Diagnostic Tools for Governance in Fragile States:
Lessons, Trends and Suggestions

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Introduction

Development relies on the ability of key actors to control their interventions and predict the outcomes. In realizing this ambition, these actors rely heavily on suitable diagnostic tools. For the past twenty years being able to diagnose governance has been a main preoccupation in the international development community. Getting on top of governance issues in fragile states has been a special challenge because these contexts set limits to what may be achieved with conventional methods.

The purpose of this Issues Note is to review the experience in and outside the World Bank of using different diagnostic tools in fragile state situations. It will identify trends in the use of such tools, lessons learnt, and arrive at suggestions for the future.

Because governance has continued to be a major concern in the international community, over the years this has led to a growing diversity in the application of the concept. With this diversification the types of assessment in use have also increased, a process that reflects two things. First, each agency tends to design an assessment to meet its own program needs. Second, diagnostic tools have often fallen short of expectations leading agencies to develop new ones, including more recently political economy studies that go beyond what was at least until recently mainstream types of assessing governance. Accepting the diversity of definitions and assessments, this Note does not intend to review the whole field. Others have done this already, notably the valuable overview produced by the OECD/DAC (2008).

A diagnostic tool here refers to the approach and methodology used in assessing governance. Choice of tool has a direct bearing on how an activity is designed and carried out. Making the right choice, therefore, is important. A tool may become "main stream" and the original rationale for its use disappears. It is applied because everyone else is using it or there is pressure to use the same tool as others. A shift to other tools, however, may become necessary because existing tools do not deliver. Such a shift is occurring in the governance field where a focus on institutions is being increasingly complemented, if not replaced, by a studies of underlying political economy factors.

This Note tries to trace this process by highlighting both specific and more general experiences with tools used to assess governance. Fragile states or situations are not typical but they give rise to governance challenges that more than other contexts test the limits of particular tools. This becomes an especially important issue given that what works in countries that are not fragile seems to fall short of the same achievement in fragile situations.
1. Definitions

Fragility and governance are concepts that have been in use by the international development community for some time now. Others have already defined them although these definitions offer differ. This Note builds on what others have contributed but adds to it by focusing on the lessons learnt specifically from applying governance diagnostic tools in contexts of fragility.

1.1 Fragility

There is no single agreed upon definition of fragility (or what constitutes fragility) but there is sufficient agreement that fragile states are characterized by poor governance, weak capacity and weak institutions, high risk of conflict and insecurity, as well as disputed legitimacy and poverty (Agborsangaya-Fiteu, 2009). Beyond this consensus there are several issues around which there is still debate. The most important one centers on how to capture the essence of fragility in specific empirical contexts.

Those who apply the concept look at it from different angles. Some give priority to political conflict, others to political instability, yet others to state weakness. These diverse orientations mean that fragility is not always associated with the state as a whole and may be present in one geographic region of the country but not everywhere. For this reason, some analysts talk about fragile “situations” (Engberg-Pedersen, Andersen and Stepputat, 2007). Factors affecting the functions of the state are sometimes rooted in society. It is important, therefore, to account for these underlying causes. By acknowledging such factors, some analysts prefer to analyze fragility through the lens of a resilience-based approach. This means assessing the capacity of a political system to enable members of society to pursue their well-being and to satisfy their needs and wishes in the light of sudden changes or shocks (European Commission 2009). Fragility, finally, also varies over time. Thus, it makes sense, as Lund (2004) does, to distinguish between situations in which the state is failing to provide security and welfare to its citizens, is already in a state of failure, or is beginning to restore security and welfare and thus recovering.

1.2 Measuring fragility

These differences are especially evident in the ways that fragility is being measured. The Users’ Guide on Measuring Fragility (UNDP 2009) lists a total of eleven institutions that produce fragility indices, most of them based at universities or think tanks and two at the World Bank – (a) the Country Policy and Institutional Assessment (CPIA) and (b) the Worldwide Governance Indicators (WGI). For the benefit of the readers, the list of the eleven indices and their producers is reproduced in Table 1.
Table 1. Select sources for information about state fragility and conflicts.

<table>
<thead>
<tr>
<th>Index</th>
<th>Producer</th>
<th>Authoring institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Governance Indicators, Political</td>
<td>The World Bank</td>
<td>The World Bank Institute</td>
</tr>
<tr>
<td>Stability and Absence of Violence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bertelsmann Transformation Index State Weakness Index</td>
<td>Bertelsmann Stiftung</td>
<td>Bertelsmann Stiftung / Center for Applied Policy Research (Munich University)</td>
</tr>
<tr>
<td>Failed States Index</td>
<td>Fund for Peace</td>
<td>Fund for Peace</td>
</tr>
<tr>
<td>Political Instability Index</td>
<td>The Economist Group</td>
<td>Economist Intelligence Unit</td>
</tr>
<tr>
<td>Global Peace Index</td>
<td>Institute for Economics and Peace</td>
<td>Economist Intelligence Unit, with guidance from an international panel of experts</td>
</tr>
<tr>
<td>State Fragility Index</td>
<td>George Mason University</td>
<td>Center for Global Policy (George Mason University)</td>
</tr>
<tr>
<td>Peace and Conflict Instability Ledger</td>
<td>University of Maryland</td>
<td>Center for International Development and Conflict Management (University of Maryland)</td>
</tr>
<tr>
<td>Country Indicators for Foreign Policy Fragility Index</td>
<td>Carleton University</td>
<td>Norman Paterson School of International Affairs (Carleton University)</td>
</tr>
<tr>
<td>Harvard Kennedy School Index of African Governance</td>
<td>Harvard University</td>
<td>Kennedy School of Government (Harvard University)</td>
</tr>
<tr>
<td>Index of State Weakness in the Developing World</td>
<td>Brookings Institution</td>
<td>Brookings Institution / Center for Global Development</td>
</tr>
</tbody>
</table>


The World Bank has gradually incorporated fragility into its programming by instituting its own units working on conflict prevention and reconstruction as well as fragile state conditions. It has also developed special programs for such states, notably LICUS – low-income countries under stress. This has forced the Bank to develop its own definitions and tools for diagnosing fragility.

It defines a country as a Fragile State if it is a low income country or territory, IDA eligible, with a CPIA score of 3.2 (rounded) or below. Countries are considered core “fragile states” if their CPIA is below 3.0. Countries are considered “marginal fragile states” if their CPIA score is between 3.0 and 3.2. The CPIA is the average score of four clusters of indicators designed to measure the macroeconomic, governance, social, and structural dimensions of development: economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions (World Bank 2010a). These designations are meant to provide guidance to policymakers in considering those countries with weak governance and limited institutional capacity for development. However, it should be mentioned that the Bank recognizes that some countries with CPIA below 3.2 may not exhibit fragility and there may be some aspects of fragility in countries with CPIA scores above 3.2 (World Bank 2007). A harmonized average between the CPIA of the World Bank and those of the African and Asian Development Bank respectively, identified 17 countries as fragile for 2011 Financial Year (World Bank 2010b), all being in Africa except Haiti, Solomon Islands and Timor-Leste.
The Users’ Guide, drawing on nine of the fragility indices (including the two WB approaches), identified a total of 32 countries that appeared on the list of the 10 worst in each of these rankings. Not surprisingly, given the different emphasis of each index, not only is the number of countries greater but so is the type of countries included, as indicated in Table 2.

Table 2. Summary of 2008 worst country rankings in nine indices measuring fragility.

<table>
<thead>
<tr>
<th>Number of appearances</th>
<th>Name of countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Afghanistan</td>
</tr>
<tr>
<td>8</td>
<td>Iraq, Sudan</td>
</tr>
<tr>
<td>7</td>
<td>Somalia</td>
</tr>
<tr>
<td>6</td>
<td>Central African Republic, Democratic Republic of Congo</td>
</tr>
<tr>
<td>5</td>
<td>Chad, Cote d’ Ivoire</td>
</tr>
<tr>
<td>4</td>
<td>Liberia</td>
</tr>
<tr>
<td>3</td>
<td>Burundi, Pakistan</td>
</tr>
<tr>
<td>2</td>
<td>Ethiopia, Haiti, Lebanon, Myanmar, Zimbabwe</td>
</tr>
<tr>
<td>1</td>
<td>Comoros, Djibouti, DPRK, Eritrea, Guinea-Bissau, Israel, Mali, Nepal, Niger, Nigeria, Russia, Rwanda, Sao Tomé e Principe, Sierra Leone, Tanzania, Togo</td>
</tr>
</tbody>
</table>


23 of the worst countries are in Sub-Saharan Africa, 5 in Asia, 3 in the Middle East and one in Europe, indicating that fragility is especially concentrated to the former region. Furthermore, the agreement about which country to include is narrow or relatively narrow. Only a dozen countries appear in three indices or more. No less than 16 countries, including a few surprises like Russia and Tanzania, appear just once.

The Users’ Guide is a helpful source for understanding the criteria used in developing the various indices on measuring fragility. It highlights the many problems or weaknesses associated with each measure. In order to be globally comparative, these indices start from a model of a stable country that resembles the European welfare state. It also points to the dubious quality of data, especially if it is collected by government agencies. In short, the Guide deals with the broad range of design issues.

This Note, while building on its material, differs from the Users’ Guide in at least three respects. First, instead of focusing on design, it relates and analyzes experiences of using diagnostic tools associated with specific measures. Second, it recognizes that rankings of countries are not enough. They provide only a superficial and initial indication of what is wrong and requires follow-up using methods other than those applied in producing indices. Third, it focuses on the experiences of assessing governance in situations of fragility. As such, fragility is an independent variable rather than a dependent one, as in the fragility indices referred to above.

1.3 Governance

Like fragility, governance is, if not contested, a concept that has lent itself to various definitions. Following the work of Douglass North (1990), governance has for a long time been associated with the quality and predictability of institutions. This is reflected in the two definitions that have guided much of the World Bank’s own work in the past twenty years. In 1992, governance was defined as “the manner in which power is exercised in the management of a country’s economic and social resources for development” (World Bank 1992). Fifteen years
later it had been modified to read: “the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services” (World Bank 2007).

More recently there has been a growing interest in going beyond institutions and also analyzing underlying structural variables that determine the quality and performance of institutions. This shift is of special relevance to the study of governance in situations of fragility. At stake in these situations is the fate not only of individual institutions but also the regime at large. Thus, governance is more than institutional management; it is also more than government. By being linked to regime, governance is also more than public administration or public finance management. It has to do with the norms and rules that hold society together and shape the interaction between various stakeholders, public or private. The definition used here takes these shifts in thinking about governance into consideration. Governance is the management of the public realm in which state and non-state actors come together to make policy decisions affecting the security and welfare of the citizens. This definition is broad enough to apply to fragile states since it recognizes that quality of governance in such situations manifests itself particularly in how the interaction between government and citizens is structured. It also acknowledges the importance of including underlying factors lodged in society, a concern expressed by many analysts of fragile states.

1.4 Governance assessments

Governance assessments may be categorized in terms of their focus on either rules or outcomes (Kaufmann and Kraay 2008). The former assesses the nature and stability of the “rules of the game”, while the latter traces results and deduces governance quality from there. Whatever the focus, there is a problem of establishing cause and effect relations. Demonstrating that certain outcomes are the result of specific policy interventions is as difficult as trying to show that specific rules produce desired outcomes. Because none is perfect, the choice depends on circumstances. An outcome-based approach may make most sense in situations of political stability where institutions provide predictable outcomes. A rule-based approach, however, may prove particularly useful in situations of fragility where establishing the “rules of the game” is a prerequisite for more predictable outcomes and greater effectiveness e.g. in service delivery.

Governance assessments vary in terms of why they are being conducted. When conducted largely to serve internal donor purposes they are, in OECD parlance (OECD 2008), having a “backwards orientation”, while if they are meant to feed into national reform, learning and public debate, they have a “forwards orientation”. Thus, indicators applied in governance assessments may be used for reasons such as, to: (a) judge the longer term trajectory of change in a given country, (b) assess specific political events, e.g. elections, in their country context, (c) engage in dialogue on country performance, and (d) inform the choice of aid instruments and programming of aid. In addition, these assessments differ in what they cover, and how they go about obtaining information. They may cover whole political systems or may zero in on a particular arena or issue like risk of conflict. They may rely on quantitative or qualitative data produced either by surveys, expert panels or expert analysis. In recent years assessments have become more participatory. Participatory group methods and self-assessment are now included among the diagnostic tools. Answers to the why, what and how questions are summarized in Table 3.

The diagnostic tools that have been used to specifically address the challenges of fragile states cover the whole range identified in this table. The rationale includes both in-house and partner state needs. The coverage includes institutional as well as political systems analysis. The methodology, finally, includes the full range from quantitative to qualitative data collection and analysis. This variation provides a rich basis for this review.
Table 3. The why, what and how of governance assessments.

| Why?                                      | Judging long term trajectory of change |
|                                          | Assessing specific governance events in context |
|                                          | Enhancing partner policy dialogue |
|                                          | Designing specific governance support |
| What?                                    | Whole political systems |
|                                          | Business environment |
|                                          | Public finance management |
|                                          | Service delivery |
|                                          | Rule of Law |
|                                          | Conflict risk |
| How?                                     | Opinion surveys |
|                                          | Expert panels |
|                                          | Factual data |
|                                          | Expert analysis |
|                                          | Participatory group methods |
|                                          | Self-assessment |

As experience with governance assessments has grown it has become increasingly evident that many of the factors that determine the quality of governance lie beyond the diagnostic tools used to assess institutional qualities with regard to e.g. effectiveness of service delivery. Political economy analysis, therefore, is a tool applied to examine these underlying factors, be they social structures, informal institutions outside state or market, and distribution of power among social groups. These factors create incentives to act that are not captured by an analysis focused on formal institutions only. They are, therefore, valuable complements to regular governance assessments. DFID ("drivers of change"), Sida (power analysis), and the Netherlands Government (Strategic Corruption and Governance Analysis) are examples among the bilateral agencies that have given greater prominence to political economy studies. Many country assessments made by the World Bank have also relied on this form of diagnostic tool. A recent practice framework produced by Bank staff argues for an integration of governance and political economy analysis into what they call problem-driven governance and political economy analysis (PGPE) (Fritz, Kaiser and Levy 2009).

Political economy studies focusing on fragile states aim to uncover the political and economic drivers of conflict, and the relative power, exclusion and vulnerability of different groups over time. They often include an analysis of the competition between formal and informal institutions that tend to be particularly evident in fragile and conflict affected settings. The overall purpose is to identify shifting coalitions that contribute to or prevent state collapse, the nature and sources of state capacity, authority and legitimacy, and how and why rent seeking and neo-patrimonial political systems can either contribute to, or undermine, state stability (Di John 2008).
2. Lessons and Trends

All the major OECD donor governments have programs focusing on fragile states or post-conflict situations. These activities vary from security-oriented interventions to concerns about public administration, elections and service delivery. Some governments and agencies have done more than others in terms of thinking through the specific challenges associated with governance in fragile states. Apart from the World Bank, among those should be mentioned the UNDP, OECD, DFID and the Netherlands government. Outside of the official actors, several think tanks have been prominent in developing and evaluating instruments for assessing fragile state governance, for instance the International Peace Academy and the International Crisis Group in New York, Institute of Development Studies and Overseas Development Institute in the U.K., the Clingendael Institute in the Netherlands and Chr. Michelsen Institute in Norway. A particularly helpful and informative website is provided by the Governance and Social Development Research Centre, jointly funded by DFID and Australian Aid (www.gsdrc.org).

This sub-section draws on the material provided by these official agencies and think tanks. It addresses the three questions included in Table 3: (1) why or for what purpose were specific diagnostic tools used? (2) what was being assessed? and (3) how was it done? Diagnostic tools may be chosen with reference to any one of these questions; hence the importance of assessing their value in relation to all three.

2.1 For what purpose?

This question raises the issue of what kind of expectations that is associated with the choice of diagnostic tools. The Bank and other agencies have typically applied governance assessment tools for either of two purposes: informing country strategies and designing a specific program intervention in a given country. These agencies may also have differed in terms of whether the tools were used for conflict prevention or for post-conflict restoration. These are different purposes with varying implications for what to expect.

2.1.1. Designing strategy or program

A governance assessment meant to inform country strategy would typically be broad and covering a range of thematic issues as well as an analysis of the political system at large. It would be general in its narrative and offer a contextual analysis of use for designing more specific program interventions. Because the assessment scans a large surface rather superficially, it tends to be optimistic in tone. It sets the expectations under which the more specific program interventions are being designed. This easily become an issue especially in fragile state contexts where the control over events that actors are able to exercise tends to limited. Should the strategic objectives not be reached, however, the response is typically to try harder since strategies are expected to work over a longer time span. Heads do not fall because of failures at this level. In short, choosing diagnostic tools for the purpose of designing a strategy tends be shielded from critique and negative consequences because it is a step removed from implementation and action.

This is not the case at the level of specific program interventions because here choice of diagnostic tools is tied to action. The challenge in fragile state contexts is how much time to invest in collecting data and conducting analysis given the uncertainty that typically exists. It may be necessary to conduct an assessment in a “quick and dirty” manner in order to satisfy urgent needs and avoid transaction costs that could become a back-firing factor. At the same time, experience also shows that relying merely on conventional tools may have the same adverse effects. For example, how far does a Governance and Corruption (GAC) methodology unlock what needs to be done to reduce or overcome fragility?
It was used in Sierra Leone in the early 2000s. Weak governance there over several decades culminated in the collapse of state institutions and served as a root cause of the 11-year civil conflict that lasted through the 1990s. In 2002, collaboration between the government and the international community stabilized the security situation and ended widespread violence. At this point the Sierra Leone government sought World Bank support to create a National Strategy for Good Governance. Improving governance and combating corruption was seen to play a key role in economic development and preventing future conflict. The World Bank offered its GAC methodology to gain in-depth analysis of the situation in the country drawing on experiential information from three separate surveys of 1800 households, 600 enterprises, and 590 public officials.

Conditions in Sierra Leone presented many constraints to implementation of the tool. Key challenges included weak capacity at all levels and high levels of fear and mistrust. The World Bank encountered huge capacity gaps with the local team and devoted a tremendous amount of time on training. At the community level, there were also concerns about the degree to which people understood the questions or understood their rights, or ‘understood what they deserved’. Moreover, due to the climate of mistrust many users were reluctant to answer questions about services for fear of intimidation. Furthermore, there were questions about the coverage of the survey and the degree to which the results were integrated into the strategy for how to move forward.

What the Sierra Leonean case illustrates is the difficulty of matching tool with purpose. Bringing stability, even when the host government is favorably inclined to the purpose, is cumbersome. Conventional tools may at a first glance seem to fit the purpose, but they are not always sufficient or adequate. In the Sierra Leonean case it was also an expensive one involving considerable amounts of money and human resources. One author finds with reference to the World Bank’s approach to conflict-affected and post-conflict states that it focuses more on “doing things differently” (adapting its existing policies and tools to the context) than on “doing different things” (creating new policies and adopting new tools), although funding demobilization programs and security-sector reforms in some cases has exemplified the latter (van Houten 2007:651). Thus, the same author argues, the Bank’s approach can perhaps best be described as a “do no harm” policy, rather than as a “policy on conflict” although in some cases, as in Bosnia, it did adopt a more explicit post-conflict reconstruction and conflict prevention agenda.

A recent study of state-building in Sierra Leone (OECD 2010) confirms the World Bank experience. By linking governance to security and development donors require an integrated approach that emphasizes the need to begin with the analysis in the local context and to use more than one tool to analyze the situation. This study also echoes the views particularly prevalent in the European Union countries that dealing with governance issues in fragile situations or states requires a “whole-of-government” approach, i.e. a simultaneous focus on diplomacy, defense and development (3Ds). The EU approach prioritizes “policy coherence”, i.e. the need for coordinating different branches of government to obtain a greater effectiveness in the approach to fragile states (Patrick and Brown 2007). This is administratively as well as politically a very ambitious approach with clear implications for what to expect from the use of multiple tools. Experience suggests that the diagnostic tools adopted to fulfill an integrated or “whole-of-government” approach tend to ask for more than can be programmatically delivered. The link between design and implementation tends to get lost especially in fragile state contexts where the opportunities for controlling events and processes are more limited than in peaceful and orderly settings.

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2.1.2 Preventive or restorative purpose

This distinction is also important when discussing the experiences with different diagnostic tools. Preventing fragility from making governance worse is a tall order but one that donor agencies see as preferable to merely responding to conflict. They do so, on economic as well as moral and political grounds. Tools that are being used for this purpose may be conflict and security analysis covering a wide range of issues or more specific studies related e.g. to elections. In the latter case, the tools may again vary from broader political economy analysis to more specific assessments and monitoring of elections and electoral systems. The value of these tools should not be underestimated – one wonders what would have happened without them – but even so, it is clear that tools used for preventive purposes rarely live up to full expectation. The 2006 elections in the Democratic Republic of Congo when reportedly US$ 460 million was spent is a case in point since there was a new spike of violence after the event.

Conflict prevention may have been part of an international agenda for more than a century but it got a strong and recent boost after the genocide in Rwanda and the break-up of Yugoslavia in the early 1990s. It produced a number of new initiatives that built on the premise that there are ways of finding out in advance what the threats to peace in a given country are. A recent review of these approaches indicates that significant progress has been made with regard to developing indices and quantitative measures of these threats that are now broadly used by actors in the international development community (OECD 2009). An example is offered in Box 1.

**Box 1. The Dutch Stability Assessment Framework**

The Clingendael Institute of the Netherlands has prepared one of the most comprehensive diagnostic tools for assessing variables in the governance-security-development nexus. Its Stability Assessment Framework (SAF) was produced in 2005 for use by the country’s Ministry of Foreign Affairs. It is separate from the Ministry’s main tool – the Strategic Corruption and Governance Assessment (SCAGA) – and meant for use in order to establish level of stability or instability in a given country. It does not treat fragile states as a distinct category. Being both descriptive and analytical, it emphasizes the need for trend analysis and is built around twelve different indicators divided into three clusters: (1) governance, (2) security and (3) socio-economic development. The first cluster includes the following indicators: legitimacy of the state, public service delivery, rule of law and human rights as well as leadership. The second includes security apparatus and regional setting, while the third – the largest – includes demographic pressures, refugees and internally displaced persons situation, group-based hostilities, emigration and human flight, economic opportunities of groups and the state of the economy. Each indicator is assessed on a 10-point scale, with 10 being the low point. For example, with reference to public service delivery, the tool tries to establish how it is affected by conflict: is it deteriorating? is it disappearing? does it increasingly come to serve only the elite? and so on. The tool relies on expert analysis and judgment as well as the use of multiple sources to ensure sufficient accuracy.


Conflict prevention also has the added “baggage” in that it is deemed to be politically controversial and its value is seen as difficult to establish (Bellamy 2008). These are reasons why it has not been applied in the context of the 2005 “Responsibility to Protect” resolution by the United Nations although it is potentially very relevant in that context. Another criticism that has left conflict prevention a disputed subject is the inclination among analysts to
Theoretically separate conflict prevention, management and resolution although in practice the three concepts tend to be interrelated (Swanstrom and Weissmann 2005).

The political costs associated with lack of success with preventive measures tend to be higher than in cases where measures are meant to restore normalcy or stability to a given country. The political climate is often more congenial to change in contexts aimed at restoring peace and stability. Elections in both Liberia and Sierra Leone in recent years, in spite of hurdles, suggest that significant improvements can be achieved in a post-conflict situation. The question here is how much success can be attributed to choice of diagnostic tools. Even if tools that help lay the foundation, e.g. for free and fair elections or an appropriate electoral system, may play their part, it is as much the atmosphere, e.g. weariness with violence, that helps explain a positive outcome.

Choosing the right tools for the right purpose is important but it is also clear that matching is no easy task. The tendency is to overestimate the role that diagnostic tools can play in relation to programmatic purposes. Time – or money – may not allow for a thorough analysis or assessment because the state of fragility calls for urgent action or, the opposite may be the case: so much money is being spent preventing fragility from undermining governance that inability to do so becomes a major embarrassment.

2.1.3 Trend

There may be no clear cut trend when it comes to the rationale behind the choice of specific diagnostic tools in assessing governance in fragile states. Still, there seems to be a difference from the governance mainstream where the preference among donors has been away from general assessments toward more specific and operational tools. The story of the Worldwide Governance Indicators and the Public Expenditure and Financial Accountability (PEFA) tells it all: while the WGI's are considered less useful, there is a broad consensus in OECD circles that PEFA provides helpful information for actionable interventions. In fragile state contexts, however, even PEFA is no “magic bullet”. Public finance management and financial accountability are no doubt as important there as elsewhere but other more fundamental political issues press themselves upon policy-makers, thus calling for diagnostic tools that focus not only on policy but also political choices. In short, assessing governance in fragile state contexts calls for a tool-box that has an appropriate mix for analyzing not only specific policies but also underlying political factors.
3. What has been assessed?

So what have donors assessed in fragile states? What tools have been applied? In answering these two questions it may be helpful to organize the discussion around two quite discernible issues: (1) the increasing weight being given to structural variables and (2) the growing importance attached to contextual factors shaping not only policy outcomes but also policy choices.

3.1 The role of underlying structural variables

For some three decades now, governance analysts have had their faith in focusing on policy and institutions as prime targets of intervention. There are good reasons for this position. Such a focus permits the use of quantitative data that give choices an “objective” character. Moreover, it enables the analyst to arrive at professionally impressive designs. Finally, it provides the policy-maker with a straightforward instrument to make a difference to the better. It is not difficult to see that this focus has proved attractive to governance and development analysts for such a long time.

With outcomes falling short of target, often considerably so, however, there is a growing realization that policy and institution alone do not drive development, especially in fragile states (World Bank 2006, International Alert 2008, Rocha Menocal et al. 2008). As noted above, the many calls for political economy studies are indicative of the need to include underlying structural variables in the assessment².

The inclusion of political economy studies in efforts to assess governance poses its own challenges, especially in the World Bank and regional development banks where the issues of politics are expected to lie beyond their mandate. Bilateral donors have found it much easier to make use of them as already indicated above. As in all institutions there is a definite measure of path dependency making adjustments difficult. Staff has gotten used to doing things in a particular way. Re-tooling is a challenge. New units may be established to deal with these more controversial issues but the question remains how much influence they have on the operational side of the organization. Shifting the direction of a ship as large as the World Bank has always proved difficult and the adoption of new diagnostic tools alone has rarely, if ever, proved to be enough. It is significant, however, that attempts are made within the Bank to “mainstream” political economy studies like the PGPE (Fritz, Kaiser and Levy 2009).

It is also evident that in operational practice, the line between policy and politics is often transcended in order to ensure project or program success. The cases of Cambodia and Haiti illustrate this.

Cambodia is no longer considered a post-conflict country, but it is still a fragile state with weak institutions. Based on CPIA it was below the threshold at 2.5 in 2009 although it has now reached 3. To understand the dynamics and opportunities for demand for improved governance in Cambodia, multiple tools were used alongside each other in a complementary fashion. In addition to relying on a variety of existing governance assessment data developed by other agencies, including DFID and Transparency International, the World Bank implemented a number of broad assessments, engaged in some political economy analysis, and applied the Civil Society Analytical Tool (CSAT).

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² We make the distinction here between “institutions” as formal rules and “structures” as those factors, political, socio-economic, cultural and historical, that constitute the context of which policies and institutions are inevitable parts.
Emerging from decades of civil conflict, Cambodia achieved impressive growth and poverty reduction over the last decade. While the country has made good progress on these fronts, its WGI scores indicate that the governance environment remains weak. The government recognized the importance of strengthening governance in its National Strategic Development Plan (NSDP) 2006-2010 and in the Rectangular Strategy (RS) 2004-2008. The need to implement such reforms has become increasingly urgent with the prospect of significant revenues from the extraction of oil, gas and mineral resources.³

Traditionally, initiatives to improve governance in Cambodia have focused on the supply side, for example strengthening the civil service, public administration, and public finance management. While supply side efforts are necessary, broader and more lasting results may only be achieved if complemented by measures that strengthen the demand for good governance. The government of Cambodia sought World Bank assistance to go beyond supply side approaches for improving governance. It asked the Bank to assist in the design and financing of a special Demand for Good Governance (DFGG) program meant to enhance the capacity of the state as well as strengthening the demand for good governance in civil society. Conceptually, DFGG refers to the extent that citizens and other non-state actors have the ability to enhance their voice and hold the state accountable, thus making it more responsive to their needs. At the same time, the tool is meant to help state institutions become more transparent, accountably and responsive to citizens (World Bank 2008).

The World Bank governance diagnosis in Cambodia offers some specific and useful lessons. First of all, the project had no precedent on how to engage on what was viewed as a highly sensitive issue. Consequently it was critical to understand what was needed and what was feasible. Many donors, including the Bank, have had a delicate relationship with Cambodia. For example, the Bank had discovered seven corruption cases and there is a history of lack of integrity cases involving officials from the country. Different assessments were implemented to take stock of the existing civil society landscape and assess capacity within civil society in order to understand the political economy and enable the identification of viable entry-points within this sensitive terrain, and to identify the scope for innovation and institutional development where things were working well and with good prospects for transformation (World Bank 2009).

The experience in Cambodia also indicates that in fragile states expectations about governance may be low, but so are the levels of dissatisfaction. Some interviewees commented that ‘they are stealing our money but at least they are not killing us’. Observers also noted that the climate of uncertainty and fear in Cambodia persisted. Many people did not want to be seen to complain because they perceived that they could get shot. However, the political analysis information indicated that an ongoing social and demographic transition in Cambodia was moving it in a post conflict direction with a burgeoning middle class likely to demand good governance.

Haiti. Moving on to the next case, it is a country with a long history of political instability, poverty and inequality. This fragile country was ranked among the most corrupt nations for the past several years on Transparency International’s corruption index, above just two other countries – Myanmar and Somalia. Among other governance challenges in Haiti, the 2008 Freedom in the World Report noted widespread insecurity and violence and the absence of a viable justice system. Aiming to implement governance reform as outlined in Haiti’s Poverty Reduction Strategy Paper (PRSP), the government applied the World Bank Governance and Anti-Corruption (GAC) diagnostics tool to inform the preparation of an anti-corruption strategy. This country-level assessment

³ Project Appraisal Document on a Proposed Grant In the Amount of SDR 12.8 Million (US$20 Million Equivalent) to the Kingdom of Cambodia for a Demand for Good Governance (DFGG) Project, October 23, 2008. Sustainable Development Department, East Asia and Pacific Region, Report No: 42366-KH
method consisted of in-depth, country-specific surveys of thousands of households, private sector, and public service officials to collect detailed information on the state of governance in the country.

The main political challenge in Haiti stemmed from the security situation in the country, a factor that matters in most fragile states. Violence and uncertainty was not confined to Port-au-Prince alone but affecting the assessment also in other parts of the country. The kidnapping of the head of the Anti-Corruption Unit (while unrelated to the governance assessment) was as powerful evidence as any that the security situation was problematic. Further, the climate of suspicion and mistrust restricted engagement and accessibility to some key actors. Specifically, speaking to members of the police and other actors within the security services was difficult due to the high levels of suspicion. While the GAC also generated some positive results, it fell, like in Sierra Leone, short of expectations (World Bank 2007).

The lessons from these and many other cases raise the issue of which is the best entry point for assessment and subsequent intervention and how wide a coverage to adopt in order to assess governance in fragile states. Many bilateral agencies have learnt their lessons and have already incorporated conflict and security analysis tools as well as power studies that take on the role power plays in determining policy outcomes (Hyden and Mmuya 2009).

3.2 Context and policy choice

Any policy analysis exercise faces the issue of how widely one throws the net to capture relevant independent variables that shape design and the anticipated implementation process of a given initiative. A short throw means that a number of potentially decisive variables are excluded. At the same time, it allows for a robust design. A long throw includes a broader range of variables but it makes the exercise more complicated and less robust when it comes to determining anticipated cause-and-effect relations. Choosing between just proximate factors or others that are more distant is important for how a policy is eventually implemented. Where government capacity is strong, implementing policies that have a narrow target is not only desirable but also feasible. In countries where government is weak, however, such policy designs may serve to undermine its legitimacy because it fails to implement the policy as designed. This is a constant challenge in failed states where in addition to a weak government administration, the political environment tends to be volatile.

Fragility may come suddenly but it does not disappear easily or quickly. A fragile state or situation tends to last, sometimes for years. Countries like Chad, DRC and Sudan are African cases in point, Afghanistan and Timor-Leste illustrations from the Asia Pacific region. In these situations donors are faced with the issue of how much to take on in order to facilitate a transition to more normal conditions of governance. Do they place “all eggs in one basket” in order to get a “bounce” effect or do they plan a comprehensive strategy that cover the full range of possible areas of intervention: security, public administration and governance, justice and human rights, economic recovery, service delivery, and post-conflict integration? The former approach is based on the premise that a “founding event” like a post-conflict election is a key legitimizing factor. The latter rests on the assumption that a breakdown in governance is systemic and thus requires plugging all the holes in a concerted and comprehensive manner.

The promotion of elections as marking the moment of transition from civil war to democratic governance and conferring legitimacy on a new political order has more often been pushed by the international community than by local stakeholders (Reilly 2006). Experiences with this approach are mixed. Elections did play a pivotal role in Namibia 1989, El Salvador 1994 and Mozambique 1994, but the opposite was the case in Angola 1992 and Haiti 1997.
A focus on the role of elections implies a concentration of the diagnostic efforts on key aspects of ensuring their success. The issue here again is how wide to throw the net. Some believe in the value of getting “elections right” by choosing an appropriate electoral system (typically PR for fragile states), appointing an independent electoral commission, and providing enough support for monitoring the election campaign, the actual ballot, and the post-election events, notably whether the losing party accepts the outcome (Lyons 2008). A more widely held view, however, is that elections in and of themselves rarely produce a transition to peace and political order. Some argue from reviewing different experiences that agreement on a new constitution, as in South Africa in the early 1990s is a necessary precondition for holding legitimate elections (Jarstad 2008). Others point to the importance of a power-sharing arrangement prior to elections as precondition (Kovacs Soderberg and Ohlson 2003). Yet others have even greater reservations pointing to the importance of effective government as the key factor (Norris 2008). The lesson to be learnt from adopting a narrow scope, such as a focus on elections in transition from conflict to order, is that the diagnostic tools in use have produced variable results. A second lesson is that broadening the assessment to include other factors tends to increase rather than reduce the predictability of outcome. At the same time, integrating findings from studies of various sectors using different diagnostic tools makes the aggregate analysis more difficult of what counts in a transition and how.

There is a growing appreciation in the international donor community of understanding the context in which fragility and thus threats to good governance arise. There was a lack of such analysis in the case of the aftermath of the genocide in Rwanda in 1994 leading donors to adopt an essentially technocratic approach to dealing with restoring order. Such a limited view of what needed to be done made the support largely irrelevant (Uvin 1998). Much the same happened in Timor-Leste a few years later (Norad 2007) and confirmed by an independent study, as indicated in Box 2. In response to this and other similar recorded experiences, DFID insists on the need for an integrated framework that takes advantage of different diagnostic tools such as Country Governance Analysis, Political Economy Analysis, Strategic Conflict Assessment and Gender and Social Exclusion Analysis (DFID 2010).

<table>
<thead>
<tr>
<th>Box 2. The costs of omitting the tools in the box.</th>
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<td>Development partners rarely make the effort to take stock of what tools are available to analyze a conflict situation. Despite progress made in developing theoretical approaches to understanding the causes of conflict, development partners still tend to overlook them. The result is that they react to symptoms rather than addressing causes of conflict. Experience for example from Timor-Leste indicates that the contextual analysis on which development partners relied addressed the external conflict dimension at the expense of the internal one. No attempt was made to understand the historical dimension or the relations between different social and political groups. Tensions and vested interests among development partners may have exacerbated the conflict and changed its dynamics to the worse. Adequate context, conflict and risk analysis, therefore, should be a pre-requisite for program development and policy formulation.</td>
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Source: adapted from The Applicability of the Paris Declaration in Fragile and Conflict-Affected Situations, Oxford Policy Management, August 2008.

What these and other experiences also suggest is that designing policy interventions as if from a clean slate limits its impact. Policy-makers and other key actors come to the table with their own interests that cannot be ignored. Some may have a constructive agenda but there are also likely to be “spoilers” (Stedman 1997). Who is going to
do what is always difficult to anticipate and it is important, therefore, to apply diagnostic tools not just once but at intervals during the process of implementing a given policy or reform program.

3.3 How has it been done?

It is always tempting to work with the tools that one knows best. Adding to one’s tool box means investing in learning something else, a challenge that many a policy analyst never gets to consider because there is no time or incentive to do so. Yet, there is evidence that when it comes to studying governance in fragility contexts, two things are increasingly happen. The first is the adoption of multiple methods and triangulation; the second is the increasing reliance on participatory methods, including self-assessment.

3.3.1 Multiple methods

Despite the challenges that multiple methods pose, there is plenty of evidence to suggest that triangulation is becoming increasingly common and deemed necessary in order to complete a diagnostics exercise in fragile state contexts. This often includes participatory group methods, whether conventional focus group methods or others aimed at soliciting the views of citizens.

The Users’ Guide (UNDP 2009) stresses the value of complementing quantitative work with more qualitative studies that focus in greater detail on the anticipated threats. It concludes that there is no single methodology or single set of indicators that work in every situation. This position is also echoed in DFID’s “practice paper” on building peaceful states and societies (DFID 2010). The agency emphasizes the importance of what it calls a “whole” approach to countering fragility but acknowledges also that different challenges require different timeframes. In the Kenyan post-election case 2007-08 the analysis by political experts, insiders as well as outsiders, was that so much was at stake for the local business community and Kenya’s reputation as a tourist and investment destination that reaching a settlement among the political elite was a necessary first step. Such settlements were engineered in Nepal and Sierra Leone, imposed in Burma and negotiated in an informal manner in Zimbabwe. By whatever means they were achieved, lessons learnt indicate that in order to be successful they must create a level of trust that facilitates dialogue and be sufficiently comprehensive to lay the foundation for a longer return to normalcy with regard to governance and resource allocation. These short term solutions require first and foremost expert analysis by people who are experienced and well familiar with the situation on the ground. It must be done balancing independence and integrity, on the one hand, with engagement and savvy, on the other.

Triangulation is not always possible by a single person but requires a team of researchers or analysts. Assembling such teams and making them effective is often a challenge. In addition, there is the issue of integrating data from a triangulated assessment exercise. Consulting teams may achieve such integration, but then remains the task of making sense of it in practice. The risk exists that the more integrative the analysis becomes, the greater the problems to operationalize its findings. There is certainly reason to consider this an issue as the tendency among donors encourages triangulation and the use of multiple methods. This tendency also emphasizes the need to consider better coordination and cooperation among donors. This is a stated objective in the 2005 Paris Declaration but it is not always acted upon when it comes to diagnosing governance issues. Borrowing data from each other is not enough. The challenge lies in avoiding too many studies and instead cooperating at the levels of design and carrying out these studies.
3.3.2 Participatory methods

Working from the bottom-up and involving local stakeholders is important and highlighted by several projects aimed at improving governance. Despite the suspicion that the GAC exercise generated among some people in Haiti, as indicated above, it was participatory and inclusive in design. It engaged both state and non-state actors in the design and validation of the questions, data collection, analysis, and through the drafting and dissemination of the strategy. A steering committee established by the government included representatives of academia, civil society and the government and fostered participation by a broad spectrum of Haitian society from the inception (sustainable relationship building among stakeholders). Consequently, this process created a positive dynamic between civil society and the government leading to an integrity pact (Pact d’Intégrité) between the two sides to promote collaboration on good governance and corruption reduction efforts. The media also played a key role in the dissemination of the results and the strategy. Furthermore, the initiative was well received by other donors who used the results to help define their support for Haiti’s governance reform agenda (World Bank 2007).

A frequently overlooked aspect of improving governance in fragile states is what happens at the local level. Fragility tends to call for action at the central level – often at the cost of specific localities although the situation there may be different: either worse or better. Focusing on local governance in conflict situations, therefore, should wherever feasible be an integral part of the approach adopted even if that means extending the scope. For instance, the mitigation potential of local government institutions, including traditional authorities, is sometimes greater than that of central government institutions (UNDP 2007). Devising instruments to capture what is going on at the local level is not easy but is often a preferred approach (ECA 2007).

Local involvement is valuable not only by various stakeholders but also by local analysts and think tanks. In many countries such people may be already too busy or for other reasons not available, but involving such actors often has significant pay-offs. Experience from Nepal suggests two things that are valuable when considering the development of a longer term strategy to improve governance in situations of fragility (Bhatta 2009). The first thing is that evidence-based research on governance is especially important in fragile state situations where conflicts tend to cast doubt over the credibility of specific studies. Even though Nepal has only a limited number of think-tanks they do produce data on governance issues, e.g. corruption and quality of public administration as well as more specific sector data, e.g. in education, but they are rarely aggregated to form the basis of a comprehensive overview of the governance situation. As part of its effort to produce a three-year development plan for the country, the National Planning Commission did assemble data from various sources in order to provide as good a factual basis as possible for strengthening governance in the wake of the conflict that had arisen between government and Maoist rebels. The second thing is that this strategic plan also benefited from information gathered through a participatory governance assessment (Government of Nepal 2007). That exercise helped identify priorities of the poorer segments of the population and confirmed that needs and priorities of the poor are highly context-specific. Problems of implementing the strategy, however, also indicate the risk associated with participatory assessments: an overambitious set of goals that cannot be implemented within an agreed timeframe.

This account would be amiss if reference is not made to the self-assessments that are now being carried out in Africa under the auspices of the African Union’s NEPAD Secretariat. This African Peer Review Mechanism has been applied in some twenty African countries, admittedly with varying results. The exercise has been carried out in some post-conflict countries like Rwanda. The main point here is that these peer reviews engage a broad range of stakeholders in a process aimed at improving governance. Although the government tends to hold the upper hand and sometimes censors material, the reviews, even when not conducted as well as they could, tend to have a conflict-preventing purpose. Unlike the assessments that are made by the donor community, these self-
assessments start “from the bottom up” in ways that allow for improved governance that builds on local institutional practices. As a tool, self-assessment when carried out on a country-wide basis could be unwieldy but the results, however scattered, may in the long run be as valuable as those that come out of more carefully designed and planned studies. Experiences from both Ghana and Kenya are indicative of that.

Involving a broad range of stakeholders may initially be difficult given lack of trust or sentiments of revenge that may still be harbored in various quarters. Yet, stakeholder analysis and other participatory group methods may be the most appropriate tools to adopt in order to base the transition on interests and dynamics inherent in society. They have the potential of identifying needs and capacities that regular citizen surveys typically do not reveal. The recent DFID “practice paper”, for example, argues that views of members of society cannot be ignored and that the most suitable point of intervention is where state meets society (DFID 2010). The implication is that the conventional donor focus on central government may have to be modified to include a “bottom-up” approach that engages non-state actors. Such non-state actors are not always doing positive things, but they do often have an important role in linking state to society. In this sense, they constitute an important link in the chain of restoring peace and normalcy. Rather than dismissing them altogether, therefore, empirical research should be conducted to identify their potential for assisting in the transition from conflict to peace (Kelsall 2008).

3.4 Trend

As indicated above, the answers to the “how” question is particularly enlightening when it comes to trends in the use of diagnostic tools. This is where “the rubber meets the road” and the experiences point in a clear direction towards the use of triangulation, including participatory methods. The application of such methodology has already had two important implications. The first is the decline in the use of indices, at least for programmatic or operative reasons. The second is the growing significance attached to context – or underlying structural variables. This does not imply abandoning a focus on what institutions can do to improve governance, but it emphasizes the need for complementary inputs from interventions aimed at modernizing and formalizing informal practices, overcoming power inequalities, and integrating multiple ethnic or religious groups. In short, it raises the question of the relationship between governance and development. What comes first? What explains what? These are issues that the lessons from using diagnostic governance tools in the past two decades give rise to when examined from the perspective of fragility.

Restoring a country from a state of fragility is never a linear process, but one filled with hurdles and zig-zag moves. Experience shows that there is a limit to what donors can do in the shorter term. Shorter term attempts to “fix” problems of state legitimacy in countries like Iraq, Afghanistan and Kosovo have created their own backlash because of the sense of urgency with which donors have insisted on dealing with the issue (Anten 2009, OECD 2010). What needs to be done in the longer term perspective is rarely independent of what is done in the short term. The challenge, therefore, is how to get the right “mix” of tools that allow the analyst to keep sight of the longer term while addressing the short term challenges (Chr. Michelsen Institute 2004).
4. Conclusions and Suggestions

4.1 General observations

In their review of governance assessments Kaufmann and Kraay (2008) argued that all indicators have weaknesses. This observation was not meant as a rejection of the value of conducting such assessments but rather a call for caution and humility. That message makes special sense when it comes to assessing governance in fragile states and situations. These contexts are characterized by flux and do not lend themselves easily to planned interventions or predictable outcomes. Even the more robust tools like CPIA, WGI or GAC have their limitations.

This review leaves us with two important more general points. The first is epistemological and concerns what knowledge counts. The second is methodological and follows from the first.

The international development community, led by the World Bank and further directed by the OECD, has for a long time promoted and relied on a standardized abstract knowledge that has made cross-country comparisons possible. Resting on positivist premises this approach has laid the foundation for the growth of global indices of various aspects of governance. Such knowledge has proved useful for understanding deficits defined in relation to specific normative goals set by the international community. It is this type of knowledge, however, that is increasingly coming under criticism for not producing anticipated results. It has not been grounded enough to generate an adequate reciprocal response in countries where it has been applied. From the perspective of these countries, the knowledge has been more theoretical than practical. No one wishes to deny the importance of this type of knowledge but the evidence is increasingly clear that the diagnostic tools on which it has relied have not been very effective.

The question, therefore, is how far a more practical knowledge can be used in order to improve governance especially in fragile states. A comparison with what happens in the medical field may be helpful at this point. There it has been recognized for at least a quarter century that self-reported health status is a better predictor of health and well-being than data drawn from medical records. For example, such self-reporting adds enormous explanatory power to multivariate models of mortality (Idler and Benyamini 1997). Self-reporting tends to include factors that are not covered by clinical records, e.g. family history, socio-economic status, or behavioral characteristics. Individuals who report “poor” health are likely to die sooner than those who believe they are fit. Self-reporting, in other words, offers knowledge that is relevant to identifying a trajectory rather than a specific level of health.

We believe that this is where the business of assessing governance finds itself today. Measuring only deficits is no longer seen as the most promising approach especially in fragile states where supporting a self-reported and thus subjective assessment is increasingly seen as the best starting-point for any intervention. Self-reporting is never enough and needs to be complemented by more scientific explanations of why things are problematic and how they can be solved. It does deserve, however, to be taken more seriously and be allowed to serve as the basis for thinking about what kind of tools are appropriate for such an approach.

This takes us to the second point: methodological choices. Drawing on the experience in the medical field it is clear that subjective and objective types of knowledge complement each other but is most successful when the latter is embedded in the former. What we increasingly see in the governance field is the embedding of more conventional methods of assessing institutional capacity in broader political economy studies. Analysts realize
that power matters. So do informal institutions and relationships between social and cultural groups. The particular challenges of assessing governance in fragile states have more than anything else contributed to this shift in thinking.

This means that virtually any governance assessment today includes a menu of different methods that aim at analyzing both institutions and underlying structures. The tools that are increasingly applied are not only citizen surveys but also more participatory group methods that may not generate precise knowledge but provide precisely what has been missing so far: knowledge about the trajectory that people perceive. The African Peer Review Mechanism goes a step further and is potentially a true self-reporting exercise to which other tools can be more meaningfully added. Since many of the fragile states can be found in Africa, working with the African Union and developing a productive interaction or collaboration between individual country reviews, on the one hand, and international expertise, on the other, seems more appropriate than ever.

The more participatory the approach and methodology becomes, however, the greater the need to pay attention to contextual factors. As this review has shown, citizens may feel insecure, they may fear the stranger, they may have beliefs that are incompatible with the secular and positivist assumptions associated with the assessment methodology, and they may lack the civic skills that are required for participation. We make this point because one of the qualities of governance diagnostics in fragile state situations is clearly adaptability. Tools have to be adjusted to situations in which there are typically limits to what can be done. Tools are not "neutral" but perceived as embedded in processes. Business is never "as usual" in these situations.

4.2. In search of answers
One of the frustrations that many analysts of governance in situations of fragility sense is that what works in non-fragile and stable states with strong institutions fails in fragile conditions. Although the line between fragility and non-fragility is difficult to draw and some countries move from one condition to the other and back again, there is a general recognition that fragility is a special condition that calls for special action. The question is what?

The answer is neither easy nor obvious but as governance analysis has progressed it may have come closer to one. This Note began with a definition of governance that emphasizes regime, or what is also called a rule-based approach. Governance analysts have for a long time been divided between two groups: those who focus on outcome and those who focus on rules. The former approach makes sense where institutions are stable and predictable. Institutions are clearly the independent variable that the analyst wishes to have in her equation. Fragility, on the other hand, is characterized by not only weak institutions but, above all, a vulnerable public realm. A lot of political energy is spent on upholding order. Civic considerations are often sacrificed for short term but sometimes inevitable informal political interventions. Policy effectiveness suffers. So does government legitimacy. Building civic public realms out of patrimonial regimes is the primary outstanding challenge especially in fragile states. Fragility or weakness is not lodged in the state and its institutions but in the norms and rules that guide key actors, be they in politics, civil service, or business. The Problem-Driven Good Governance approach that has been proposed is a step in that direction by being focused not on governance deficits but on specific governance problems (Fritz, Kaiser and Levy 2009). Other donors are trying a similar approach.

So, finally, what are the implications for our choice and use of diagnostic tools? In the light of our review, we end by offering a few suggestions that follow from our analysis:
1. A better analysis is likely to come from the use of multiple methods and triangulation rather than a single tool, however robust it may appear on paper.

2. Sequencing the use of various tools may be necessary to balance the urgency of intervention with the need for monitoring.

3. An adequate diagnosis identifies not only what may be missing in terms of the quality of governance but also what among local institutions can be built upon.

4. Tools aimed at providing a credible trajectory may be more valuable than those that merely establish levels of governance.

5. Diagnostic tools, when applied, are not independent of reality, but influenced by the factors that caused fragility in the first place.

6. The number of tools available easily fills the whole box and there is no need for “reinventing the wheel” yet borrowing tools among donors should not be blind.
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