual growth rates greater than 5 percent and the African middle class has tripled over the past 30 years. With the support of debt relief initiatives over the last decade, many countries have shaken off their historical debt burdens and are now mobilizing new sources of development finance to enhance their growth.

In the face of enhanced confidence and economic stability, several African countries have launched multi-million foreign currency bonds offering high yields and new opportunities for investors to buy into Africa’s future. The consumer markets of Africa present huge untapped potential for new investors, and the scope for further growth in telecommunications will not only transform how people communicate with each other but will change how economies
function, how services are delivered, and how wealth is distributed. Further public and private investment is still needed in human development to ensure that gains in health and education are consolidated and that the work force of the future has the skills to compete on a global platform. To unleash the full economic potential of nations, regional integration and connectivity needs to be accelerated to ensure that African markets can flourish and that African goods and services can compete globally.

One important issue that has not been sufficiently addressed over the last 50 years is gender equality. Today, African women and girls face unequal chances for health and education, have less chance to receive inheritance and own their own assets, face discrimination in employment and occupations, experience violence at home and in public spaces, and have limited political representation. No nation can flourish if women and girls do not receive the same social and economic opportunities as men. A recent World Bank report stated:

*Greater women's rights and more equal participation in public life by women and men are associated with cleaner business and government and better governance. Where the influence of women in public life is greater, the level of corruption is lower, and women can be an effective force for rule of law and good governance.*

This is true. Nor should we forget that women provide social stability by educating future generations. Gender inequality is one of the most important issues we face, and although it has received many platitudes, little action has taken place. The success of the next 50 years in Africa will largely be determined by the continent’s ability to carve out equal places for men and women, boys and girls.

These are all challenges that Africa is tackling and that the African Development Bank directly supports. The Bank’s new Ten-year Strategy focuses on regional integration, fragility, gender, engagement with the private sector, and of course our new flagship Africa 50, which is an important innovation on the way development banks attract public and private sector financing for infrastructural development.

So while the future for Africa is bright, it also presents increasingly complex challenges. As the premier development institution on the continent, the African Development Bank is at the forefront of the effort to ensure that the Africa of the future is stronger, more inclusive, more stable and more prosperous for all Africans. These challenges will require a combined effort, but one thing must be clear: the effort must be led by Africa’s own leaders and supported by Africa’s own institutions.

**PROFILE OF THE AUTHOR**

Dominic O’Neill is the Executive Director representing the United Kingdom, Italy and the Netherlands. Mr O’Neill, who is passionate about Africa, has lived and worked in Namibia, Mongolia, Chile, Yemen, Iraq, Sierra Leone, Liberia and Nepal – mostly as a Country Director of the UK’s Department for International Development (DFID). In 2008 he and his wife Ewa drove their Land Rover from London to Freetown, a journey of some 11,000 kilometers. He joined the AfDB in July 2013. The O’Neill’s have 1-year-old twin boys.

**“The success of the next 50 years in Africa will largely be determined by the continent’s ability to carve out equal places for men and women, boys and girls.”**
Citizens of all countries now expect their governments to address their basic needs. These needs differ from country to country, but the primary challenges – creating security, managing the economy, and providing essential services – are universal and remain at the forefront of global debate. States require investments to build institutions and foster the human resources to maintain them. As each country shapes its polity, economy, and society, it should endeavor to understand the formal and informal rules that both constrain and enable human actions. How a state governs matters just as much as what is actually delivered.
The most essential demand of citizens everywhere is to feel safe. Any government that seeks to live up to the responsibilities of the sovereignty afforded to it by law must create the conditions for a minimum set of factors to take hold. The first of these – and the condition that has traditionally defined the state – is the legitimate monopoly on the means of violence.

What we are finding today, however, is that real legitimacy comes not only from that single function, but also from the way the state performs a broader set of functions. These include managing public finances in a sound way, investing in human capital, managing infrastructure services, ensuring the rule of law (and subjecting itself to it), and managing state assets. The state must also manage its natural capital – minerals, water, forests – as well as the intangible assets of the state such as management of monopolies and licenses.

A functioning state is one where these mechanisms are working well, not just individually, but also as an interconnected whole. In contrast, a state is fragile because it does not serve its population well, or when one or more of these functions have been eroded or are performed inadequately.

For the last few decades, the key debate has been over which mechanism is appropriate for meeting solutions – state or market? That debate now seems to have settled into a more centrist set of questions:

- What is the right balance between state and market approaches?
- How can citizens participate in solving problems, delivering services, and creating market solutions?
- How does reform best take place – through champions, through incremental trial and error, or through movements for change?

Citizens and communities almost invariably possess greater knowledge than centralized bureaucracies about the problems they face and how to solve them. Rightly, the present focus is on leveraging that local knowledge; what matters is the how – not the what or the why.

A number of countries have made breakthroughs, successfully transforming their societies. The Institute for State Effectiveness (ISE) has considered a range of examples. Some – South Korea, Singapore, and some Latin America countries – have been so successful that their transformations present an air of inevitability. Commentators then suggest that these countries were always set to succeed; success stories are easily taken for granted with the benefit of hindsight. Caution must be exercised, however, because the sense of an inexorable march to success is seldom reflected in contemporary reports when those countries were mired in crisis.

ISE has sought to identify and understand which elements of those transitions and transformations policymakers got right. How did countries move from conflict to peace? From poverty to prosperity? From instability to stability? We cannot identify a single magic formula. Nonetheless, commonalities clearly emerge on to how policymakers, leaders, and citizens responded to challenges they confronted.

Security’s primacy underpins every case we studied. When citizens face insecurity, they can’t focus on anything else. The following statement typifies that outlook: “We can’t think of anything else if we don’t think we can walk to the bread shop at the end of the road without getting shot in the back of the head.” Successful reformers tended to focus on establishing security first.

In successful cases, reformers approached institution building systematically. Rather than creating all institutions at once, they thought about what institutions do, which policy areas should receive attention first, and which ones could wait. Sequencing is a much-used term, one of fundamental importance.

A major challenge reforming states faced was investment in human capital – equipping people with the know-how to govern, and create the firms and enterprises needed to drive agriculture, manufacturing, and trade. Countries that succeeded asked pragmatic questions: How many engineers are needed? How many doctors? How many teachers? How many accountants?
Their common aim was equipping local people with skills needed rather than relying on outside technical assistance. When they did resort to technical assistance, they used it carefully and sparingly, and often with conditions that the hired skill-sets be transferred to domestic institutions within a certain time period and before final payments were made.

Finance ministers who attempt overall economic reform too fast tend not to last long. Building accountable systems (therefore tackling corruption), however, is a reform common to successful transitions. Singapore’s Lee Kuan Yew, on his first day in office as prime minister, famously fired a parking attendant for taking a bribe of a few cents, thereby setting an example for zero tolerance of corruption. Corruption is never eradicated overnight; tackling corruption, or building accountability, demands a wider political strategy and a systematic approach. ISE has set out in its National Accountability System the following five processes where accountability is crucial:

- Revenue
- Procurement
- Payments, accounting, audits
- Infrastructure and projects
- Budgeting

Too often, these elements have been tackled in isolation. Processes are best addressed as part of an overall system. This helps governments to focus on big-ticket items and build self-reinforcing loops of accountability.

2. **Procurement.** Procurement lies at the heart of accountability. The process is especially vulnerable to corruption, because of the potential to award contracts and licenses to political allies, family members and favorites. Handled properly, however, it is a crucial mechanism to optimize the purchase of goods and services to provide essential functions – roads, healthcare, education, and security – for citizens. Inefficient or corrupt procurement translates directly into an overall shortfall in state effectiveness: fewer schools, less medical cover, trade hindered by weaker infrastructure. Procurement - its transparency and fairness – is a critical link in the chain that prevents allocating funds to cronies without results and instead making implementation work.

3. **Payments, accounting, audits.** Payments, accounting and auditing can often seem – especially to higher functionaries – like backroom functions. In fact they are essential processes for accountability. Paying wages of civil servants and the military is one of the most critical functions of public finance. Beyond this, making timely payments to contractors for work properly done is essential. Accounting and auditing complete the system. Timely, transparent accounting and auditing are crucial. Weak systems are characterized by audits that take years and are kept private. Public scrutiny – and a right to public scrutiny - is an essential part of accountability.

4. **Infrastructure and projects.** Infrastructure is one of the biggest ticket items for expenditure and procurement. It is also the area where the highest
incidence of corruption is likely. Transparency International estimates that the corruption in the infrastructure sector is higher than in the defense sector. Contracts are awarded to cronies of those in power, and funds are used for political rewards and patronage. All too frequently, this results in the infrastructure getting built poorly, incompletely, or not at all. Infrastructure and projects can be seen as a sub-section of procurement, but one that is so important that it merits being treated as its own distinct category.

5. Budgeting. Countries that aspire to successful transformation must design the right instruments to finance critical public expenditures – minimizing the reliance on grant aid – and to catalyze the availability of capital, insurance and other financial services. Regrettably, maximizing grant aid often becomes the focus instead. In such cases, broader understanding of available investment sources, public and private, is needed – as of the types of instruments with potential to leverage financial alternatives.

Successful countries deliberately foster a sense of higher purpose among the citizenry by instilling the need for inclusive politics. Many post-conflict arrangements unraveled because the victor or dominant party failed to include minorities and significant constituencies. This process is illustrated by the lingering conflict that characterized Maliki’s Iraq, Karzai’s Afghanistan, Kiir’s South Sudan, and repeated episodes in Somalia. Creating a politics of inclusion requires an explicit or implicit reconciliation processes – it requires a conscious decision by different leaders and groups to put the past behind them and to work across boundaries of ethnicity, sect, religion, and geography. Conflict may be inherent in the political process, but recognizing that it can be managed in non-violent ways is integral to nation-building after conflict.

Governing inclusively is probably more important than governing well, provided that the seeds of corruption that often lead to the re-emergence of conflict are not sown. There is an interesting debate concerning striking the right balance. Is low-level corruption sometimes a fair price to pay to ensure political inclusivity? If so, can that level be identified? Some pragmatists argue that the benefits outweigh the disadvantages if corruption kept within moderate bounds, within 20% of a theoretical corruption-free ideal. Beyond that approximate level corruption represents an increasing risk because it can spin out of control and lead to instability.

The psychological and social impacts of conflict rarely receive sufficient attention. Mental health rarely receives due attention in post-conflict societies. Yet after war and conflict, trauma and other mental scars impose a significant burden on individuals and therefore society as a whole. Reconciling with the past, both individually and collectively, is an often overlooked challenge. When ISE convened leaders from several recent post-conflict transitions, leaders identified transitional justice as one of the two top overlooked issues (the other being a country’s ability to drive its own recovery rather than relying on the aid system).

There are a number of false assumptions as to what constitutes state-building.

1) The first assumption is that state-building can be done from the outside. This is rarely possible. Although after World War II the US mobilized extraordinary amounts of assistance to reconstruct Germany and Japan, assistance on this scale is not possible today. The successful countries in the ISE study were all driven by internal leadership or consensus. Where external help was deployed, it was used sparingly, wisely, and always with an exit strategy. A few years ago, I worked with a ministry of finance team who were preparing their aid strategy. They said their goal was to have the most aid of any country in Africa by 2030. Soon this formula was flipped on its head because of the realization that if the economy were to have become dynamic by 2030, aid would no longer be necessary.

2) The second assumption is that state building is by definition a centralized process. Sometimes the political issue is about restoring a legitimate center, but just as often the issue involves the treatment of a particular group. In such cases the demand is for more decentralization, or sometimes formal federalism. The question of establishing state functions is
The focus should be on delivery - the services and conditions for citizens where they live – their neighborhoods, villages, and cities. The need is to identify which function should be performed at which level. Some functions may be highly decentralized, such as the repair of irrigation systems and the management of schools and clinics. Other functions, such as macro-economic policy and foreign policy, tend to be highly centralized. The choice is seldom binary, between total centralization versus devolved decision making. Context is everything.

3) The third assumption is that the process is defined by national boundaries. Many processes have succeeded in part precisely because they worked out a different set of relationships with and between neighbors, identifying regional opportunities for cooperation across different fields.

While these issues apply across many if not all countries, in those situations afflicted by instability and conflict – whether from political and economic instability, crime, terrorism, or human trafficking – the challenges can be more acute, and sometimes raise the question of international intervention.

A wide range of approaches to state-building have been advanced as the optimal solution over the years. Different approaches characterize differing communities’ response. The humanitarian community focuses on the suffering and loss of life that result from disasters or the failure of the state to manage sectors such as health or education. Accordingly, they respond through humanitarian assistance. In other cases, and especially when security breaks down, security actors may intervene to establish stability. Even when humanitarian and development actors combine their response, the overall result is often ineffective - it can even be part of the problem.

Along with other international financial institutions, the African Development Bank is at the forefront of identifying improved approaches to state-building. Study of recent cases and collective approaches suggest four areas in particular that warrant increased future focus.

The first is in job creation. The cry of young people all over the world is for opportunities to sustain their livelihoods and create their own opportunities. How best to support the creation of jobs and livelihoods remains hotly contested.

The second is developing better policies that support the reality of urbanization. As people flock to cities, avoiding and mitigating slum conditions and identifying technologies and best practices in urban management are coming to the fore.

Third, while many peace processes have had significant success in countries such as Liberia, Mozambique, Rwanda, and Sierra Leone, others such processes remain fragile. Understanding the means and types of peacemaking, peace enforcement and peace building in different contexts remains imperative.

Fourthly, a new frontier in state-building is advancing participatory mechanisms for citizens and civil society groups to participate in policy-making and decision-making. This area is driven by ever increasing citizen demands for greater inclusion and accountability against the backdrop of the relentless progress of the information age. This final point underscores that state-building is not a single, abstract, codified ideal – but a dynamic, ever-changing set of approaches that must adapt to evolving circumstances.

**PROFILE OF THE AUTHOR**

Clare Lockhart is co-founder and director of ISE which works with a range of countries aiming to make transitions out of fragility. She is co-author with Dr. Ashraf Ghani of Fixing Failed States (2008) and has authored and co-authored numerous articles on development, institution-building and citizenship. She has lived and worked in a number of countries in Asia and Africa. Prior to 2001, she managed a program on institutions at the World Bank. She is a lawyer and member of the Bar of England and Wales and has degrees from Oxford and Harvard Universities. Ms. Lockhart was selected as a Young Global Leader in 2011 and as Chair of the Fragile States Council in 2011-2012 for the World Economic Forum. She serves on a number of advisory boards including the Asia Foundation, the Women’s Regional Network for South Asia and the Developmental Leadership Program.
THE CONTRIBUTION OF COUNTRY LEVEL EVALUATION IN STRENGTHENING UNDP’S ROLE IN STATE-BUILDING
UNDP as a trusted partner in state-building

State building or interventions that support nations in their own development efforts often occur in unplanned conditions brought about due to conflict or natural disasters. This is a challenging and difficult process as decades of progress can rapidly be decimated due to eruptions of political, social and environmental crises, all of which challenge the concept of vibrant and autonomous nations. These challenges require agile and responsive international agencies that: have the capacity to react to counties’ demands; have established trust and shadowed governments over prolonged periods of time; and that have experience working across a broad spectrum of issues.

The success of many of these, often low-key, interventions cannot easily be measured, as they occur in tandem with other partners and in environments that are not easy to operate in or evaluate. It is part of an ethos of United Nations Development Programme (UNDP) to operate in the most complex environments, over extended periods of time, and through well established relationships, which sets it apart from many other agencies in terms of the value proposition it offers.

UNDP’s engagement in state-building is guided by its Strategic Plans. Within UNDP’s previous Strategic Plan (2008 to 2013), two focus areas most directly addressed efforts in state-building, namely democratic governance and crisis prevention and recovery. The recently developed UNDP Strategic Plan for 2014 - 2017¹, identifies three areas of work: (1) sustainable development pathways; (2) inclusive and effective democratic governance; and (3) resilience-building. Within the democratic governance area of work UNDP is to assist countries to maintain or secure peaceful and democratic governance, including addressing issues such as constitutional reform, democratic elections, strengthening parliaments, the rule of law and citizen security. In its ‘resilience-building’ area of work, the Strategic Plan outlines how UNDP is to contribute to peacebuilding and state-building, particularly in post-conflict and transition settings, emphasizing that state-building should improve capacities, accountability, responsiveness and legitimacy. The efforts should further ensure rapid and effective recovery from conflict-induced crises and increase the ability of countries to prepare for and deal with the consequences of natural disasters, such as those exacerbated by climate change. In all areas of work, UNDP emphasizes the need to address gender equality and women empowerment.

International agencies are obliged to independently evaluate their programs for a multitude of purposes ranging from donor reporting obligations, to responding to the transparency, accountability, and, most importantly, relevance imperatives. As countries and governments are the main beneficiaries of UNDP intervention, it is necessary for independent evaluation to periodically assess progress so that course adjustments can be made and so that new country programs can get prepared. UNDP becomes the evaluand (subject of evaluation) when the Independent Evaluation Office (IEO) sets out to evaluate its progress and reports results to the government and stakeholders, for purposes of transparency, accountability, and utility.

The purpose of this paper is to make the argument that evaluative evidence is necessary to align the operational practice to ideal so as to bring about the adjustments necessary to respond to countries’ needs in dynamic contexts and with scarce resources. To make its case, this paper will put forward select examples from the IEO’s independent Assessments of Development Results (ADRs) - a country level assessment process which uses UNDP country program interventions as the unit of analysis.

The independent assessment of UNDP’s work, guided by the IEO which reports to the Executive Board, shows that whilst challenges exists in achieving development results, overall UNDP is a central player in state-building efforts due to its role as manager of the resident coordinator system, its well-established

and extended country presence and its approach that responds to countries’ needs. Moreover, UNDP has institutionalized independent evaluation in all of its country, and other, programmes demonstrating a commitment to quality assurance that has helped to build trust with governments it works with.

Methodological approach to assessing country-level performance

The ADRs are independent country-level evaluations conducted by IEO that assess UNDP’s overall performance and contribution to development in that country for a specified multi-year period, and that draw lessons for the future programming cycles. The ADRs ask two key questions: (a) what has been UNDP’s contribution to development change (focusing on the change in the country programme outcomes as outlined in the Country Programme Document [CPD]); and (b) what can explain that contribution. The primary purposes of an ADR are to support the development of the next CPD and to strengthen accountability of UNDP to national stakeholders and the Executive Board.

The ADRs are conducted in the penultimate year of the ongoing UNDP country programme and usually cover a period of seven to nine years. Importantly, the IEO times these evaluations so as to ensure that their findings effectively feed into UNDP’s subsequent country programme strategies. The scope of the ADRs include the entirety of UNDP’s activities in the country covering interventions funded by all sources of finance. Initiatives from the regional and global programmes are also included in the scope.

Since UNDP first introduced this methodology in 2002, the IEO conducted over 80 ADRs. In Africa, several of the recently carried out ADRs demonstrate well how evaluation can strengthen UNDP’s efforts in state-building, namely ADRs in the Republic of Liberia (Liberia), Sierra Leone and in the Republic of the Congo.

Insights from country-level evaluations on UNDP’s contribution to state-building in Africa

The ADR in Liberia covered the period from 2004 to 2011, during which Liberia commenced its transition from a post-conflict, emergency-assistance phase to a more stable phase focusing on state-building and sustainable development. The ADR found that UNDP’s contribution in aiding this transition was significant, with UNDP Country Office in Liberia (UNDP Liberia) implementing a wide range of activities that were urgently needed in the post-conflict period. The ADR identified that, in addition to engaging in its traditional areas of work, UNDP also supported diverse activities including infrastructural works (e.g., rehabilitation of roads, and of government buildings), procurement of essential equipment and reintegration of war-affected populations. Most of these activities were implemented through short-term projects using the direct implementation modality.

UNDP’s response, as noted in the ADR, was appropriate given that Liberia urgently needed both immediate reconstruction and peacebuilding and given that these activities were identified as required by the national government, the United Nations Mission in Liberia and other donors in the country. However, the evaluation also noted that UNDP’s approach was heavily focused on visible, physical outputs, e.g., infrastructural works, relying largely on UNDP to implement the activities. While this was justified during the earlier years, the ADR emphasized that UNDP should not continue with this approach going forward. The evaluation noted that the effect of this tendency to use UNDP as substitute for the capacity of national institutions has come at the expense of longer-term capacity building. It further stated that national institutions were not given greater responsibility or ownership of projects resulting in the delay in the development of national capacities to take full charge of their own development. Rather than to continue with this approach, the ADR recommended that...
corrective actions be taken in future UNDP programming to ensure that UNDP slowly moves away from the project-based, infrastructural and procurement services, to providing more technical and advisory services. The evaluation strongly emphasized the need for continued strengthening of the internal capacities of various national institutions, in particular those in the rule of law, justice and security sector, such as the Liberian Anti-corruption Commission, in order to build national capacity to acceptable levels.

The ADR particularly highlighted the UNDP Liberia’s notable achievements in the implementation of the Security Council Resolution 1325, which was the first Resolution to address the disproportionate impact of armed conflict on women. This resolution emphasizes that women should be active agents, fully participating in the prevention and resolution of conflicts, peace-building and peacekeeping and it called on member states to incorporate gender perspective in all areas of peace building. As elaborated in the ADR, UNDP support in Liberia, especially through the Ministry of Gender and Development, effectively initiated processes that will lead to realization of many action areas of the Resolution 1325. Crucially, while noting substantial achievements in this area, the ADR recommended that the new UNDP programme in Liberia should include a key dimension of advancing government efforts to address gender equality, including addressing gender-based violence and women’s access to economic resources.

In response to the ADR’s findings and recommendations, UNDP Liberia agreed to re-focus its work on three main pillars of work to address some of the key structural causes of the conflict and to shift from a project-based approach to a more strategic, programmatic approach. Thus, UNDP Liberia prepared a new CPD for 2013-2017 which incorporated both the lessons highlighted in the ADR and outlined concrete actions to address the ADR’s recommendations. In the new CPD, UNDP Liberia committed to supporting a gradual transition to the national implementation modality and proposed a new programme of work that is deeply focused on building and strengthening inclusive governance and public institutions. For instance it committed to strengthening the capacities of the investigators and prosecutors within the recently established Liberian Anti-Corruption Commission. UNDP will moreover re-focus its support on providing technical advice and provide targeted strengthening of national capacities to successfully implement the needed reform processes in the justice and security services to make these sectors more accessible and responsive.

As part of the effort to support inclusive governance, a key area of its planned work is to specifically expand the role of women in each area of engagement, particularly supporting their participation in decision-making bodies at all levels of government and in the positions of authority. As stated in the CPD, UNDP plans to achieve this through activities related to increasing female participation in all stages of the electoral cycle, ensuring gender-balanced staffing in government offices, ensuring that the planned Constitutional review incorporates and fully addresses gender equality, and that gender-responsive budgeting is used in the formulation and implementation of sectoral strategies. All these actions should further serve to improve the implementation of the Resolution 1325 as well as the other six resolutions that collectively fall under the UN’s ‘Women, Peace and Security Agenda’.

In the Democratic Republic of the Congo (DRC) the ADR evaluated UNDP’s support between 2003 and 2012. Akin to Liberia, during this period, the DRC emerged from a series of conflicts and, consequently, most of the UNDP interventions prioritized humanitarian aid and stabilization efforts. As noted in the ADR violence and instability are a continued threat in several regions of the country and the national capacities remain weak. While acknowledging the significant challenges facing the DRC, the ADR asserted that future UNDP programming should progress beyond the emergency mode of operations.

and towards more ‘traditional’ development and capacity building efforts.

The ADR made nine recommendations, three of which illustrate well how this evaluation can be seen as having contributed to state – building efforts in the DRC. The first of these noted that the ensuing UNDP planning cycle should reduce the number of sectors for interventions building upon the strongest elements of its former programmes. Within its good governance sector the ADR suggested that UNDP DRC should continue supporting state institutions, particularly the Independent Electoral Commission (CENI) and the Court of Auditors. The second ADR recommendation emphasized the need for UNDP to redefine its approach to capacity building of national institutions noting that UNDP should focus on a small number of key institutions to amplify its impact. The third recommendation stressed that the new UNDP programming should specify concrete measures and projects to mainstream gender and to address gender – equality issues. The ADR suggested that some possible areas may include: the role of women in conflict resolution and mitigation; the role of women in elections and politics; and interventions to promote access to justice by victims of sexual violence.

UNDP DRC accepted the recommendations and through its newly adopted CPD (2013-2017) proposed a programme of work that has reflected the evaluation’s recommendations. A key area of cooperation that UNDP is to support in the future includes strengthening democracy in the DRC by investing in capacity building of several key institutions, including CENI and the Court of Auditors. UNDP plans to continue strengthening the electoral cycle through such initiatives as enhancing the financial and administrative capacities of CENI and establishing a permanent electoral register. It further plans to invest in structures and competencies of the Court of Auditors to strengthen oversight of public finances. Ultimately, these interventions should lead to: state institutions that have greater capacities to perform their duties; more transparent electoral process; and greater state accountability through stronger oversight of the public finance accounts.

Lastly, gender- issues have been integrated throughout the new CPD especially by promoting the role of women: in conflict resolution mitigation; in participation in the electoral cycle; by supporting efforts to enable easier access to justice through for instance combating impunity in cases of sexual violence; and through planning to integrate gender-specific needs into the future pro-poor strategies. These are critical initiatives in a country where gender inequality and sexual violence remain high and will be of pivotal importance for the successful UNDP’s involvement in the implementation of Resolution 1325 in the DRC.

In the Republic of Sierra Leone (Sierra Leone) the ADR evaluated the support provided by UNDP from 2008 to 2012*, noting that during this period UNDP’s support was vital, particularly when it comes to supporting government systems and governance. Critically, UNDP strengthened the entire electoral cycle to improve Sierra Leone’s capacity to administer and hold free, fair, inclusive, and transparent elections. Another notable achievement, in collaboration with the African Development Bank, was UNDP support to the regional initiative known as the African Peer Review Mechanism (APRM). The ADR noted that the APRM process has provided a comprehensive benchmark for further development of governance in Sierra Leone.

In addition to fulfilling an essential function of independently validating UNDP’s contribution to state-building efforts, the ADR also presented several pertinent recommendations. Most importantly, the ADR called on UNDP to take on the lead role in the governance, constitutional and security sector reform areas working collaboratively with other UN agencies. Another ADR recommendation suggested that UNDP Sierra Leone should broaden its efforts in the area of access to justice and the third relevant recommendation highlighted the need to further strengthen local governance in order to consolidate peace and stability in the country.

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UNDP Sierra Leone noted that the ADR provided useful guidance on efficacy and relevance of the Country Office’s support to the Sierra Leone Government and that it informed the design of its new CPD. UNDP Sierra Leone will continue its work on governance and security sector reform noting that these initiatives have been incorporated in the new CPD. As part of this effort UNDP will continue supporting electoral management bodies, Parliament and the Parliament Assistance Coordination Office, originally established by UNDP. For security sector reform the CPD notes that the focus will be on modernizing the Sierra Leone police to improve border management and strengthen the capacity of institutions for threat monitoring and conflict prevention. In response to the need to broaden its access to justice efforts UNDP noted that, while the office will continue it work on gender justice, the new CPD will prioritize those interventions focusing on systemic issues within the justice sector including pre-trial detention, corruption and capacity building of the Law Officers Department. Finally, with regards to the ADR’s third recommendation, UNDP management stated that it will support the formulation of a strategy for Local Governance and Economic Development along with continuing its advocacy efforts to clarify the roles of different functionaries.

**Conclusion - The link between evaluation, UNDP intervention and state building**

Evaluations, especially country-level ones, can provide a valuable contribution to state-building efforts, especially in post-conflict countries. They offer an independent validation of UNDP’s achievements and support to national governments. As shown in the examples of the three ADR’s that had been carried out by the IEO an important function of these evaluations is to take account of and highlight UNDP’s notable achievements in these countries. Through an objective process, these evaluations independently validate the organization’s efforts and results in a given country thus helping inform the key national stakeholders of the extent of the organizational support and achievement over a given time period. Country-level evaluations therefore perform a vital accountability and quality assurance function to both the Executive Board and the national governments, which might help strengthen the strategic partnerships between the national governments and UNDP.

Country-level evaluations serve another crucial function. They can decisively pinpoint the critical shortcomings of an approach previously adopted in a country, which in some cases might have adversely affected the effectiveness of national capacity and state-building efforts. When prepared in a timely manner evaluations can help provide the evaluative evidence needed to re-focus and design new CPDs in a way that ensures better strategic alignment of UNDP with the key state-building initiatives and by ensuring that UNDP’s projects and programmes target the most critical areas of work.

Combined, these two important aspects of evaluation can strongly shape and influence future efforts in a country, directly contributing towards state-building efforts, and laying stronger foundations for that country’s transition to a more sustainable development.

**PROFILE OF THE AUTHOR**

Indran Naidoo was appointed Director of UNDP’s Independent Evaluation Office (IEO) in February 2012. The IEO is responsible for the evaluation of UNDP’s global, thematic and country-level programmes worldwide.

Prior to joining UNDP, Mr. Naidoo held several oversight positions in South Africa: Director of Monitoring and Evaluation in the National Department of Land Affairs, Chief Director of the Independent Constitutional Oversight Body, Deputy Director-General for both Leadership and Management Practices and Monitoring and Evaluation. Mr. Naidoo has also held elected positions in several Evaluation Associations.

He holds a graduate degree in English and Education and post-graduate qualifications in Geography from the University of KwaZulu Natal and a post-graduate degree in Education from the University of South Africa. He also holds a Master’s degree in Geography from West Virginia University (USA), and a PhD in Evaluation from the University of Witwatersrand in South Africa.
Africa’s economic pulse has been quickening over the past decade, infusing Africa with a new commercial dynamism. Today, Africa is home to some of the globe’s fastest-growing economies, the youngest population, and a booming private sector. Telecommunications, banking, and retailing are thriving. Construction is booming. Private investment inflows are surging, with hundreds of millions of dollars flowing into the continent annually from foreign governments, African expatriates, and investors in the form of official development assistance (ODA), foreign direct investment (FDI), portfolio flows, and remittances. External trade, particularly with non-traditional partners, notably China and India, is also rapidly expanding.
However, as Africa progresses towards regulated economies, stable politics, the rule of law, independent central banks and strict accounting rules, its progress will not necessarily be linear. As development finance needs continue to expand and the overall capital inflows to Africa from all sources steadily grow, the continent needs to further reposition the way it finances its socio-economic transformation.

In particular, for Africa to fully capitalize on the current economic headwinds and position itself as a long-term investment destination at a time of major changes in the global financial architecture, it is imperative for its policymakers to seek innovative ways to complement ODA with diverse and complex sources of funding such as engagement with the private sector and the African diaspora. More than ever, the continent needs sustainable institutions that can support markets and address the problems that persist regarding legal, regulatory and policy bottlenecks. Once these nagging problems are addressed, further FDI will be attracted, trade will be boosted, growth sparked, jobs created, and the historic role of ODA tapered.

**Changes in global aid architecture**

The global aid architecture has changed dramatically over the last decade.

First, private capital flows to Africa have started to outpace ODA. These external flows are primarily composed of FDI from Brazil, Russia, India and China (the ‘BRIC’ countries) as well as South Africa, portfolio flows, and remittances from the African diaspora. FDI – which comprises about three quarters of all private capital inflows – rose by more than 10 percent in 2013, approaching its 2008 record high, with a few countries accounting for most of it (Democratic Republic of Congo, Egypt, Morocco, Nigeria and South Africa). Similarly, South-South investment from BRICS has already surpassed 25 percent of Africa’s total FDI flows, and this trend is increasing. Remittances are also growing and have averaged over US$22 billion annually between 2002 and 2013. The African diaspora, based on the size of its remittances, seems eager to contribute money to the continent. While the bulk of remittances finance education, health and consumption, these resources are increasingly financing businesses that contribute to growth – something policymakers in countries such as Ethiopia are already leveraging.

Second, African governments are increasingly aware that ODA, while important, cannot solve their development challenges. Most donor countries have been unable to live up to their longstanding commitment to deliver 0.7 percent of gross national income as aid. In 2012, only 5 of the Organization for Economic Co-operation and Development (OECD) countries and 24 Development Assistance Committee (DAC) member countries met that commitment. The average country effort was only 0.43 percent. More recently, many (although not all) donors have fallen short of the Group of Eight Gleneagles commitments made in 2005 to raise the volume of aid and double aid to Africa by 2010. Beyond the numbers, there is also a sense that donors’ views on the purpose of aid are constantly shifting.

Third, the effects of the 2008 global economic crisis are still reverberating throughout the world economy with a negative effect on the aid budgets of many countries. Past crises in donor countries caused aid budgets to decline and bottom out over several years, and some of these budgets did not return to pre-crisis levels. Development aid rose by 6.1 percent in real terms in 2013 to reach the highest level ever recorded despite continued pressure on budgets in OECD countries since the global economic crisis. Donors provided a total of US$134.8 billion in net ODA, marking a rebound after 2 years of falling volumes, as a number of governments stepped up their spending on foreign aid. Aid levels could increase again in 2014 and stabilize thereafter. However, the trend of a falling share of aid going to the neediest Sub-Saharan African countries looks likely to continue. This trend makes enhancing alternative sources a matter of urgency for many African countries.

Fourth, the very nature of ODA is rapidly evolving. Nearly a third of it currently flows through partnership-based global and regional programs, the goals of which are set at the global level rather than through the country-focused assistance programs that have been the mainstay of traditional aid. These sorts of
partnership arrangements – whose programs defy easy
generalizations because they differ widely in goals,
size, age, governance structures, and modalities – have
been proliferating rapidly, fueled by both old and new
sources of money.1 But they reflect a broadly shared
view that today’s global challenges are too wide-ranging
and complex for single actors to address alone, and pri-
marily through traditional country focused assistance
programs. Typically, bilateral and multilateral donors,
private foundations, and civil society organizations
form partnerships to pursue shared goals, construct
new formal or informal organizations, and mobilize
resources to supply products or services to achieve the
goals. Whereas these programs constitute unique and
necessary contributions that cannot be achieved by
country-centered assistance alone, they have also led
to unnecessary duplication and overlap with each other
and with country assistance programs. Without an
integrated approach to solving problems, the effective-
ness of ODA is compromised by the gaps, confusion and
waste that inevitably result from a piecemeal approach.

These and other changes in the global financial
architecture imply that despite the message that
Africa is open for business, the continent contin-
ues to be challenged in mobilizing the enormous
resources it needs for its transformation.

**Africa’s enormous development financing needs**

Change or no change in the global aid architecture,
Africa’s need for development finance remains huge.
Infrastructure financing needs alone are estimated
at US$95 billion per annum. Currently, less than
half of this amount is being mobilized, leaving an
annual gap of US$50 billion. Of the US$45 billion of
current annual investments, the largest proportion
is through public and donor-backed sources. To date,
African infrastructure projects have relied heavily
on government budgets and development finance
institutions with marginal participation from the
private sector. It is estimated that cutting the infra-
structure deficit could increase economic growth by
up to 2.2 percent per annum, the difference between
current growth rates and transformative ‘Asian-
style’ growth rates. Whereas Africa has invested
less than 4 percent of GDP in infrastructure, other
regions have dramatically scaled up infrastructure
investment. For example, China has averaged 10
percent of GDP per annum since 1990.

Conservative estimates suggest that by 2040 the GDP
of African countries will multiply six-fold, and the
average per capita income will rise above US$10,000
for all countries.2 This continuing growth and pros-
perity will swell the demand for infrastructure,
already one of the continent’s greatest impediments
to sustainable development. Assuming that this
growth is achieved, Africa’s infrastructure needs
are starkly apparent:

- Transport volumes will surge 6–8 times, with a
  particularly strong increase of up to 14 times for
  some landlocked countries. Port throughput will
  rise from 265 million tons in 2009 to more than
  2 billion tons in 2040.

- Power demand will increase from 590 terawatt
  hours (TWh) in 2010 to more than 3,100 TWh in
  2040, corresponding to an average annual growth

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3 Prominent examples in the health field include the Global Fund to Fight AIDS, TB, and Malaria (popularly referred to as GFATM or the Global Fund), with commitments of $4.4 billion in 128 countries; the Global Alliance for Vaccines and Immunization (GAVI), with US$1.5 billion in commitments in 72 countries; the Global Malaria Prevention and Control Program; and the Stop Tuberculosis Partnership. In agriculture, the Consultative Group on International Agricultural Research (CGIAR) has member contributions of $500 million and research in 100 countries, and was the first global partnership established by donors to scale up the work of the international research centers started by the Rockefeller and Ford Foundations in the 1960s. Environmental partnerships set up in the 1990s include the US$3 billion Global Environment Facility (GEF) with 176 members and contributions from 32 countries; the Multilateral Fund for the Implementation of the Montreal Protocol (MLF), designed to abate the production and consumption of ozone-depleting substances; and the Prototype Carbon Fund, which has mobilized private financing to pilot an international market for carbon emission reductions. Many of the newer global partnerships seek improvements in wide-ranging areas including trade, infrastructure, social protection, biodiversity conservation, and the promotion of social science research and knowledge sharing.
rate of nearly 6 percent. To keep pace, installed power generation capacity must rise from present levels of 125 gigawatts (GW), comparable with the UK, to almost 700 GW in 2040.

- Water needs will push some river basins, including the Nile, Niger, Orange and Volta basins, to the ecological brink.

- Information and communications technology (ICT) demand will swell by a factor of 20 before 2020 as Africa catches up with broadband. Demand, around 300 gigabits per second in 2009, will reach 6,000 gigabits per second by 2018.

Because a business-as-usual approach to financing cannot satisfy the enormous projected costs, new funding mechanisms with strong, committed national and continental leadership are essential. Given that ODA resources will be insufficient and cannot be relied on for coherent financing strategy, everything should be on the table. Even if we consider the current positive trends on the continent, these must be weighed against the widespread perceptions about investing in Africa, and against the remaining barriers to start-up businesses and capital venture in underdeveloped markets and poor infrastructure.

In particular, financing from domestic sources (both public and private) will have to be greatly and rapidly boosted to cover a significant portion of the projected shortfall. ODA will continue to play a critical role, and major actors such as the Infrastructure Consortium for Africa, the EU-Africa Infrastructure Trust Fund, multilaterals, the African diaspora, regional development banks, and other contributors will also have to continue playing their parts so as to increase assistance through 2040.

**Increase in trade with the BRICs**

In the meantime, the emergence of the BRIC countries as major economic players on the continent raises hope for a win-win partnership to foster development. Already the traditional negative perceptions of Africa are not dissuading capital and investors as African countries continue to demonstrate their enormous potential in terms of economic development prospects, abundant natural resources, growing consumer power and favorable demographics. The reasons behind the BRICs’ involvement in Africa vary from an appetite for natural resources, Africa’s large and untapped agricultural sector, abundant opportunities for investments and transfer of technology, to targeting the growing middle class which is now estimated at more than 300 million people. These are some of the reasons why the BRIC share in Africa’s FDI inflows and trade volume has surged rapidly. The BRICs are now Africa’s largest trading partners with trade expected to reach more than US$500 billion by 2015, with 60 percent from China. Indeed, the BRICs currently trade more with Africa than they do among themselves. Trade volume between China and Africa increased twenty-fold from US$10 billion in 2000 to over US$200 billion in 2013. Similarly, the partnership between India and Africa has significantly promoted the development of small and medium enterprises on the continent. In the meantime, Brazil and Russia have been increasingly involved in the mining and energy sectors in Africa through public-private partnerships. The BRIC share in FDI inward stock and FDI inflows to Africa has also risen sharply in recent years compared with those of Africa’s traditional partners, the US and Europe. By the same token, the BRICs’ share of total value in African greenfield projects is currently above the 25 percent mark, and it is rising. BRICs are also becoming significant investors in Africa’s manufacturing and service sectors.

As the BRICs continue to consolidate their positions in Africa through massive investments, a new source of development funding for the continent has been cemented. Indeed, the BRICs can enhance the way African countries are organizing their development finance needs, particularly in

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infrastructure. For example, because financing is usually available for projects in single countries rather than for projects that affect a number of countries, the former model does not always help regional integration. At their last summit in Durban in 2013, the BRIC countries, along with South Africa (collectively referred to as BRICS), highlighted the need to establish a new funding model that promotes multi-country projects, and which, in turn, will accelerate the pace of regional integration. In order to enhance their global role in funding investments and to foster South-South partnerships, BRICS announced their intention to launch a ‘New Development Bank’ that will play an important role in boosting the group’s investments in Africa. Such initiatives will greatly assist Africa in meeting its massive needs at a time of major change in the global aid architecture.

**Need for Africa to strategically reposition itself**

There is little doubt that African leaders recognize the enormous changes currently underway in the global aid architecture. While the more traditional sources of development financing such as ODA are still of critical importance, more concerted strategies are needed to harness the necessary levels of FDI into Africa and to expand growth in trade with new partners. Both of these variables are critical drivers of long-term socioeconomic development on the continent, not only in terms of the capital injections, but also because of the positive ripple effects resulting from job creation, the transfer of skills and technology, and the development of domestic enterprise along the global supply chain. Thus, it is imperative that policymakers on the continent move with the times and understand the significance of the fundamental shifts in the global economy that require repositioning Africa as a viable destination for capital flows and investor attention. Such a repositioning will not only provide a significant boost to investment, it will also take advantage of a rare window for real economic transformation that will allow Africa to catch up with other developing and emerging regions.

This point about positioning is partly a three-fold mindset challenge. First, it requires African leaders and policymakers to globalize their perspectives by looking at the continent in a wider context, understanding that it is in competition for capital and resources to drive growth and social development. Second, it requires internalizing the gradual but significant shifts in the global development finance architecture mentioned earlier, remembering that Africa’s main competitors for the latter are no longer just the BRIC countries, but also the economic powerhouses of Southeast Asia, Latin America and East and Central Europe. Third, it requires focusing on what is positive about Africa as a whole as well as individual countries.

Once Africa’s stakeholders are clear about the continent’s competitive positioning and its comparative advantages, and once African businesses, governments and civil society begin to pull together to project compelling investment propositions that attract the capital, skills and technology it needs from the rest of the world, its growth and development agenda will be assured.

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INDUSTRIALIZATION AS THE PATHWAY TO SOCIO-ECONOMIC DEVELOPMENT IN AFRICA

Mohamed Omar, Director of the Economic Pillar at the Kenya Vision 2030 Delivery Secretariat
Introduction

Africa’s development over the last 50 years may be described as a mixture of contradictory realities. During this period, African nations changed their colonial status to that of sovereign states. However, despite these important political gains, and despite being endowed with enormous resources, the continent remains the least developed economically and continues to lag behind other developing regions in attracting investment. Ironically, several African countries registered high growth rates over the last decade without that growth translating into discernible prosperity to alleviate poverty. Why these apparent paradoxes? What are the imperatives for socio-economic transformation that can help resolve these gaps? Looking forward to the next 50 years, what might influence the overall development trajectory of the continent and its transformation to knowledge-based economies?

This article is structured in three parts. The first section describes the prevailing situation on the African continent with respect to industrialization and economic development while highlighting the contradictions inherent in the continent’s developmental landscape. The second section explains the broad imperatives for economic transformation. Finally, the third part outlines the main drivers that will transform Africa into a knowledge-based and competitive environment over the next 50 years.

1. Situation analysis – after 50 years of independence

Analysis of the state of industrialization in Africa reveals modest progress. There are variations between different countries, of course, but the overall picture is one of limited but steadily growing industrial space where examples of various levels of success can be cited.

Starting with the good news, the average GDP growth rate in African countries has been high over the last decade, averaging 5 percent annually, with some countries recording as high as 7–8 percent (The Economist 2011; World Bank 2014). According to the World Bank, this growth is attributed principally to investments in the extractive sectors such as oil, gas, and minerals, as the exploration and exploitation of these resources continues to attract foreign direct

Figure 1: Annual GDP growth in the world’s fastest-growing economies, 2001–2015
investment (FDI). It is worth mentioning that these high growth rates have also been occasioned by the huge public investments by different governments in the areas of development of basic infrastructure such as roads, railways, and airports is widely recognized as the new frontier for FDI. In 2013, the World Bank reported the net inflow of FDI to Africa to be over US$40 billion.

A number of enablers for the economic transformation of Africa have also been responsible for this economic progress. Decline in political conflicts, robust economic management, and political stability are some of the positive factors that have had implications for the marked shift in global perception about the continent, with both traditional and new economic powers striving to offer partnership (UNECA 2013). Following are five examples of massive public investment in infrastructure and energy projects throughout the continent.

**Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor, Kenya.** This project involves the development of a new transport corridor from the new port of Lamu on the Kenyan coast to Ethiopia and South Sudan. It is a massive project that comprises several components: a standard gauge railway, a 1500km road, the port of Lamu, an oil refinery, airports, an oil pipeline, and resort cities. It is expected to cost about US$23 billion and contribute around 2–3 percent to Kenya’s GDP.

**Lagos Metro Blue Line, Nigeria.** This is part of the Lagos rail mass transit system and will be 27km long. It will run between Marina and Okokomaiko with stops at 13 stations. The aim of the project is to ease traffic congestion in the city and shorten travel time for commuters. The project is expected to cost around US$1.2 billion.

**Konza Technology City, Kenya.** Konza Techno City is one of the flagship projects of Kenya Vision 2030, the country’s long-term strategic framework to transform Kenya into a globally competitive and industrialized country. Dubbed the ‘Silicon Savannah’, Konza Techno City aims to promote the growth of the technology industry in general, including positioning the country as a destination for investments in business process outsourcing (BPO) and IT-enabled services. It is located on a 5,000-acre piece of land 60km from Nairobi.

**Great Inga Dam, Democratic Republic of the Congo (DRC).** This is an enormous hydroelectric initiative that aims to provide hydroelectric power to the DRC and other African countries. The Grand Inga Project is one of the world’s largest hydropower initiatives. Supported by a number of Pan-African organizations such as the New Partnership for Africa’s Development (NEPAD) and the Southern African Development Community (SADC), this mega project is expected to supply approximately 40,000MW.

**The Grand Ethiopian Renaissance Dam, Ethiopia.** This dam will be the largest in Africa and it is expected to generate 6,000MW when complete. The dam will be constructed on the Blue Nile in the Benishangul-Gumuz region and will also serve Sudan and Egypt, both of which rely on the Nile’s water resources. The project is expected to contribute 12,000 jobs to the Ethiopian economy.

In addition to these huge projects, some specific countries have made significant strides in different sectors, thereby impacting their respective economies. South Africa, for example, is notable for its attempts to ensure the viability of its national innovation system. Kenya has attracted worldwide attention for its sophisticated floral industry and for its innovative mobile money transfer system. Meanwhile, the remarkable success of Mauritius in turning around its economy to become one of the most prosperous countries in Africa has raised many eyebrows. Over the past three decades, Mauritius diversified an economy that relied solely on a single commodity, sugar, to one that now enjoys manifold benefits from various sectors, including tourism, ICT, financial services, and textiles.

So much for the success stories. Let us now turn to the bad news. The downside of Africa’s progress...
towards industrialization revolves around the continent’s inability to leverage and optimize its resource advantages. The African Union Ministers of Trade Conference in 2007 painted a gloomy picture. As the poorest continent, it is host to 34 of the 50 least developed countries in the world (68 percent). Africa provides only an insignificant proportion of the global industrial output and manufactured exports. The trade ministers observed that the low level of industrialization explains the high poverty levels, noting the strong linkage between industrial capacity, economic growth, and level of socio-economic development.

Africa’s limited manufacturing capacity is further laid bare by statistics that compare the potential and the reality in a manner that highlights the paradoxes that engulf resource-rich African countries. For instance, a 2013 report by the United Nations Conference on Trade and Development (UNCTAD) maintains that the continent possesses 12 percent of the world’s oil reserves, 80–90 percent its chromium and platinum, and 40 percent of its gold. Nigeria is the world’s sixth largest producer of crude oil, but because it exports 80 percent of its oil for lack of enough refining capacity, it is a net importer of refined oil. Another example of the failure to optimize resources is the case of Ghana and Côte d’Ivoire, which together produce about 53 percent of the world’s cocoa yet have limited value-addition capabilities. Because most cocoa is processed in Europe, many children in the two countries have never tasted chocolate.

2. Imperatives for industrialization and socio-economic development

By analyzing what has worked thus far as well as what needs improvement, and bearing in mind other experiences in development beyond Africa, six preconditions for industrial transformation may be summarized. These are:

• **Business environment.** The ease of doing business is a key indicator for assessing a country’s attractiveness as a destination for FDI. Factors to consider are how cumbersome the licensing and tax regimes are, the simplicity and speed with which power connections are effected, the presence or lack of tariff barriers, and the kind of services offered to organizations wanting to establish operations. To attract sufficient investment and talent for setting up a manufacturing unit, you need a competitive environment that offers prospects for growth.

• **Diversification of production and exports.** Most African countries rely on a small number of commodities and raw materials for export. Diversification will help cushion them in the event of external shocks.

• **Value addition.** This is an oft-repeated shortcoming within the African industrialization context. Analysis shows that certain commodities that could boost economies are not benefiting from value addition. This not only limits growth potential, but also deprives countries of much-needed foreign exchange. Sophisticated productive capabilities are needed to produce goods and services that can compete internationally (UNECA 2014).

• **Intra-Africa trade.** Attempts have been made to bring about regional integration through the continent’s various trading blocs. However, trading amongst African countries remains at minimal levels. Given the diverse mega projects geared towards facilitating trade and movement of goods and people between countries, however, a degree of optimism is reasonable. Kenya’s proposed LAPSSET Corridor springs to mind. Anchored by a new port at Lamu, the LAPSSET project aims to create linkages by road, rail and pipeline between Kenya, South Sudan and Ethiopia. The other ideal scenario for successful intra-Africa trade is for each country to specialize in commodities for which it has competitive advantage. That way, the benefits of mutual trading can be realized.

• **Incentives.** Tax rebates and concessions have the potential to attract investors who will inject money and talent and thereby enhance the expansion and
transformation of the manufacturing sector. This has worked in countries that have set up special economic zones and export processing zones.

- **Infrastructure.** Infrastructure such as roads, railways, energy, and ICT infrastructure are key enablers of industrialization. If they are inadequate or dilapidated, the transformation process risks being curtailed or sub-optimized.

- **Industrialization policies.** Each country’s industrialization policy should be aligned with those of other countries in the region so that a degree of harmonization is achieved.

3. The next 50 years – towards knowledge-based economy

Globally, knowledge and skills are playing an increasingly prominent role in the economies of nations. A knowledge-based economy is one that generates, diffuses, and applies knowledge. Economic growth and competitiveness in such an economy relies more on knowledge and skills than on factors of production such as land, capital, and natural resources. This is because knowledge is the only factor of production that increases with use, instead of diminishing like capital and other resources. Science, technology and innovation will therefore play central roles in socio-economic development in the coming decades, as these will be some of the drivers of industrialisation and economic transformation. Other factors that influence the transition to knowledge economy are human capital, research, and dynamic information infrastructure.

The process of building a knowledge-based economy consists of four stages.

First, science, technology and innovation are harnessed through the creation of national innovation systems. These are ecosystems that facilitate the flow of information and knowledge among government institutions, universities, and private enterprises, thus inculcating a culture of continuous innovation. Components of such systems include clusters of related industries located in specific geographical settings. These clusters share knowledge, skills, utilities, and other services. They incubate small and start-up businesses and promote manufacturing that relies on high-level technology. Taken together, these components will help spur economic growth by forming a critical mass of individuals and enterprises that engage in mutually reinforcing economic activities. New products, adaption and reverse engineering of existing technologies, new processes, markets, new ventures, and organizational models are all products of science, technology and innovation.

Second, industrialization and development require a strong human capital base. Indeed, human capital development forms an enduring theme in any discussion about knowledge-based economy. Given that value addition is a key component of Africa’s industrialization, it is vital that sufficient numbers of people with the right skill sets are available to meet the demands of industry. Agro-processing, infrastructural development, the oil and gas sector, and high-tech ventures all require a highly skilled workforce. At present, Africa lacks adequate human resources to support a knowledge-intensive industry setting, especially in the areas of science, engineering, and mathematics. Graduate engineers and middle-level technicians with vocational training are especially needed.

Third, the importance of research to development cannot be overstated. Both basic research, which is conducted in universities and other institutes, and applied research, which is conducted by industries themselves, are needed for industrialization. The budgetary allocation to research and development (R&D) in countries that aspire to compete in knowledge-based industries is usually above 1 percent of GDP. African countries must dedicate similar funds to R&D to avoid being left behind. Beyond allocating sufficient funding, African countries need to institutionalize collaborative and participatory research involving universities, industry, and government.

Fourth, there is a need for a dynamic information infrastructure that will facilitate the storage and
dissemination of information and knowledge. High-speed and reliable internet connectivity and robust telecommunication capacity are all features of a knowledge-based economy. A sound information infrastructure is essential if Africa is to compete with the knowledge-based economies of the developed world.

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INSTITUTIONS are the backbone of the nation: without them, it would cease to function. They have to be painstakingly built, over years of training and learning, and of establishing the systems that operate.

Donald Kaberuka, p.7
In the decades after Independence, there was a great deal of debate about the role of the state. It soon became clear that political power was not enough, economic development had to follow. What that implied was not clear and has been contentious ever since, including the role of the state.

This paper will argue that a state that promotes development has to introduce three conditions:

The idea of development must become hegemonic throughout the state apparatus and society as a whole. Development must have as its goal the creation of a productive society in which all citizens can find a place to add value. Since the public service is the main instrument for development, it must have the capability to implement this goal. Some African countries have moved in this direction, but we require far more concentrated effort if we are to transform the continent.
When the Government of National Unity was installed in 1994 in South Africa, the ANC had already adopted the Reconstruction and Development Programme (RDP) as its principal policy instrument. Business and its press were initially hostile to the programme, suspecting a hidden left agenda. However, the Cabinet was persuaded to adopt a White Paper on the RDP with minor amendments to the original, and the country swung behind it with unanticipated enthusiasm. Even the public service, steeped in apartheid ideology, adopted the RDP in a show of support for the new government. President Mandela appointed a minister of state for the RDP and the provinces created RDP Commissions. Business, especially in the construction industry, energetically sought building contracts, and there was a widespread expectation that the economy would take off. If ever a country was united around a single developmental idea, South Africa was that country.

Unfortunately, opinion that the government’s domestic debt was too high prevailed, and the RDP was displaced in 1996 by the Growth, Employment and Redistribution programme (GEAR). RDP offices were closed down, budget austerity became the watchword and the economy went into decline.

After fifteen years of caution, as the statistics of persistent inequality, poverty and unemployment become ever more embarrassing, the ANC and the state are turning once again to the idea of development, under the concept of a “developmental state”, as the way out of their difficulties. While the role of the state is under deep consideration across Africa, we are not alone. The global economic crisis has brought it into focus around the world. In the developed countries particularly, failures in the financial sector are leading to reconsideration of the state’s regulatory functions. Ricardo Hausman argued recently that even free market economies require rules and regulations, the only issue is how the imposition of regulations by the state can avoid the trap of undue bureaucratisation and centralisation.

Across Africa the central problem is that a large part of its economically active population is not engaged in productive work. The central challenge for a developmental state is to find a way to correct this. Productive work is not only required for the purposes of providing income and restoring personal dignity: it is also the principal mechanism to counter crime, alienation and the other social ills (Turok 2008b).

Examples from the “Asian Tigers”

South Korea was a very backward country economically after the Second World War, although the education system was quite effective. One of its principal strategies was to promote small enterprise on the back of changed state procurement. State institutions and state-supported firms in South Korea were obliged to procure locally, preferably from small firms, thereby giving them a lift up the ladder. Even foreign corporations had to produce evidence that imported materials or components were not available locally (Chang 2008). The state also intervened to support infant industries, to give direction to manufacturing, and to curb imports of luxury items – all of which had a beneficial effect on the current account. These policies resulted in the massive growth that South Korea saw in the 1960s and 1970s. Africa could also benefit in this way as imports currently outweigh exports, causing a trade account deficit.

Japan, South Korea and Taiwan all successfully pursued the “development state” route. Their governments pressured capital to move from rent-seeking behaviour into investment in productive enterprises, mainly manufacturing. Land reform also gave the state a sound base among the peasantry.

At recent meetings of Ministers of Finance, Planning and Development convened by The African Development Bank, UN Economic Commission for Africa and the African Union, similar positions have been adopted. The challenge now is how individual countries implement this approach.
None of this is possible with a public service that is not geared to economic development (Levin 2008). It is not only a matter of “good governance”, that preoccupation of economic policy-makers in the developed world. Much more, it is a matter of competent intervention to ensure economic advance. This includes the need for intervention that releases the productive potential of the rest of the population in the second economy or underdeveloped sectors: the townships and rural areas.

A special responsibility therefore rests with our policy makers and intellectuals to find a new paradigm that will redirect the economy to a solid growth path based on our substantial physical and human resource base. The fact is that the improvements in social services have not adequately built a platform in skills and capabilities for further advance.

“No developmental state, no development”

Peter Evans, one of the early proponents of the developmental state concept, argues that there can be no development without the creation of a developmental state. However: “translating this basic insight into concrete proposals for the construction of effective state institutions is anything but simple. There is no fixed, universal model for how to build a developmental state… Only a flexible, creative process of exploration and experimentation that pays careful attention to local institutional starting points will succeed.” (Evans 2009)

Evans’ central message is that, “in order to be ’developmental’, a 21st-century developmental state must be a capability-enhancing state. Expanding the capabilities of the citizenry is not just a ’welfare’ goal. It is the inescapable foundation for sustained growth in overall GDP.” (Not that GDP is the main criterion. Evans follows Amatya Sen’s proposition that growth of GDP per capita is not an end in itself, but a proxy for improvements in human well-being.) Priority lies with health and educational services, and water infrastructure is close behind. Other essentials include public transportation. But he stresses that “[t]he administrative capacity to efficiently deliver collective goods and infrastructure has political foundations. Without accurate knowledge of what collective goods the citizenry needs and wants, states can invest vast resources but fail to enhance capabilities. Active democratic structures are necessary for effective economic action.”

Presumably Evans would argue that an effective public service is a necessary but not sufficient condition for an effective developmental state: the key requirement would still be to enhance the capabilities of the people as a whole. We would add that, in the African situation, it also must enhance productive activity to overcome joblessness.

Constraints to advancement

The structure of Africa’s economies will have to change in order to displace rent-seeking by value creation. This is the opposite of the legitimate allocation of rent in the form of financial resource allocation. In too many instances, the state has also become a vehicle for rent seeking, leading to serious distortions.

In South Africa the state did tax the gold mining industry quite heavily – using the revenues to build state enterprises like Iscor, Sasol, Foskor and the rest – it did not actually direct the private sector into industrial projects. The huge profits made in the mining industry in earlier decades were not invested in industry but sent abroad. Anglo American first moved its design offices to London and then its head office, indicating a clear intention to shift its focus away from South Africa and invest in Latin America and elsewhere. Even our major insurance corporations, such as Old Mutual, moved to London.

A developmental state must have clarity of purpose, focus in its programmes and total commitment. The ideology of development must become hegemonic and accepted as essential for national renewal by the whole of society.

Also, the state must avoid “capture” and be able to discipline entrepreneurial elites. The private sector will have to be given some direction by the state, partly with incentives and partly by exercising state
power, as was the case in the Asian Tigers. The state must be willing and able to intervene selectively and effectively where there is market failure, by building its own capabilities and by appropriate planning. It should provide state incentives, training and low interest loans, and other mechanisms such as those used by the Asian Tigers to nurture infant industries and support productive enterprises (cf. Chang 2008).

One of the most neglected areas is agro-processing geared to exports. Agricultural produce could be beneficiated much more, creating many labour-intensive small enterprises. However, since the private sector has shown no appetite for investing in either small enterprises or the former homelands, the state will have to lead the way.

Land reform is another important vehicle for gaining the support of rural people and boosting value creating productive activity. Land banks and co-operatives are important. Once rural development becomes a reality, it can lead to first-stage industrialisation through small enterprises.

Africa’s public service and the developmental state

We need to understand and accept why we have too often not met our objectives in delivering quality services. The reasons vary in different areas. Amongst them are: lack of political will, inadequate leadership, management weaknesses, inappropriate institutional design and misaligned decision rights. The absence of a strong performance culture with effective rewards and sanctions has also played a part.

Are our present public services in a condition to support a developmental state? A critic characterised the public service as an institution that does not deliver but procures services. The comment is perhaps overdrawn, but the evidence of widespread outsourcing is indeed substantial (Turok 2008a: 5). There is also the fragmentation of service delivery caused by a “silo-based approach” that leads to duplication and wastage; effective integration often requires co-ordinated action across the spheres of government.

Management

Management capacity in the public service is still under-developed in most of Africa. Many lack the skills and values required to drive a more developmental state. There is a high turnover of public service managers and few heads of national departments and heads of provincial departments have more than a couple of years’ public service experience.

There is also a substantial “paper chase” so that the public service is regulation-driven, not value-driven. Top personnel, who are seriously over-worked, resort to hiring consultants for research, strategic planning and report writing. The consultants add vital capacity – but in the long run, we need to establish some of that capacity within the senior management of the public service. They often change when a new minister takes over and are still viewed as political appointees. The limited contracts and political appointments do not provide job security and many senior managers migrate to the private sector.

Performance management systems are being introduced for managers in the public service. However, we seem reluctant to use these to discipline or remove incompetent people. The emphasis is on overcoming weaknesses – but unless the senior manager is committed to vigorous capacity development in his or her department, mediocrity is tolerated. In many parts of the public service, productivity, morale and integrity are deficient. White-collar crime – such as the abuse of government vehicles and equipment and the petty theft of office supplies – is not uncommon. Most departments still work in “silos” with little strategic insight or co-operation with other departments to achieve development goals.

Political powers

Ministers are supposed to account to parliament and the provincial legislature as well as the Cabinet and direct and supervise the work of departments on behalf of the Executive. But the
actual management of departmental appointments, budgets and implementation is the responsibility of the heads of department. In too many cases, there is direct political interference in appointments and decision-making. Ministers seem unable to distinguish between laying down policy and managing implementation. Ministers are not specifically accountable for financial and human resource management, but their interference can seriously hamper the ability of senior managers to deliver. Where there are allegations of corruption or mismanagement, it is usually managers who face the consequences, while the minister may just move on.

Senior managers find it difficult to resist politically motivated instructions even when they may be against legal opinion. They risk being marginalised, redeployed or facing “constructive dismissal”, an anodyne term for having one’s life made impossible. It may not be unfair to say that mediocrity is common in the public service, and that there is a serious deficiency in professional skills and outcomes-driven management.

**Skills and capacity development**

In India, public servants complete an entrance exam before starting work. Many countries have a stepped system where public servants progressively build on their qualifications through tertiary institutions. In most countries in Africa training is carried out by a variety of institutions. Many senior public servants take university courses on public management and administration, but the curriculum is determined by the university, not the public service. Public servants also do a host of in-service training courses.

In some countries a large amount of funding is spent on training public servants, but the approach appears to be scattered and poorly directed. An overall strategy for training needs to be developed that will help build the strategic and technical capacity needed to drive the developmental state. A progressive approach is needed that leads to proper qualifications, high quality courses, assessment and improved competence of trainers.

**The developmental state and transformation**

Many senior managers across Africa are well educated, with degrees, post-graduate qualifications and substantial on-the-job training. Nevertheless, it is also the case that the transformation of our public service and other state institutions, has led to the rapid promotion of staff with inadequate skills and experience.

There is also the problem of working for a government that has yet to formulate clearly its development objectives in a form that can be effectively translated into action by the public service. The Cabinet seems to put forward too many priorities which are not related causally. it is not sufficiently clear which priority will lead the rest. This poses a problem for public servants who need to be very clear on this in order to organise their own areas of responsibilities.

A further difficulty arises from the fact that the government is pursuing a transformation agenda. A public servant would be entitled to ask what it is that we are transforming into. What kind of society is envisaged, and what kind of state? In particular: what is the role of the state in the economy? There is intense debate about this internationally. As we have seen above, the state was central in the Asian Tiger economies. But the transformation debate is not only about economic policy. A transformation agenda raises a whole range of concerns about values and ethics. How does the public service respond to this challenge in practice? Clearly the conventional training provided by some institutions is insufficient for a country facing our enormous challenges.

In an important UK study, Ivan Turok and Peter Taylor (2006) argue that a new approach should include:

- "strategic skills to help initiate and promote change, including leadership, lateral thinking and sound judgement"
• process skills to enable change to occur… [Including] communication and negotiation skills, and attributes such as being adaptable, flexible and understanding;

• practical skills [which] contribute to the successful day-to-day running of an initiative. They include writing funding proposals, developing action plans, managing projects and maintaining good administrative projects."

Even more important is that the political leadership has to give far more attention to infusing top public servants with their vision for the future and encouraging them to actively further that vision. During the years of struggle, there were no doubts about the cause people were fighting for. Have we the same sense of purpose now? And does the public service share that purpose? Does the notion of a developmental state offer a vision of participatory democracy in which citizens participate in political decision-making, economic activity and every area of social life?

We need new analyses that emphasise the liberating role of accumulation through technological capabilities rather than mechanical notions of growth. We must focus on phasing in value-creating economic activity in a step-by-step manner, building not on illusory and unrealistic proposals, but on existing capabilities and. Planning is vital.

There are new emerging powers in the world with an interest in investing in Africa and building its productive capabilities. Those states that have begun to shift in this direction should become the centres for new thinking and new policies and lead the way for the renewal of Africa. Their interventions should be based on the principle of “mutual benefit” and not on aid. The aim should to be for Africa to join international chains of value-creating productive enterprise and lift the continent out of its marginalisation. Africa could become an important area of economic growth if the necessary investment is made by the emerging powers. This process has started but is in a very early stage.
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PROFILE OF THE AUTHOR

Professor Turok is the Director of the Institute for African Alternatives (IFAA) and editor of New Agenda, S A Journal of Social and Economic Policy. He was until recently a Member of Parliament for the ANC.
STATE BUILDING THROUGH KNOWLEDGE: Insights on the role of policy institutes in contemporary Africa

Cristina D’Alessandro, Knowledge Management Specialist
1. State building and knowledge

State building usually refers to peace building or democratization. Besides its various theories and approaches, state building – particularly in the African context – deals with state fragility and institutions with limited capacities that are unable to function effectively and deliver properly according to their mandate. Contemporary state building in Africa, which is often influenced by conflicts and instability, includes efforts for building institutions, for enhancing the rule of law, for developing infrastructure, and for improving service delivery (Bratton 2006). It is, however, not limited to these aspects.

A state is composed of institutions, but it is also the result of distribution of power among actors. Moreover, it represents a specific political culture, rooted in history and society, that explains the particular model of sovereignty of which the state is the most direct expression. Political culture spans society and the different components of the state: it is progressively built and transformed by knowledge.

Knowledge contributes to state building through political culture. It improves national capacity, serves as a surveillance mechanism, ensures ownership of procedures and sovereignty, and allows policies to be updated and improved, adapting them to continuously changing social realities. This applied policy research is an instrument of power for the actors using it to support and validate their actions. In the contemporary African context, this applied research is usually undertaken by policy institutes – commonly called think tanks – given the low level of funding and the often critical status of academic research (Tsafack Nanfossi 2011).

Much of the literature holds that think tanks bridge the gap between knowledge and power (UNDP 2003). Although this assertion may appear theoretical and disconnected from the African reality, it points out the huge potential and real impact of knowledge produced by think tanks that is ready to be used by leaders (Srivastava 2011). This importance is not limited to policy making. It is directly connected to leadership development and indirectly to political processes. In other words, policy institutes are strategic actors in contemporary African state building dynamics.

2. An attempt to define think tanks

The literature on think tanks in the developing world is in unanimous agreement about the impossibility of finding a single definition for the variety of policy institutes that exist, many of which do not fit neatly into a particular category, but rather share attributes of several types of organizations (such as interest groups, consultancy firms, university institutes, and so on).

The existing definitions of think tanks tend to focus on their links to political parties, the state, civil society, or international institutions. Because the relationship between the think tank and its predominant focus dictates its structural organization, the definitions tend to focus on the structure of the think tank itself. Other authors try to identify and emphasize their primary function (e.g. research, policy, advice, or advocacy) as the main driver that defines the entire structure (Jones et al. 2009). However, this is a simplified view. In reality, these criteria are often difficult to separate.

“Contemporary state building in Africa, which is often influenced by conflicts and instability, includes efforts for building institutions, for enhancing the rule of law, for developing infrastructure, and for improving service delivery"
Some authors try to capture this variety of structures and scopes in an attempt to categorize and systematically organize them.

They identify their primary role as producers, repositories and disseminators of knowledge and expert policy advice based on research on policy-relevant issues. They are involved in research projects, field surveys, data collection and analysis and publication of journals, books and research reports, etc. They are also a forum for policy dialogue, capacity building and networking, through the organization of training workshops seminars, public lectures and conferences. All of this is geared towards policy advocacy, which they perceive as their principal function. (Srivastava 2011).

This description, which was developed to represent the reality for South Asian policy institutes, may well apply to sub-Saharan Africa (SSA).

For the purpose of this paper, a basic definition will be used: Think tanks are organizations producing knowledge products that inform decisionmaking at various levels and seek to influence policy content.

3. Think tanks as knowledge-power interfaces

Assuming they are realistic and grounded in African realities, think tanks may be considered spaces and organizations that reflect the knowledge-power interface, born out of the complex interplay of internal and external political processes and actors.

This dynamic interface therefore represents a double level of constraining influences. Internally, state and state elites exert power on civil society organizations (CSOs), including think tanks. In this sense, political processes include a wide range of actors, such as CSOs, political parties, media, corporate houses, bureaucracy, and private entities, and think tanks are in some way involved. Externally, international agencies, including intergovernmental organizations, international CSOs, private actors and global media also have a significant impact on the research and activities undertaken by think tanks and the dissemination of their work, influencing their priorities, their domains of interest, and their funding mechanisms.

Such is the case in the developing world, but the picture must be adapted to the African context in which think tanks and policy institutes have emerged and progressively developed. Despite the large variety of national political systems in SSA, there is common ground. The wave of political liberalization and democratization experienced during the 1980s and 1990s, accompanied as it frequently was by violence and conflict, was clearly affected by external influences. This influence was exerted in two complementary ways:

- dependence on international donors, mainly for funding research projects and institutions; and
- international conventions, initiatives, and commitments, orienting the research financed, then undertaken, towards concerns such as gender equality, poverty reduction, environmental sustainability, state governance, and even capacity development.

4. A preliminary study on a sample of policy institutes

Given this complex but strategic reality for the present and future of state building in SSA, I have undertaken a preliminary study using seven policy institutes supported by African Capacity Building:

- Centre d’Etudes et de Renforcement des Capacités d’Analyse et de Plaidoyer (CERCAP) in Mali
- Centre Mauritanie d’Analyse de Politiques (CMAP)
- Centre de Recherche, d’Etude et d’Appuis à l’Analyse Economique à Madagascar (CREAM)
- Economic and Social Research Foundation (ESRF) in Tanzania
Although these seven think tanks are insufficient to represent the true diversity of realities in SSA, they span Francophone and Anglophone Africa and cover the different regions of the continent. This first study, conducted through questionnaires, direct exchanges, and compounded by literature review, has produced (for now) only qualitative data. This is a preliminary step for a more ambitious research project. Nevertheless, the results obtained are enlightening.

The study was driven by four main questions:

- How does the political environment in a given country influence think tanks?
- How do think tank capacity limitations reduce their political impact?
- Are think tanks temporary survival strategies used to fill a gap that arises from weak institutional and political capacities of African states and academic institutions in crisis across the continent?
- Can think tanks gain a more sustainable role if they enhance their internal capacities?

This research was driven by two motivations.

First, despite the emphasis given to analyzing the role of think tanks in all stages of policymaking in Africa, not much has been said on their real influence on political leadership and on state power, as if this relation would automatically translate into a dependency from political parties and state bureaucracy.

Second, because the majority of policy institutes (four of the seven) focus or display a predominant interest on economic policy and processes, they appear disconnected from political factors. Of course, this can be true if limited to direct linkages, but indirect influence in both directions certainly exists.

5. Think tanks are strongly influenced by the national political environment

The study underlined the strong influence of the national political environment on think tanks. Improvements or unexpected changes in the national political scene have direct impact on the budget allocated by the state to policy institutes. For example, state policies of budgetary austerity can have catastrophic consequences for policy institutes that experience that austerity. A change of government can quickly result in a reduced or increased value assigned to policy research. Authoritarian regimes, for example, are interested in tightly controlling applied research.

Indirectly, the political environment may enhance or deteriorate the enabling environment in which policy institutes work. It can make their work easier or more difficult, give it more or less value, facilitate or frustrate the dissemination of research, and pay greater or less attention and practical follow-up to think tank recommendations.

The study also demonstrates that the political environment in which these policy institutes operate is generally partisan and polarized: their efforts to safeguard and strengthen organizational autonomy and operational impartiality are constant and strong. This is also true for democratic countries, which are recognized to have better institutions and higher levels of governance.

The activities of think tanks are crafted primarily along the priorities of the development agenda approved by parliaments. Changes in these priorities may engender inadequacies and gaps between national priorities and the priorities by which the
think tank is guided (for example, by a four-year plan).

The quality of the political environment influences the use of research results: more responsive and open governments will be more predisposed to follow the recommendations that come from the studies that think tanks conduct. Nevertheless, some of the directors interviewed have highlighted the problem of access to political leaders. They explained that in such cases they had to apply circumventive strategy to arrange dialogue with political leaders to make them aware of their research, even when more authoritarian and isolated regimes were in power. This confirms that in the end, whether think tanks can have a real and strong impact on the political system depends more on their ability to make themselves relevant and heard rather than on the "easiness" of the political environment.

6. Think tanks and national political leadership
In SSA, think tanks have a key role because political institutions have weak capacities. The think tanks in this study stressed that their expertise can significantly complement state building through knowledge. To this extent, this research invalidates earlier literature and theories that held that policy institutes are part of the survival strategy of political leaders in power. That said, the stakeholders interviewed had to admit that they continuously struggle to remain independent from political parties, pressure groups, state elites, and organs of power.

The think tanks unanimously asserted confidence that they are able to influence policymaking in various ways and at different levels. Despite this recognized capability, they have an indirect and limited influence on political leadership, especially at the highest level. The previously mentioned difficulties of access are the roots of this phenomenon.

7. Other insights of this research
This preliminary research offers additional insights. The institutes studied assert that their impact is often regional, and some even claim Africa-wide impact. Is this not a clear sign of high levels of capacity for action? Does this not also confirm that regional integration goes through knowledge sharing and that this process is more effective than other attempts to promote regionalism and economic integration in Africa?

As for the external influence, a strategic component of the political landscape, the research shows that it is difficult to assess. Some policy institutes are reluctant to enter into partnerships with international organizations to avoid appearing to be overly influenced by them. Others, who receive external funding, admit to having been influenced. However, the real significance and consequences of this remain difficult to measure.

Another interesting insight derived from this survey is that, according to the self-evaluation of capacities that was part of the questionnaire, the internal capacities of policy institutes for research and advocacy, as well as their technical capacities and their capacity to adapt to new political environments, are considered “excellent” by the actors interviewed. Only a minority defines their level as only “good”. Despite these high marks, a common gap penalizes them. Research staff is insufficient or not adapted to the present needs, either because researchers were hired when the needs were different or because they were not trained to fit current activities.

8. Concluding words and recommendations
According to the study, think tanks are generally more influenced by the political environment than they are able to influence it. They are endowed with a high level of internal capacity, and can at least partially fill the gaps of weak state institutional and political capacity in Africa as well as limited capacities of political leaders.

Their major handicap is a need for increased funding for their research and for other activities. They still struggle, unsurprisingly, given the African context in which they operate, to find alternative funding to state and international financing. On the other hand, because their internal capacities are substantial, the
support that has been provided to them has been at least partially effective.

For the ACBF and other international institutions working to enhance the capacities of policy institutes, a change of strategy is needed. They must find a way to increase their capacities such that they are better able to influence the political leadership in their respective countries. Although this is not an easy task, energetic efforts are required in this direction so as to sensitize political leaders at the national level, convincing them that the support they can derive from policy institutes can help them achieve development results and better governance.

Another path of action emerges for the ACBF and its sister institutions – they must improve their capacity to effectively dialogue with international donors. If successful in this endeavor, think tanks will benefit from such partnerships, limiting their apprehensions and enhancing the real influence that these institutions can have.

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Cristina D’Alessandro has a PhD in Geography, from the Université François-Rabelais de Tours (France). She was previously a Knowledge Management Expert in the Knowledge and Learning Department of the African Capacity Building Foundation (ACBF); a professor at the Institut d’Études Politiques de Paris (France) from 2005 to 2013; a visiting professor in number of universities in France, Italy, United Kingdom, and United States. Her research interest focuses on institutional capacity building, leadership, territorial governance, and urban planning in Sub-Saharan Africa.
INITIATIVE is the brain and the quick wits of the nation. It is often embodied in leadership – … Just as often, it lies deep within a national psyche, and in a collective desire to work hard to achieve success. Initiative is closely allied with education and empowerment, and with a country’s will – to plan, to manage and to fund its own social and economic development.

Donald Kaberuka, p.7
... the relationship between the provision of education and nation building is complex. Implemented appropriately, education programming can promote security, trust in government, inclusiveness, social development and economic opportunity. In contrast, well-intentioned but poorly implemented initiatives can worsen existing inequality and discord, undermining the development of resilient and accountable states.

... over the past 50 years, donors have faced a series of challenges in fully leveraging the benefits of education programming and ensuring that their activities do not reinforce fragility. These challenges include: promoting both access and quality; ensuring education is linked to economic opportunities; and ensuring sustainable gains through building the capacity of local governments.
Three inter-related concepts are central to the Bank’s work in building nations: peace-building, state-building and, finally, nation building. Peace-building involves actions taken to end or prevent violent conflict and support the establishment of sustainable peace. Peace-building supports and reinforces two other processes that are often discussed interchangeably, but are in fact different: state-building and nation-building. State-building is the process of establishing capable, accountable, responsible and legitimate states and state governments, whereas nation-building refers to the creation of a common cultural, social and national identity. Central to all of these concepts is the inclusive delivery of basic services, including education. Resilient and accountable states are rooted in a reciprocal relationship between governments and people whereby the government delivers basic services and, in return, the people engage constructively with the state. The provision of education is one of the most visible manifestations of government and facilitates the consolidation of territory, integration of diverse groups and socialization of the population with common norms and values. As such, education provides an incentive for peace and serves to both establish and support the legitimacy of the state, which is central to both state and nation-building.

The role of education in building resilient states

Although recognised as every child’s right as well as one of the most important social investments a government can make, the role of education in building nations has only recently received its due attention. Although significant gains have been made in promoting universal primary education since the adoption of the Millennium Development Goals, conflict-affected fragile states continue to lag behind. Children born in low-income, conflict-affected countries continue to be significantly more likely to drop out or not attend school than children living in peaceful, low-income countries. According to a 2013 UNESCO study, children in conflict-affected countries make up 22% of the world’s primary school-age children, but 50% of children who are denied an education.

Yet, the relationship between the provision of education and nation building is complex. Implemented appropriately, education programming can promote security, trust in government, inclusiveness, social development and economic opportunity. In contrast, well-intentioned, but poorly implemented initiatives, can worsen existing inequality and discord, undermining the development of resilient and accountable states.

Education can help address the root causes of fragility by enhancing economic opportunity and individual earning potential. For example, recent studies have shown that just four years of basic primary education boosts a farmer’s productivity by 9%. Access to education also promotes skills

At its best, education brings opportunities for a better future, a sense of community and shared identity and the belief that one’s surroundings can be improved through cooperation and engagement.
development which contributes to improved employment opportunities for young people, the lack of which is commonly regarded as one of the central causes of fragility in post-conflict and developing states. Enhanced economic opportunity creates a tangible cost for participation in conflict and enhances the legitimacy of the state.

Basic skill development and enhanced economic opportunity are complemented by positive impacts on physical and psychosocial health. Access to education enables children to cope with fragility by providing a routine, helping them to understand and make sense of conflict and instilling a sense of agency. Primary education has also been suggested to promote regulation and management of negative emotions associated with fragility and foster the development of empathy and conflict management skills, reducing the likelihood of future participation in violence. Furthermore, regular school attendance helps ensure security by keeping children, particularly girls, off the street and protecting them from violence and conscription.

Education contributes to nation building by creating and transmitting a shared history, values and culture. Social cohesion, positive social values and national identity can be promoted in the midst of conflict and instability through constructive, peace-oriented curricula. Furthermore, where delivery of education is decentralized, it has the added benefit of promoting regional cohesion, inclusiveness and community participation under the broader rubric of national governance. As one of the most visible manifestations of government across a nation, education can help restore trust in the government’s will and capacity to serve the needs of the population across regional, cultural and ethnic groups subsequent to or concurrent with periods of fragility and conflict.

However, implemented poorly, education programming can also reinforce fragility and work against state-building and development. Unequal access to education or marked variations in quality along the lines of wealth, ethnicity or gender can reproduce traditional social divisions and fuel tension, instability and inequality. Poor quality education that fails to instill basic skills or promote critical thinking may result in apathy or, worse, become a tool for political manipulation. Failed attempts at providing accessible, high-quality education can entrench negative views about state commitment and capacity to serve the population, lending legitimacy to conflict and promoting instability.

**Key challenges to address**

Education has a clear role to play in addressing the causes of fragility and building resilient, accountable states. However during the last 50 years, states have faced a series of challenges in fully leveraging the benefits of education programming and ensuring that their activities do not reinforce fragility. These challenges include: promoting both access and quality; ensuring education is linked to economic opportunities; and ensuring sustainable gains through building the capacity of local governments.

**Promoting both access and quality**

Since the adoption of the Millennium Development Goals and the World Bank/UNESCO’s Education for All Initiative, emphasis has been placed on ensuring universal access to primary education. However, this has often come at the expense of quality in terms of ensuring the availability of trained and qualified teachers and enriching learning programs with socially relevant subject matter that is linked to the establishment of a national identity and prevention of further conflict, beyond basic literacy and numeracy.

This trade-off between access and quality is the product of both budgetary constraints and the need to address immediate needs for expanded access to education and has real implications for the mitigation of fragility and the promotion of nation building. As noted above, expanded access to poor quality education may fail to instill trust among the population in the government’s resolve and ability to serve the population and address existing inequality. Such efforts will fail to promote broad-based economic opportunity and may serve to entrench
existing social divides and tensions, reinforcing fragility and impeding the development of accountable, capable states.

Ensuring equitable access to education as opposed to adopting a focus on quality has, to date, been the preferred strategy for realising immediate gains within fragile states. However, over the longer-term, emphasis must be placed on ensuring that education is not only accessible and inclusive, but of sufficient quality and relevance to promote economic opportunities and encourage positive, broad-based participation in governance and development.

**Going beyond primary education**

As access to primary education improves, it is necessary to move beyond basic literacy and numeracy to promote access to secondary education and vocational training that will prepare students to participate in the economy and become active members of their community. Beyond secondary education, technical and vocational training provides a short-term means of supporting young people who have been affected by conflict and facilitating re-integration into their communities.

Aside from mobilizing necessary resources to promote secondary and tertiary education, another challenge is to ensure that higher-level education corresponds adequately to labour market needs in order to expand economic opportunities for graduates. Lack of access to suitable employment and economic opportunity diminishes incentives to pursue higher education and results in frustration among graduates, further contributing to risk of violent conflict and an inability to fully mobilize the potential of the population toward development.

**Building governance capacity**

When faced with weak, inefficient or corrupt systems of governance, donors have often chosen to circumvent the available state apparatus and implement small-scale projects, resulting in what has been called the "projectization" of education assistance. This phenomenon has resulted in the proliferation of overlapping strategic plans and reliance on external technical expertise, resulting in relatively poor national ownership of education initiatives, missed opportunities to build capacity and ongoing dependence on foreign aid. Furthermore, projectization can contribute to negative perceptions about the governments’ capacity and resolve to provide basic services as the population places trust in donors for the provision of basic services as opposed to their own governments.

Over the long-term, it is necessary to build the capacity of fragile governments and support a national vision for the delivery of quality education to ensure that any gains achieved are sustainable. In building state capacity for governance of a national education system, key issues to address include providing support in the development and implementation of long-term planning and policies that promote universal access, such as the elimination of age restrictions and school fees. Donor support is also instrumental in the recruitment, training and support of qualified teachers; in particular female teachers, whose numbers are associated with positive educational outcomes for girls.

Another important issue to consider is the role of regional and private actors in the provision of education. Using private actors to deliver basic education may promote access, but disparities in quality between public and private education services may reinforce existing social divisions and inequality. Similarly, decentralized delivery of basic education may enhance ownership within communities and build regional capacity for service delivery, however, a lack of centralized governance can lead to uneven quality and reinforce existing divisions along regional, religious and ethnic lines.

**Supporting state and nation-building through education - the AfDB's role**

The Bank has provided support to the education sector in various forms since 1975, although not on the same scale as its support to priority sectors such as infrastructure and governance. Prior to the development of its 1999 Education Sector Policy, the Bank had primarily supported the provision of civil works,
furniture and equipment. The 1999 Policy directed the Bank’s efforts toward ensuring quality basic education for all, providing vocational training in agriculture and industry, improving the quality of instruction and providing capacity support for the strategic management of education systems within its regional member countries (RMC).

The Bank’s Mid-Term Strategy signalled a shift toward supporting access to higher education and vocational training opportunities to build skills and address chronic unemployment. This emphasis on building marketable skills is part of the Bank’s Ten Year Strategy and Human Capital Strategy, under which the Bank seeks to address rising skills mismatch, youth unemployment and low productivity by providing vocational training and training qualified teachers.

However, direct support to the education sector has accounted for a relatively small proportion of the Bank’s support to RMCs over the past decade, with support to the social sector accounting for just 8% of loans disbursed between 2004 and 2013. Instead, the Bank has primarily been involved in supporting infrastructure development in the transport, energy and water supply and sanitation subsectors and providing capacity and budget support under its governance sector programming. Together, these two sectors account for over 70% of the Bank’s lending over the same period. The impact of these activities on increasing access to quality education should not be overlooked.

Infrastructure development, for example, is regarded as a key requirement for the creation of a resilient education system. Distance to schools is a barrier to universal education - with each additional mile, school enrollment has been found to fall by 16%, with a similar drop observed in school performance. The building of rural roads better connects people to services, thereby making them accessible to a broader segment of the population. Promoting access to reliable sources of electricity as well as clean water and sanitation facilities helps ensure that educational facilities are appropriately equipped. Access to sanitation facilities has been shown to be particularly important, ensuring security and positive educational outcomes for girls.

By building governments’ capacity for the delivery of basic services, the Bank’s work in the governance sector fills the gaps left by other education sector initiatives, which primarily target the immediate need to promote access to basic education. The Bank’s Governance Strategic Framework and Action Plan for 2014-2018 targets the promotion of transparent, responsible and accountable governance in African countries through the strengthening of government capacity for accountable public financial management and promotion of a business - enabling environment in order to foster socioeconomic transformation and job creation, particularly for youth. Central to the promotion of a business - enabling environment is expanding access to basic services, including broad-based access to quality education.

By strengthening national service delivery systems and supporting the development of inclusive policies and regulations the Bank’s governance support allows governments to retain ownership of education systems and promotes the achievement of sustainable development results. These outcomes also make a crucial contribution to the task of state-building by reinforcing the legitimacy of the state and building trust among citizens that governments are both willing to, and capable of, addressing their needs. Broad and sustainable access to education can then contribute to nation building by communicating common histories and values, thereby contributing to a positive national identity.

**Building effective partnerships for nation building - where do we go from here?**

Donor coordination, be it in education or other sectors, has been broadly promoted among development institutions, but has seldom been practiced effectively. In the Bank’s Ten Year Strategy, this discussion of donor coordination continues under the promotion of partnerships and the Bank’s role as a convener of development actors. In particular,
the Strategy emphasizes collaboration, coordination, harmonization and information sharing with other development actors. It also advocates bringing together partners with appropriate capacity to provide comprehensive solutions to development challenges and complement the Bank’s portfolio of investments.

Emphasis on the Bank’s role as a convener of development actors is very timely in light of the Bank’s 50th anniversary of promoting inclusive economic transformation and the development of resilient, accountable and capable nations in Africa. In pursuing greater selectivity, the Bank has placed emphasis on sectors in which it has a comparative advantage, notably infrastructure and governance. This approach is wise in ensuring that resources are concentrated in areas where the Bank possesses the necessary expertise and leverage to make a difference in Africa. However, the Bank can and should leverage its expertise in these areas to explicitly address long-term challenges faced by donors whose expertise and capacity is better suited to addressing more short-term, but equally important development needs such as access to basic primary education. Working together, we can build peace, trust, nations and hope.

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PROFILE OF THE AUTHOR
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INFRASTRUCTURE is the feet of the nation: the foundations on which it stands up. Again, the Bank knows this: it builds the roads that not only carry the crops to market, and the truck-loads of goods from one country to another …. but also the children to school, and the pregnant mothers to hospital. It builds the power plant and secures the power supply that not only empowers the local businesses to trade … but also the local children to do their homework at night not by the light of a candle, but by the light of a lamp. Bridging the infrastructure funding gap will add two percentage points of annual growth to African economies – tipping them from mere economic growth into true and sustainable economic transformation.

Donald Kaberuka, p.7
Many economists, development practitioners, and advocates frame a discussion of Africa’s “rise,” in economic terms with the belief that such measures provide a clear and unbiased indication of progress within a developing state. However, supporting the efforts of African states to achieve their development priorities and build strong and resilient nations clearly goes beyond merely establishing strong economies. In addition to promoting economic development, state building involves the establishment of capable and accountable governments that respond to the needs of citizens and are broadly regarded as legitimate. Beyond state building, nation building refers to the development of a cultural and national identity. The common thread between these two concepts is the idea of a national collective that shares in both the work and the rewards of development. It is therefore important not just to acknowledge growth, but to also examine the extent to which growth is shared.
Africa Rising – But for Whom?

In 2013, six of the world’s 10 fastest growing economies were in Africa – African GDP has tripled since the turn of the millennium from an annual $650 billion to just over $2.2 trillion. In 2013, growth vastly outpaced that of the world’s leading economies, with only 9 of 54 African countries demonstrating growth less than 3% (compared to 1.5% for the United States). Money continues to pour into the continent: In 2012, foreign direct investment rose to $50 billion while overseas development assistance fell to $51 billion. Furthermore, Africa is investing in Africa: A growing middle class of consumers spent $860 billion in 2009, and this amount is expected to grow to $1.4 trillion by 2020.

Beyond this economic advancement, significant social benefits have been realized. Net enrollment in basic education has increased 25% over the past 10 years, infant mortality has more than halved, and under-five mortality has dropped by a third. The spread of HIV and AIDS in Africa has slowed down over the past decade, with a drop in prevalence from 5.9% in 2001 to 4.9% in 2011. By 2060, it is expected that average life expectancy in Africa will reach 70 years. All of these changes suggest that Africa is indeed rising.

Over the past 50 years, the African Development Bank has played a crucial role in promoting these gains by investing its own funds as well as those of governments, commercial banks, and private investors to support both country and regional projects. In particular, the Bank has played a key role in developing Africa’s transport, energy, and water infrastructure, supporting basic service delivery and assisting governments in managing public finances both accountably and transparently. Beyond this, the Bank has served as a trusted voice and advocate for Africa on the international stage, and is widely acknowledged as Africa’s premier knowledge broker through its dissemination of research results and its advice for the implementation of best practices in development policy.

These activities have led to tangible results. Outcomes of the Bank’s funding of infrastructure development over the past 2 years have been particularly impressive. To wit:

- New electricity connectivity for nearly 8 million
- Improved access to transport infrastructure for 34 million
- New or improved access to water and sanitation for 14 million
- In countries where the Bank has given governance support, tax revenues have increased by one third while tax rates have almost halved
- Funding for private sector operations has grown nearly ten-fold over the past 10 years to reach $2 billion in 2012

But to what extent has this progress been shared? Africa is rising, but for whom? Despite an overall reduction in poverty rates and the achievement of the first MDG, absolute poverty remains a pressing issue, with almost half of sub-Saharan Africans living on less than $1.25 per day and the absolute number of people living in extreme poverty increasing from 289.7 million to 413.8 million between 1990 and 2010. In particular, inequality in Africa continues to exist along urban and rural divisions, a clear indication that growth has not been shared among all Africans. Poverty rates in rural Africa continue to be approximately three times higher than those in urban areas due to poor access to infrastructure, limited economic...
opportunities outside of agriculture, inconsistent access to quality education and other basic services, food insecurity, and poor access to safe drinking water.

Income inequality has also risen in several African countries over the past decade. Despite considerable growth, it is estimated that just 28% of the workforce hold formal, wage-paying jobs and nearly half of Africa’s emerging middle class remains vulnerable to slipping back into poverty due to death of a family member or other shocks. Furthermore, in its 2013 report on progress toward the MDGs in Africa, the UNDP noted the persistence of stark income inequality on the basis of gender.

The case for inclusiveness – a shared voice

The level of growth demonstrated to date is an important achievement, but Africa’s growth needs to be inclusive to ensure improved quality of life as well as social and political stability. Inclusive growth is recognized by African leaders as central to securing peace and building nations, particularly following periods of fragility. With one third of African nations – home to over 200 million people – considered fragile, promoting resilience, stability, and inclusive growth is a matter of urgency. Failure to address inequality is a recipe for continued unrest, conflict, and missed opportunities.

First and foremost, governments must respond to the needs of all citizens, particularly those who have traditionally been excluded or marginalized. Inclusiveness helps establish a positive relationship between a state and its citizens, building the legitimacy of the state as a service provider and as an arbiter and source of authority. Furthermore, people’s perceptions of legitimacy are central to their willingness to engage positively with the state and contribute constructively to the development of the nation. This sense of legitimacy further reinforces the state’s capacity to collect revenue, to provide essential services, and to meet the needs of its people.

Inclusiveness requires political inclusion, whereby people have access to information about how public resources are allocated and are empowered to influence how they are governed, as well as the equitable and reliable delivery of basic public services to all citizens, particularly the vulnerable and marginalized. Moreover, inclusiveness requires transparent and accountable management of public finances and the equitable management and distribution of natural resource wealth, the mismanagement of which has been a notorious contributor to state collapse. Absence of inclusive governance works against the process of statebuilding and poses a long-term threat to the stability of nations.

The case for inclusiveness – shared growth

In addition to ensuring inclusive governance, generating inclusive economic growth and broad-based economic opportunity is a major challenge for both the Bank’s Regional Member Countries and its development partners, particularly with regard to youth and women. Young Africans are significantly more likely to either be unemployed or to hold vulnerable or informal employment, with unemployment rates for youths aged 15–24 typically two to three times higher than official unemployment rates within a country. For example, whereas South Africa has an official unemployment rate of 25%, fully half of youths between 15 and 24 are unemployed. High levels of working poverty among youths holding both formal and informal employment call for strengthening of social protection programs to shield them from potential shocks, yet these programs are typically unavailable. This situation not only has the potential to limit potential earnings and economic

“Inclusive growth is recognized by African leaders as central to securing peace and building nations”
One source of concern is the fact that the overall pace of growth is not currently fast enough to absorb Africa’s growing young population. Although the mining, oil, and gas industries are powerful contributors to the GDP of many African countries and serve as a valuable source of government revenue, these sectors are capital-intensive and produce few stable employment opportunities for the local population, at least directly. Private sector operators in other sectors continue to face significant challenges to growing their businesses in Africa. These challenges include unstable political climates; poor access to financing; unclear or costly taxation, duties, and regulatory regimes; and high costs associated with transport, logistics, and business inputs. Furthermore, access to other markets remains limited. Regional trade in Africa stands at only half the level of other regions despite the existence of a dozen overlapping regional and economic unions and trade groups. Despite efforts

Infrastructure and skills development will continue to play a key role in promoting inclusiveness and fostering an enabling environment for business development.
to promote trade, Africa’s contribution to global trade is estimated at only 3% and has remained largely unchanged since 2000.

Skills mismatch is another important impediment to inclusive economic growth. In North Africa, unemployment continues to be more prevalent among young people with tertiary degrees than those with just primary education, due in part to qualifications being poorly matched to the needs of the labor market. The number of recent graduates qualified for careers in the extractive, logistics, chemical, pharmaceutical, manufacturing, and agribusiness industries remains inadequate. Moreover, enrollment in technical and vocational training continues to be low. In general, available education and training falls short in preparing young Africans for the workplace and many lack the opportunity to gain practical experience. More than half of unemployed African youths have never worked at all.

The Next 50 years – building strong, prosperous, and inclusive African nations

In 2013, the Bank embarked on the implementation of its Ten Year Strategy, the centerpiece of which is inclusive and sustainable economic transformation. As part of this strategy, the Bank has called upon a range of partners to support the development of a strong, diversified, and regionally integrated private sector capable of generating expanded economic opportunities for all Africans.

By working with governments to promote evidence-based decision-making and transparency and by creating a regulatory and legal environment, the Bank and its partners can enable business development and drive economic growth. The Bank must also continue to relieve financial constraints for service delivery and promote legislative reform to ensure equitable access to public services of sufficient quality. Working together with development partners, the Bank will continue to help regional governments serve their populations accountably, building peace, trust, and a shared national identity.

Infrastructure and skills development will continue to play a key role in promoting inclusiveness and fostering an enabling environment for business development. Improved transportation infrastructure will connect rural and marginalized populations to both social services and markets and help reduce the cost of doing business in African countries. Support for higher education that meets the needs of emerging economies, technical skills development, and vocational training will help prepare young Africans to fully leverage these new opportunities. Finally, the Bank’s commitment to mainstream gender considerations throughout its operations will work to remove barriers so that women have improved access to education, social services, and economic opportunity.

The Bank has witnessed and contributed to Africa’s rise over the last 50 years as it strives to build stable and resilient African states. The next 50 years present an opportunity to ensure that the benefits of Africa’s rise are better shared with all Africans, particularly vulnerable and marginalized populations, and continue to work as a trusted partner and voice for the continent as the Bank further implements its vision for a strong, prosperous, and inclusive Africa. Implemented well, the Bank’s Ten Year Strategy and focus on inclusive growth will build not only economies but truly build nations.

Sources


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Minimalist International Interventions
FOR NATION-BUILDING MISSIONS, MODEST COSTS YIELD MEANINGFUL BENEFITS
OF 20 MAJOR NATION-BUILDING MISSIONS undertaken since the end of the Cold War, 16 have produced greater peace, 18 led to increases in democratization (according to Freedom House), 14 resulted in improvements in government effectiveness (according to the World Bank), 16 experienced economic growth (generally faster than their regions or income groups), and 15 saw improvements in human development (as measured by the United Nations Development Programme). Most of these efforts achieved their primary aim — establishing peace — while also generating these other benefits. And most did so at modest cost.

In six illustrative cases, many local factors that had contributed to conflict defied modification or elimination, despite the nation-building interventions. In Cambodia, nationalism and xenophobia endured; in El Salvador, landlessness remained a problem; in Bosnia, ethnic divisions hardened; in the Democratic Republic of the Congo, institutions continued to be extremely weak; in East Timor, regional and political identity differences continued to produce civil unrest; and in Sierra Leone, the inequitable distribution of resources persisted. Though improvements were achieved to varying degrees in these countries (as shown in the six upper tiers of the table), the governments largely remained ineffective deliverers of public services, poor societies remained poor, resources continued to be looted, the capabilities of security institutions were still weak, and in none of the cases was corruption seriously diminished.

Nevertheless, the nation-building operations in most of these countries succeeded in improving security, advancing democratization, expanding economic activity, and increasing human development, as did most of the rest of the 20 post–Cold War operations, ranging from Haiti to the Solomon Islands and from Macedonia to Mozambique. In most cases, the costs were low, in contrast to the much more expensive and demanding counterinsurgency campaigns conducted in Afghanistan and Iraq.

Among all 20 operations, 17 were intended to maintain peace after a settlement had been reached, whereas 3 — in Somalia, Afghanistan, and Iraq — were intended to impose peace. Of the peacekeeping-type missions, all but one (in the Democratic Republic of the Congo) produced lasting peace. In contrast, none of the peace-enforcement missions has yet done so. That is to say, all but one of the interventions that were initiated on the basis of a peace agreement and with the consent of the parties to the conflict subsequently succeeded in establishing peace, whereas the three that lacked such prior consent did not.

Geopolitics and the strength of internal patronage networks help explain the failures. Afghanistan and Iraq were both invaded by the United States; thus, neither was there a peace agreement among all parties in place when international forces arrived, nor did the presence of foreign forces enjoy the consent of all parties. In both cases, the United States chose to exclude rather than co-opt the dominant patronage networks. Denied their accustomed access to wealth and power, these networks chose to fight back. Perhaps even more importantly, the disgruntled elements were able to receive substantial external support in order to do so.

Despite the failure to forestall renewed conflict in Afghanistan, there has been remarkable progress there across several other dimensions (also shown in the table). In the first ten years after the intervention, Afghan society achieved less than the average improvement in democratization but ranked third among the 20 cases in improved government effectiveness, scored second in economic growth, and showed the greatest improvement of all in human development. These results cannot be explained entirely by external aid flows, because Afghanistan was not among the largest foreign aid recipients on a per capita basis.

Nor is it simply that Afghanistan started from a lower base, because Liberia, Sierra Leone, and the Democratic Republic of the Congo were all poorer...
to begin with and grew less rapidly. Dramatic advances in Afghanistan’s school enrollment and life expectancy, declines in infant mortality, and rapid economic growth even in some of the most-conflicted areas of the country do reflect the emphasis of the Afghan government’s counterinsurgency and development strategies in pushing resources and public services out into the hinterland.

**Diplomacy Plus Resources**

Across the 20 missions, the nation-building interveners had a limited set of tools at their disposal. Among these, the most decisive tool for achieving the main aims of intervention seems to have been diplomacy, when backed by economic and military assets. Thus, just as geopolitics was the most important factor in either sparking or sustaining conflict in each of the six case studies, so diplomacy proved decisive not just in mediating peace agreements but also in improving the behavior of the external actors that had given rise to or perpetuated the conflicts.

It is important to recognize, however, that even the most skillful diplomacy and the most favorable regional environments would not have sufficed to bring enduring peace to these societies. The international community also had to be willing to bring to bear military and policing capabilities, as well as economic assistance, to establish public order, demobilize combatants, reintegrate former fighters into civilian life, and create new political and economic avenues through which formerly warring factions could compete for power and wealth via peaceful rather than violent means. Where such efforts have been inadequately resourced or unwisely executed, the result has been subpar outcomes, even in favorable geopolitical circumstances.

<table>
<thead>
<tr>
<th>Country (in chronological order)</th>
<th>Average Annual per Capita Assistance in the First 5 Years (constant 2010 U.S. dollars)</th>
<th>At Peace in 2012</th>
<th>Net Change in Freedom Index (10-point scale)</th>
<th>Net Change in Government Effectiveness (10-point scale)</th>
<th>Net Change in Human Development Index Score (10-point scale)</th>
<th>Cumulative Growth in per Capita Gross Domestic Product (percentage)</th>
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</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>38.36</td>
<td>Yes</td>
<td>+0.75</td>
<td>+0.07</td>
<td>NA</td>
<td>53.6</td>
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<td>El Salvador</td>
<td>79.57</td>
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<td>+0.75</td>
<td>+0.36</td>
<td>+0.7</td>
<td>20.6</td>
</tr>
<tr>
<td>Bosnia</td>
<td>384.00</td>
<td>Yes</td>
<td>+3.75</td>
<td>+1.95</td>
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<tr>
<td>Democratic Republic of the Congo</td>
<td>36.46</td>
<td>No</td>
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<td>–0.25</td>
<td>+0.6</td>
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<tr>
<td>East Timor</td>
<td>361.00</td>
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<td>+6.25</td>
<td>NA</td>
<td>+0.9</td>
<td>42.7</td>
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<tr>
<td>Sierra Leone</td>
<td>93.10</td>
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<td>+2.25</td>
<td>+0.49</td>
<td>+0.8</td>
<td>72.7</td>
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<tr>
<td>Afghanistan</td>
<td>62.72</td>
<td>No</td>
<td>+1.5</td>
<td>+1.53</td>
<td>+1.7</td>
<td>130.9</td>
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<td>20-Country Average</td>
<td>156.95</td>
<td></td>
<td>+2.15</td>
<td>+0.61</td>
<td>+0.6</td>
<td>54.6</td>
</tr>
</tbody>
</table>

**SOURCE**: Overcoming Obstacles to Peace, 2013.
A few spectacular nation-building failures have created a widespread impression that these missions seldom succeed. In fact, the great majority of them over the past two decades have resulted in improved security, greater democratization, significant economic growth, and higher standards of living, and most have done so with a modest commitment of military resources and economic assistance.

Perhaps most crucially, operations that have enjoyed local consent and regional support have almost always achieved peace, even when a degree of coercion was employed to secure both. Operations that did not secure local consent and regional support did not achieve peace, although even these efforts have produced improvements in most of the other dimensions assessed, particularly in Afghanistan.

These findings suggest the importance of setting realistic expectations — neither expecting nation-building to quickly lift countries out of poverty and create liberal democracies, nor being swayed by a negative stereotype of nation-building that fails to recognize its signal achievements in the great majority of cases.

ABOUT THE AUTHORS

In May 2013, Ambassador James Dobbins was named by President Barack Obama as his special representative for Afghanistan and Pakistan; prior to this appointment, Dobbins served as director of the RAND International Security and Defense Policy Center. Laurel Miller is a political scientist at the RAND Corporation.

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PEACEBUILDING AND STATEBUILDING GOALS AND CHALLENGES TO ACHIEVING THEM

EXEMPLARY FROM THE DILI DECLARATION: A NEW VISION FOR PEACEBUILDING AND NATIONBUILDING. REPRINTED HERE WITH PERMISSION.

At a meeting of representatives of developing countries and regions, bilateral and multilateral partners and civil society in Dili in 2010, the representatives expressed their support for the international Dialogue on Peacebuilding and Statebuilding. They reaffirmed their commitment to the Paris Declaration on Aid Effectiveness, the Principles for Good International Engagement in Fragile States and Situations, and the Accra Agenda for Action (AAA); and agreed on measures to “address conflict and fragility by supporting country-led peacebuilding and statebuilding processes”.

The following excerpt from the Dili Declaration: A new vision for Peacebuilding and Statebuilding describes peacebuilding and statebuilding goals and challenges to achieving them.
**Peacebuilding and statebuilding goals**

Our collective vision is to end and prevent conflict and to contribute to the development of capable, accountable states that respond to the expectations and needs of their population, in particular the needs of vulnerable and excluded groups, women, youth and children. We recognise the centrality of state-society relations in supporting the development of capable, accountable and responsive states. This will require sustained efforts by all stakeholders to improve governance, strengthen economic and social development, and promote peace and security as outlined in the statement by the g7+

In order to translate this vision into reality and guide our collective engagement, we identify the following peacebuilding and statebuilding goals as stepping stones to achieve progress on development:

- Foster inclusive political settlements and processes, and inclusive political dialogue.
- Establish and strengthen basic safety and security.
- Achieve peaceful resolution of conflicts and access to justice.
- Develop effective and accountable government institutions to facilitate service delivery.
- Create the foundations for inclusive economic development, including sustainable livelihoods, employment and effective management of natural resources.
- Develop social capacities for reconciliation and peaceful coexistence.
- Foster regional stability and cooperation.

We recognise that priorities to achieve these goals will be different in each country. These priorities should be set at country-level through a process that engages all stakeholders, especially women and civil society.

**Challenges to achieving peacebuilding and statebuilding goals**

Among the challenges identified through national consultations, we are particularly concerned about:

- Lack of a shared vision for change among key stakeholders that is based on consultations with citizens and civil society. Lack of context and conflict analysis.
- Lack of trust between developing countries and development partners.
- Too many overlapping plans, and weak alignment of donors behind a unified national plan. Lack of agreement on the need to address shifting short-term and long-term priorities at the same time.
- Approaches which focus on a country’s capital city and certain regions, creating pockets of exclusion and engaging only a few central state actors in the executive.
- Insufficient attention to the protection of women and children from armed conflict and to the participation of women in peacebuilding and statebuilding.
- Insufficient attention to economic growth and job creation, particularly for youth.
- Unrealistic timeframes for reform, weak capacity to implement plans and limited effectiveness of capacity development approaches.
- The need to strengthen linkages between development, security, justice and good governance.
- Lack of data and reliable statistics to inform planning for peacebuilding and statebuilding.
- Insufficient flexibility, speed and predictability of transition financing, and limited effectiveness of existing instruments.

**Actions for effective support to peacebuilding and statebuilding**

The following actions can help accelerate progress on peacebuilding and statebuilding, and deepen the implementation of the Paris Declaration, the AAA and the Principles for Good International Engagement if implemented today. Beginning now, we commit ourselves to:

1. Set up a mechanism to enable the g7+ meetings to continue.
2. Formulate international peacebuilding and statebuilding goals based on this Declaration.
3. Develop a long-term vision at country-level to guide the development transformation.
4. Ensure that national development plans integrate peacebuilding and statebuilding goals, and set clear priorities that can adapt to evolving circumstances.
5. Map the allocation of in-country government and international resources across regions and social groups to ensure equity and prevent exclusion.

6. Initiate in-country joint reviews of the impact of development partners’ hiring and procurement procedures on the local economy and labour market, as well as on local capacity.

7. Initiate discussion with expert institutions on the development of national statistical capacities.

8. Where the United Nations (UN) do not have a lead co-ordination mandate, agree on a lead development partner co-ordination arrangement at country-level to drive co-operation and policy dialogue with governments on development priorities. Establish clear terms of reference to deliver on this arrangement, in line with the Paris Declaration and AAA.

We will report back on the status of delivering these actions at the next meeting of the International Dialogue in early 2011.

An International Action Plan on Peacebuilding and Statebuilding

Delivering more effective support to peacebuilding and statebuilding will require a change in approach. To this end, we commit to developing an International Action Plan between now and the Fourth High Level Forum (HLF 4).

This plan will respond to the goals and challenges identified in the national consultations. We also agree that the International Action Plan will give special attention to four areas and focus specifically on the relevance to fragile and conflict-affected states:

1. **Capacity development**: Develop recommendations for improving and harmonising support to capacity development, recognising the critical contribution of South-South co-operation. Recommendations will also address how to avoid policies that undermine the capacity of developing countries, and how to support statebuilding.

2. **Aid instruments**: Improve the way aid is delivered to ensure rapid and flexible delivery and transition towards government-led delivery through country systems.

3. **Planning processes**: Improve the process that ensures that developing countries’ peacebuilding and statebuilding priorities and constraints are identified, that feasible plans are prepared, and that development partners align to them.

4. **Political dialogue**: Improve how peacebuilding and statebuilding are part of the political dialogue between developing countries and development partners, and how in-country political dialogue can ensure better state-society relations and the building of trust between state and citizens. This could address the role of media and communications at the national, sub-national and global levels.

Particular attention will be given to the issue of gender equality and the role of women, and the potential of youth in all of the areas above. We will deliver this work programme through a range of mechanisms to be further defined. Participation in these mechanisms will include developing countries, development partners and civil society. We will work through the International Dialogue on Peacebuilding and Statebuilding to deliver this International Action Plan at HLF 4 in the Republic of Korea in November 2011.

**Informing other processes and increasing participation**

We will feed the results from the International Dialogue country consultations and this meeting into other ongoing processes to improve the impact on peacebuilding and statebuilding. This will include the Peacebuilding Commission Review, the implementation of the UN Secretary-General’s Report on Peacebuilding, the MDG Review Summit and the OECD International Network on Conflict and Fragility (INCAF).

We commit to continue this dialogue and to expand participation to other countries and stakeholders.

Dili, Timor-Leste, 10 April 2010

PRIORITY AREAS FOR ASSISTANCE TO FRAGILE STATES AND SITUATIONS:

- Governance
- Economic Development
- Human and Social Development
- Security

Excerpt from a Statement by the g7+ 9 April, 2010 Dili, Timor-Leste

(The statement was prepared by representatives from Burundi, the Central African Republic, Chad, the Democratic Republic of Congo, Liberia, Nepal, the Solomon Islands, Sierra Leone, Southern Sudan and Timor-Leste, assembled for the g7+ Partners Meeting, gathered to signify the will of fragile states and regions to reduce poverty, deter conflict and provide better conditions for their people.)
In their statement, the representatives recognized that to assist development partners in designing assistance to fragile states and situations, recipient countries must take leadership and express a strong, long-term vision that should be reflected in their national plans, which must guide donor interventions. These plans would prioritise the following areas (the following section is an excerpt from the statement):

1. **Governance**
   - Political
   - Public administration and decentralisation
   - Economic, financial

We recognise the need for good governance that empowers the people through open and transparent public administration and financial management, political representation and leadership. It is through the principles of good governance that effective and efficient public administration can be achieved. Leadership and effective systems of political empowerment are also essential to ensure development and social inclusion. There is recognition that democracy must be implemented in accordance with local circumstances.

It was agreed that in some fragile nations the needs of good governance require the implementation of a programme of decentralisation to bring service delivery and representation closer to citizens.

2. **Economic development**
   - Infrastructure development (highlighting roads, telecommunications, transport, energy)
   - Natural resource management
   - Land issues and agriculture
   - Poverty reduction
   - Environment and climate change
   - Job creation

With widespread poverty experienced by our nations and as a root cause of our conflicts, we agree that economic development is central to our stable futures. To achieve economic development, the importance of infrastructure development is a priority. Among infrastructure needs, connectivity through telecommunications, quality roads, water and sanitation, and electricity and energy are basic requirements for our development.

Greater emphasis must be focused on aid effectiveness, which can contribute to these core infrastructure needs that will deliver immediate relief and economic development.

3. **Human and social development**
   - Health
   - Education
   - Human resources, capacity
   - Vulnerable citizens
   - Gender equality

Our societies cannot develop without basic conditions that allow our citizens a good quality of life that sustains the human and collective spirit. Education, health, water and sanitation, gender equality and job creation are fundamental to human and social development. Effective programmes that protect and strengthen the most vulnerable and reach the most remote and inaccessible areas are critical to both sustainability and stability.

Aid must be distributed fairly across the country to reduce the risk of conflict, and ensure social inclusion and a common national identity that is respected by international partners.

4. **Security**
   - Conflict resolution and prevention
   - Reconciliation
   - Social inclusion
   - Peacebuilding, dialogue
   - Rule of law

There was a shared recognition that without security there can be no development. We acknowledge that we have a responsibility to address and resolve our internal conflicts. Common to the experiences of fragile states and situations is the occurrence of conflict and the existence of latent tensions and disagreement. We have all dealt with what have often seemed intractable problems and social division. We acknowledged these problems and agreed on the approaches that are necessary to bring peace and security. This includes
the need for reconciliation, social inclusion, dialogue, the institution of the rule of law, and for an honest examination of the root causes of conflict and our national mentality. There must be recognition that a change of national mentality is a long process that takes time. As we have all experienced conflict, there was agreement that we can learn from our individual and collective experiences and discuss together how we addressed our problems.

Resolution of conflict takes time due to the internal dynamic and complexities of our circumstances. Security and stability require the integration of all groups in society which should engage in a process of self-examination leading to a common purpose. International partners must integrate their intervention accordingly.

Action must be taken to operationalise these priorities. There is a strong spirit of solidarity between our countries and a strong desire to continue to work together in the g7+ group to share experiences, challenges, failures and successes, to make a rapid transition to sustainable peace and development, and to bring tangible results for the people of all our nations. We believe this dialogue has provided clarity in our shared challenges in nation building. We recognise our collective responsibility given the urgency of the situation, and given the effect of conflict. We are the furthest away from reaching the MDGs and we recognise we will not achieve them within the current time frame.

In order to work effectively with donors, fragile nations must develop and communicate their own planning, programmes, models and strategies of development through strong leadership. The fragile nations acknowledge that each country must take ownership by developing these frameworks to address individual circumstances and within the national context. We recognise that ownership comes with a responsibility to define our needs and be accountable for delivery. We want donors to adhere to this principle and align accordingly.

When considering these circumstances, we agree there are common themes through shared characteristics and challenges amongst fragile states. All must be addressed with action and aid assistance that is effective.

We recognise fragile states are in a transitional stage – in order to further explore the above themes and to discuss our common and collective issues, it is necessary for the g7+ Partner Meetings to continue. It is through this dialogue and institutional grouping that we can discuss our priorities and our approaches, and in doing so, allow for empowered and effective communication with the donor communities.

We believe fragile states are characterised and classified through the lens of the developed rather than through the eyes of the developing; and that in order to make long-lasting change and implement the principles of good engagement; the national context must guide each distinctive path to sustainable development, and donors must first harmonise to this concept and then implement without undue process. Although we all accept international standards, the donor community must be aware of our conditions and needs. That is why we must give ourselves a transitional period to reinforce our capabilities and systems and not have complex and slow procedural requirements and conditions imposed upon us.

Fragile nations, above all states, understand the meaning of urgent action, that a government’s responsibility to address the needs of the people is a priority which often requires swift, immediate, and decisive responses to avoid potential or escalating threats to national stability. International partnerships are critical at this time. A two-pronged approach is necessary, requiring flexibility in systems and untying restraints that could prevent aid delivery while establishing medium- to long-term planning.

We realise the need to have a collective voice as members of a formal forum, supported and accepted by the international community.

Source: Excerpted from “Peacebuilding and Statebuilding Priorities and Challenges,” International Dialogue on Peacebuilding and Statebuilding, OECD
About the AfDB:
The overarching objective of the African Development Bank Group is to foster sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts.

The mission of the Operations Evaluation Department is to enhance the development effectiveness of the AfDB in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge.

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