

Governance, Fragility and Conflict

Reviewing International Governance Reform Experiences in Fragile and Conflict-Affected Countries

Ozong Agborsangaya-Fiteu

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Table of Contents

Acknowledgements	i
Introduction	iii
Clarifying the Terminology: Governance, Fragility, and Conflict.....	1
Unpacking Governance Dimensions, Opportunities, and Constraints.....	4
Achieving Political Arrangements.....	4
Establishing Security	6
Justice and the Rule of Law	11
Improving Effectiveness	13
Reconstituting Legitimacy.....	17
Is Sequencing Feasible?	25
Prioritizing Governance Reform	28
Conclusions: Implications for Governance Reform in Fragile States and Conflict-Affected Environments	31
1. Start From What Exists.	31
2. Not all Governance Objectives Can be Achieved at Once.	31
2. Generic Sequencing is Not Feasible.	31
5. Legitimacy Requires Tangible Results	32
6. Even Priorities Can Be Prioritized	32
7. Country Development Strategies Can Be Entry Points.	32
8. Governance Reform is a Political Process with Multiple Actors and Different Agendas.....	32
9. Governance Reform Works Better When Domestic And International Pressure Converge.	32
10. Ethical Leadership Matters.....	33
Annex: Sierra Leone: Drivers of Reform	34
Security Sector Reform	34
Elections	35
Deregulation of the Diamond Sector	35
Anti-Corruption	36
Public Financial Management.....	36
Local Governance and Decentralization	36
Poverty-Reduction Strategies and Governance Reform.....	36
References	38

Introduction

Poor governance has a negative impact on economic growth, access to basic services, and social development, penalizing in particular the most vulnerable citizens. It also reduces the effectiveness of investment and international aid. Often, poor governance is a major contributor to instability and violent conflict.

Governance is a critical issue for countries making the difficult transition from periods of violent conflict. In his book *The Bottom Billion*, Paul Collier (2007) estimates that post-conflict countries are twice as likely as other developing countries to fall into war, and that about half of the countries emerging from war relapse within the first decade. Currently, policy makers are increasingly concerned by the growing number of fragile states, where governance reform constitutes a central challenge (Di John 2008; Rosser 2006). While countries need to strengthen governance if they are to make a successful recovery from conflict, most fragile, post-conflict states face daunting obstacles to improving governance, since conflicts tend to weaken or destroy institutions and increase mistrust within the population.

Research shows that the instability associated with fragile states is often the result of ineffective and illegitimate government. Ineffective governments are unable to provide a sense of order and security or to deliver public goods and services that the population has come to expect. Policy formulation is likely to be weak, and public employees ill equipped or unmotivated in carrying out their jobs. Illegitimate governments are perceived by large segments of society as being unrepresentative of the entire population, exercising power arbitrarily or unfairly. Accountability mechanisms do not function well, and corruption is often perceived as endemic. Where both effectiveness and legitimacy are weak, conflict and state failure are likely (USAID 2005).

This analysis explores the question of how best to support and improve governance in fragile and conflict-affected states. Being one of the key players in these countries, the World Bank seeks to support efforts to gather knowledge on this category of governance challenges and to develop approaches that help reduce the threat of renewed conflict while providing public goods and services to citizens. While there has been a growing understanding of governance reform in relatively stable countries, the challenge of advancing effective governance in fragile, conflict-affected countries remains a daunting one for much of the international community.

This report seeks to inform the development of a framework for addressing governance reform in fragile and conflict-affected environments through a review of international experiences. The report analyzes the experience both of countries that sustained a transition to peace and those that fell back into conflict. Pertinent lessons will be drawn selectively from a range of fragile and conflict-affected countries, including Haiti, Cambodia, Bosnia and Herzegovina, Mozambique, Liberia, Timor-Leste, Afghanistan, Rwanda, Indonesia, Sierra Leone, and Angola. No specific typologies have been adopted or formed in order to assess these lessons, because typologies can be limiting and experiences can be better assessed based on the specificity of each country's context.

The first section of the report sets out broadly accepted definitions of key terms such as governance, state building, and fragility. The second section reviews experiences with diverse governance dimensions and explores the objectives, opportunities, and constraints associated with each. Research questions specifically address the following:

- What is the relationship between governance and political settlements, and how can political settlements boost good governance? The report will examine both successful and failed peace processes,

touching on the experiences of Rwanda, Indonesia, Northern Ireland, and South Africa.

- What are opportunities or constraints to security sector governance reform? Who should be involved in security governance? What are the central elements of a security sector reform (SSR) agenda? What insights can be learned from the successes or failures of security governance reform in South Africa, Afghanistan, Liberia, Cambodia, Sierra Leone, and Timor-Leste? The report will explore opportunities and constraints that influence the security sector, drawing on experiences in South Africa, Afghanistan, Liberia, Cambodia, Sierra Leone, and Timor-Leste.
- Why are establishing justice and the rule of law a key component of governance? What lessons can be drawn from the experiences of Haiti, Liberia, Afghanistan, and Sierra Leone?
- Questions on government effectiveness to be addressed include: What is the link between service delivery and resilience to crises? How can weak capacity be addressed? What are potential opportunities and constraints? What are feasible starting points for initiating economic recovery? What does an economic reform agenda entail? What does public-sector reform involve and what are entry points? What lessons can be drawn from the experiences of Mozambique, Angola, and Timor-Leste?
- Questions on legitimacy address the meaning of legitimacy and the link with conflict and fragility. What is the relationship between legitimacy and elections? Are other political processes or traditional mechanisms more appropriate for achieving legitimacy? What insights can be drawn from South Africa, Afghanistan, Iraq, Liberia, and Angola? On ensuring accountability, the analysis will explore the following core questions: What does accountability entail? How can civil society most effectively contribute to accountability? What are some lessons learned on the role of legislative bodies? What are suggestions for how to address decentralization in fragile and conflict-affected countries? What are the lessons to be learned from experiences in countries such as Haiti, Angola, and Sierra Leone?

The third section explores the question of how best to sequence governance reforms to increase effectiveness and sustainability. Here, the analysis addresses the following issues: Is it possible to establish a hierarchy of tasks and goals to help policy makers navigate the complexities of forming appropriate policies? What are the challenges or constraints facing the process of sequencing reforms? Are experiences replicable? Do the experiences of the countries examined in the report offer helpful ways of understanding the choices in sequencing governance reforms?

The fourth section suggests an approach on how to prioritize governance reform according to three overriding objectives, notably stability, resilience, and the provision of public goods and services. To show progress in all three core objectives, governments must address issues of both effectiveness and legitimacy. The section suggests that governance priorities can be effectively elaborated in the design of a country's development strategy, such as a Poverty Reduction Strategy (PRSP).

Finally, the report proposes a set of conclusions to help identify operational implications for governance reform in fragile and conflict-affected environments.

Clarifying the Terminology: Governance, Fragility, and Conflict

In order to define the context for this report, this section will explore the meaning of *governance* as well as other relevant terminology such as *fragility*, *state building*, and *nation building*. The report first examines various definitions of *governance*, drawing from multilateral and bilateral institutions, including the World Bank, United Nations (UN), United Kingdom Department for International Development (DFID), United States Agency for International Development (USAID), French Cooperation, as well as leading practitioners, in order to provide a better understanding of what governance means in fragile states and conflict-affected countries.

Governance is the multidimensional term used to describe the interaction between citizens and their rulers and the ways governments can help or hinder their constituents' aspirations (Rothberg 2002). Other scholars have cautioned that current definitions of *governance* are overly focused on Western concepts of the state and that understanding governance failures in some countries may require a deeper understanding of the history, culture, and existing legacy of colonialism within certain environments (Kaplan 2008). Further, others have emphasized that underneath the surface of formal political structures or even when states fail, there exists a whole universe of governance systems devised by local communities and based on traditional customs to provide the core functions of government, including basic security and justice and beyond (Menkhaus 2006/2007). While there is no internationally agreed-upon definition of *governance*, the concept has gained importance, with virtually all development agencies expanding their work in the field over the past decade.

DFID describes *governance* as the use of power and authority, and the ways a country manages its affairs from the state down to the community and household levels (DFID 2007). The European Commission takes a broader approach, defining *governance* as the state's ability to serve the citizens, meaning 'the rules, processes and behavior by which interests are articulated, resources are managed, and public regulatory powers exercised' (European Commission 2006). The French Cooperation further expands the governance concept beyond the idea of institutions and forms of government. It includes other stakeholders such as the private sector and civil society (extending from local to global levels), and also includes political, economic and social fields (French Cooperation 2005). According to this view, governance can be discussed in largely pragmatic ways, without touching on the controversies and political sensitivities that accompany debates on democracy or human rights.

For DFID, achieving good governance requires the following three factors: capability, accountability, and responsiveness (DFID 2007). Similarly, both USAID and the United Nations Development Programme (UNDP) propound good governance characteristics to include public accountability, responsiveness, participation, transparency, and efficiency (UNDP 1997; USAID 2000).

From an analytical standpoint, the World Bank also considers some of the same attributes, defining *governance* as the traditions and institutions by which authority in a country is exercised for the common good. This includes the process by which those in authority are selected, monitored and replaced; the capacity of government effectively to manage its resources and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them (World Bank 2007).

However, in operational terms, the Bank's traditional approach to governance uses a narrower economic development lens, viewing governance as the means to reduce poverty worldwide. This emphasis is consistent with the Bank's charter as an international financial institution with a mandate that prevents it from dealing with

political issues. Most recently, the World Bank's Governance and Anti-Corruption (GAC) strategy defines *governance* as "the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services," thus endorsing the more restrictive perspective.

At the same time, the GAC strategy has adopted a guiding principle that requires the scaling up of demand-side governance by mainstreaming support to transparency, civic engagement, and social accountability. Moreover, the Worldwide Governance Indicators normatively capture six essential governance dimensions encompassing voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption (World Bank 2008). This diversity of views even within the World Bank Group reflect ongoing debates related to the World Bank's official mandate, data and measurement limitations, and some countries' sensitivities to being graded on governance questions.

While there is no set definition for *fragility*, there are a number of generally accepted features, with broad agreement that fragile states are characterized by poor governance, weak capacity and weak institutions, high risk of conflict and insecurity, disputed legitimacy, and poverty. It is important to highlight that even though the concept of *fragile states* has continued to be retained by many, two criticisms have led to a preference by some of the notion of *fragile situations*. Critics argue that states are rarely fragile in all aspects, and sometimes fragility only exists in some parts of a country and not in others. Other critics add that the characterization of a state as fragile not only questions its independence and sovereignty but also undermines local ownership, harmonization, and alignment that are important concerns for effective engagement with fragile states (Engberg-Pedersen, Andersen, and Stepputat 2007).

Lund (2004) asserts that fragile states include those that are either starting to lose their ability to provide basic security and services to their populations (failing), states that have virtually collapsed (failed), or states that are beginning to restore these basic functions (recovering) (Kaplan 2008; see also Putzel 2008; Stewart and Brown 2009). According to the Organisation for Economic Co-operation and Development (OECD), the state is fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development, or safeguarding the security and human rights of their populations. A fragile state is "unable to meet its population's expectations or manage changes in expectations and capacity through the political process" (OECD 2008). Ghani and Lockhart refer to a 'sovereignty gap'—a disjunction between the state's capacity to govern by law and its capacity to provide for the needs of the people." They argue that what is lacking in fragile states is "a process for connecting citizens' voices to government and making government accountable for its decisions" (Ghani and Lockhart 2008).

It is necessary to bear in mind that fragile states are not always conflict-affected countries and that conflict-affected countries are not always hampered by fragile institutions (World Bank 2008). Although many developing countries have weak institutional foundations and suffer from corruption and ineffective government organizations, most scholars and practitioners agree that fragile states are those where these problems have become so systemic that they threaten stability (Kaplan 2008). In addition, fragile states exhibit varying levels of dysfunction, and while each situation is unique, Brown et al. (2008) argue that typologizing fragile states and post-conflict societies is possible. These authors characterize post-conflict countries according to three categories, notably the state of the economy, the presence of significantly high value natural resources, and the extent of horizontal inequities. In addition, they suggest that a combination with specific enabling conditions which are the state of security, international commitment to the country, bureaucratic capacities and the nature of the government can determine the appropriate policy responses (Brown, Arnim, and Stewart 2008). In a subsequent paper by CRISE, these authors differentiate between authority failures, service failures, and

legitimacy failures and indicate that overlap is sometimes common across all the dimensions (Stewart and Brown 2009).

Nation building, as a term and a concept, gained particular currency during the international interventions in Afghanistan and Iraq, and thus became associated with international assistance in militarized environments. A 2007 study by Dobbins et al. (2007) defined *nation building* as “the use of force in the aftermath of a conflict to underpin an enduring transition to democracy”. Also, based on discussions during a World Bank Headline Seminar on Transition from Conflict to Peace, nation building can also be defined as the ‘formation of a national identity through creating common culture, language and mythology’ (World Bank 2008). *State building*, on the other hand, is defined as purposeful action to develop the capacity, institutions, and legitimacy of the state in relation to an effective political process for negotiating the mutual demands between state and societal groups (OECD 2008).

Given the unique circumstances presented by fragile states and conflict-affected countries, the question remains: What does good governance mean, or what interpretation of governance would be best suited for this context? Grindle’s notion of “good enough governance” brings a nuanced understanding and specifically addresses governance objectives in settings that are not ideal, as is the case in fragile and conflict-affected countries. He asserts that not all governance objectives can be achieved at once. Rather, the job of strengthening institutions and building capacity takes place over a period of years. Recognizing the time required, good enough governance requires that states simply fulfill certain basic functions, such as providing protection from harm and an economic framework for people to support themselves (Grindle 2004; 2007). While the immediate governance outcome may be less than ideal—in that corruption may be pervasive, human and financial resources limited, and capacity weak—good enough governance seems a more realistic yardstick (DFID 2005).

Governance reform in fragile and conflict-affected environments must be built on realistic objectives and context-specific approaches. Because the drivers of conflict and the sources of fragility vary, no single approach is likely to succeed in all countries. Nevertheless, normative interpretations of governance that encompass principles such as accountability, legitimacy, and effectiveness are necessary to establish benchmarks or set the horizon that policy makers and practitioners can work toward incrementally.

Unpacking Governance Dimensions, Opportunities and Constraints

Achieving Political Arrangements

Ideally, a political settlement or political negotiations are required to end violent conflict before any governance reform can advance sustainably. Political settlements can not only bring conflicts to an end but can at times set the stage for future governance reforms. Insights from Rwanda, Indonesia, Northern Ireland, and South Africa help to illustrate the interconnections.

Whaites defines a political settlement as a common understanding or agreement among elites that brings about conditions to end conflict and defines how political power will be organized afterward. Political settlements therefore are integral to achieving good governance, with the resulting structures carrying out what are called “survival functions” and “expected functions.” Survival functions include establishing security and the rule of law and generating revenue through taxation and other mechanisms to support government functions. Expected functions refer to the provision of goods and services that governments normally supply (Whaites 2008).

Blair and Ammitzboell echo this view, asserting that the basic objective of a political settlement is to secure the state’s legitimacy. Thus, a settlement must do far more than establish the state’s monopoly over violence. Legitimacy can be achieved through allegiance and support of the population in return for responsiveness to the needs and wants of its people (Blair and Ammitzboell 2007; see also Zartman 2005).

A review of peace processes and political settlements in Rwanda, Northern Ireland, South Africa, and Indonesia offer valuable insights about how different political governance mechanisms such as power sharing, caretaker governments, and international interim regimes can promote good governance and facilitate transition from conflict to peace.

For example, though the results have been mixed, recent international mediation has worked proactively to encourage power sharing as a governance framework to end war. Power sharing connotes a variety of institutional and political arrangements that are used to bring various parties into government, with the goal of ensuring participation in the political process (Stedman, Rothchild, and Cousens 2002). During the Marcousis peace agreement brokered by the French to end the Côte d’Ivoire conflict, rebel leaders took up appointments in a new cabinet. Similarly, in the 2008 Kenya peace process, facilitated by Kofi Annan, opposition leader Raila Odinga was offered a newly created post of prime minister in a power-sharing administration. In general, parties seeking a compromise might opt for power sharing as a model since it assures them a permanent place at the table. Power sharing arrangements are attractive to weaker parties, providing them a means to protect their interests and those of their communities (Sisk 2003).

Scholars and practitioners agree that, despite its limitations, power sharing offers two benefits toward boosting good governance. First, it assists parties to end fighting and establish security. Secondly, power sharing provides an opportunity to expand participation and inclusiveness. Political settlements in countries like South Africa and Rwanda have included guarantees to major antagonists and some permanent form of representation and decision-making power. In these countries, power sharing has been an effective device for confidence building, ensuring that groups that have the capacity to be spoilers are included in decision making. Integrative power sharing specifically has an inherent advantage in that it promotes fluid coalitions that transcend the cleavages of conflict. There is emerging evidence suggesting that these designs have also promoted moderation in some situations.

However, Lijphart (2004) argues that power sharing may also present constraints to good governance and even contribute to a less effective government. The consensus necessitated by power sharing can create a pattern of deadlock and even paralysis by leaders holding government hostage to their veto power (Sisk 2003). Stedman, Rothchild, and Cousens (2002) concur, arguing that the short-term benefits of ending violent conflict must be weighed against the long-term costs of a less effective governance and chronic political uncertainty. Thus, while ensuring the prospects for peace in the short term, power sharing arrangements can be a source of instability and intergroup conflict in the long term. Moreover, some elements can violently reject power sharing, as illustrated by the Rwanda case in which efforts to implement the 1993 Arusha agreement signed between President Habyarimana and the Tutsi-led Rwandan Patriotic Front faltered, culminating in the 1994 genocide in which almost 1 million Tutsis and moderate Hutus were killed. Khadiagala (2002) noted that the agreement challenged the dominant ethnic basis of power without a solid short-term alternative. This weakness was compounded by the failure of Rwanda's international partners to provide the necessary resources required for implementation of the plan (Khadiagala 2002).

Consequently, power-sharing arrangements may be good transitional devices in the immediate term, but in the long term, most countries benefit from a more fluid form of governance that allows for flexible coalitions that can bridge ethnic or other divisions. In this sense, power sharing has to be a tool of reconciliation, integration, mutual respect, and recognition, rather than an agreement by which divisive politics are institutionalized.

Shain and Linz (1995) suggest that transitions may be more successful if parties avoid power-sharing arrangement and establish caretaker governments made up of incumbents. In Indonesia, there were widespread protests to end Suharto's 30-year regime, but the protests were too weak to replace it with a power-sharing institution or a revolutionary provisional government. The upshot was a caretaker government, according to the model described by Yossi Shan and Juan Linz (1995). Members of the outgoing regime control the transition under the condition that elections will be organized within a short time frame. They argue that this model provides incentives to moderates and isolates hard-liners while allowing incumbents a role, a more effective formula for promoting good governance (Shain and Linz 1995).

For Croissant (2007), the international interim regimes have also become common features of peace building under the UN in Cambodia and Timor-Leste. Croissant examines the experience of Timor-Leste and Cambodia, "where the international community through the aegis of the UN, directs and monitors the process of democratic change." Croissant concludes that ultimately this model is challenging because it lacks legitimacy and requires high levels of international assistance.

Wolpe and McDonald (2008) caution that many of the countries that signed peace agreements to end fighting have remained unstable and have returned to violent conflict despite the best efforts of the international community. These authors assert that the sources of fragility and conflict are fundamentally divided societies, causing central challenges for those who seek to impose a peace settlement or establish democratic government institutions. These authors urge a preliminary and parallel step that can address the root causes of conflict and lessen the underlying tensions and mistrust among leaders. Wolpe et al. propose that donors prioritize initiatives to rebuild leaders' capacity to identify common interests and work collaboratively across their various divisions. They maintain that sustainable reform requires recognition by all actors of their interdependence and a minimum level of trust that the rules of the game will be respected.

Based on the above analysis, what seems apparent is that political negotiations or settlements—whether achieved through power-sharing arrangements or the establishment of international mechanisms—set the

parameters for governance patterns and are essentially the first step on the governance ladder. Political settlements can also create a sense of stability by providing the level of security that is prerequisite for subsequent governance reforms. Although the World Bank's mandate is to foster economic development and avoid politics, it is likely to be more successful if it can factor political analysis into its post-conflict strategies. This could go so far as keeping a seat at the table, or perhaps an "ear at the table," when political settlements are being negotiated.

Establishing Security

Following Max Weber's definition of the state as that which holds "monopoly on the legitimate use of physical force," (Weber 1964, 154) it is arguable that the job of reestablishing basic security is the first priority in post-conflict settings. Considering that state authority is often weakened following conflicts or crises, the legitimate use of force becomes undermined by various illegal activities conducted by armed groups without appropriate control. Reestablishing security and the rule of law in complex settings requires a comprehensive and coordinated look at the country's security environment by all actors involved. This section will address the following questions: What are opportunities or constraints to security sector governance reform? Who should be involved in security governance? What are the central elements of a SSR agenda? What insights can be learned from the successes or failures of security governance reform in South Africa, Afghanistan, Liberia, Cambodia, Sierra Leone, or Timor-Leste?

There is emerging consensus among scholars and practitioners that in the early stages after the end of a violent conflict, basic security is the first priority and is fundamental to ensure a sound transition from conflict to recovery and stability. A distinction must be made between establishing basic security in the period immediately following a conflict and security sector governance. Brinkerhoff (2007) argues that without a sustained improvement in the security situation, other governance efforts, including political and economic reforms, are impossible. Goldstone (2008) echoes this view, emphasizing that the highest priority in situations of fragility should be given to establishing security and political legitimacy before other efforts to build effectiveness and legitimacy through economic growth and provision of social services can be productive. International experience in mediating peace agreements has demonstrated that failure to address security sector governance from the onset is an incubating factor for future conflict and can create new security problems (see Ebo 2006; see also UN 2008)

Box 1: Security: A Core Governance Concern

“Security is a core governance issue: there is a close relationship between poor governance and insecurity in many conflict affected countries. Poor governance of the security sector is often at the core of state fragility in conflict-affected countries. It creates opportunities for corruption and political capture, can lead to inefficient and ineffective responses to external security threats, and often contributes to insecurity for citizens. Inappropriate security structures and mechanisms can contribute to state fragility and violent conflict, which in turn prevent sustainable development and poverty reduction. When governments fail to provide basic security to their citizens, people develop a high level of distrust toward the state, and in different spheres of their lives cobble together alternate strategies for meeting their needs. The interaction of security and governance in such contexts is often complex and can only be addressed through broad range governance reforms, which integrate the security sector and apply the same basic principles of public sector governance, including civil oversight, public finance management and the basic tenets of public administration and civil service reform.”

Garrasi, Donata, Stephanie Kuttner and Per Egil Wam. 2009. “The Security Sector and Poverty Reduction Strategies.” The World Bank, Washington, DC.

With regard to the term “security”, it is important to note that the narrow definition that revolved around the protection of the state has expanded to include the well-being and protection of ordinary citizens (OECD/DAC 2005). While the meaning of the term *security sector* is also still evolving, it refers to the structures, institutions, and personnel responsible for the management, provision, and oversight of security in a country. Thus far, the United Nations definition reflects the broadest consensus on SSR. This describes the plans, policies, and processes led by national authorities to enhance effective and accountable security for citizens and the state within a framework of human rights and the rule of law. Security sector reform goes beyond traditional military elements and involves a wider range of national and international actors and institutions (United Nations 2008).

Both formal and informal local actors must be engaged in security sector governance reform. Formal actors include organizations mandated to use force, civilian management and oversight institutions, and judicial, penal, and public safety organizations. Organizations authorized to use force include the military, police, gendarmerie, secret and intelligence services, coast guards, border guards, custom authorities, reserves, or local security units. However, public safety and security is dependent on the effective functioning of the entire criminal justice system, including police, prosecutors, judiciary, and corrections system. As a result, SSR must address all relevant institutions, with parallel reform efforts throughout the system. Formal actors in the security sector include the executive and the legislative arms of government. The legislature, which carries out important civilian oversight functions, faces particular challenges where there is strong executive dominance. Informal actors in the security sector include armed groups outside the state, as well as civil society actors (Ball and Fayemi 2004). Informal actors may include, but are not limited to, guerrillas, local militias, private companies that provide security and military services, criminal groups, vigilantes, warlords, armed wings of political parties, and civilian defense forces (Holmquist 2005).

There is general agreement that no common model of SSR exists and that, in principle, each country engaging in SSR constitutes a special case and a different reform context (Ball 2006). Any efforts to undertake SSR require a realistic assessment of the country’s security situation, which means taking into account a country’s military and political history (United Nations 2008). Security sector reform in fragile and conflict-affected environments can offer unique opportunities as well as special challenges. Because state structures often collapse in fragile and

conflict-prone environments, there can be opportunities to build new structures that do not always exist in other reform settings (Hanggi 2005). However, the process of creating new structures takes time, given the legacy of collapsed military institutions, unprofessional tendencies of both formal and informal security bodies, lack of democratic accountability, and regionalization of conflicts. (Hutchful et al. 2004). However, this is not simply a matter of available resources, as demonstrated by the continued failure of SSRs in Haiti, which had the advantage of significant pledges from donors. More important is the political will and commitment to sustain involvement until national actors are able enough to assume responsibility for their own security sector governance (Ball 2007).

Some analysts have emphasized the challenge of creating integrated security forces in postwar settings such as the Democratic Republic of Congo, Mozambique, and Afghanistan. Putzel (2007) asserts that the continued existence of armed groups that are left out of peace processes presents an immediate security challenge. Moreover, integration is particularly difficult in environments where there are inadequate opportunities for securing livelihoods or for adequately paying former combatants. In postwar states, the leadership must design incentives for rapid integration, bringing combatants into a single chain of command in the armed forces. Such incentives might include salary payments and engagement in poverty-reduction programs that impact communities that absorb ex-combatants (Putzel 2007).

Scholars and practitioners offer some lessons learned about security sector governance reform:

- First and foremost, security sector governance is crucial for the success of rule of law, poverty reduction, and sustainable political, economic, and social development. Moreover, security sector governance is a key pillar in an effective development strategy such as the Poverty Reduction Strategy (PRSP). Well-designed programs in this area can contribute to political stabilization. While the World Bank does not have a comparative advantage in SSR, the policy framework for engagement in defense spending (OP 8.o) outlines support for comprehensive and integrated multidonor recovery programs. These included defense spending in the Public Financial Management work in countries such as Afghanistan and the Central African Republic, where the efficiency and effectiveness of defense expenditures were critical to stability (Garrasi, Kuttner and Wam 2009). The security sector will function better, and more sustainably, if good public financial management (PFM) principles are applied. This approach also allows the World Bank to leverage its comparative advantage in PFM while not overstepping on its mandate and venturing into national security and defense (Dudwick and Nelsson 2008; Byrd and Guimbert 2008).
- Security sector reform can succeed only if it is a nationally led and inclusive process involving local authorities, parliaments, and civil society (including traditional leaders and women's groups, among others). As difficult as this may be, local actors need to be involved in SSR from the outset in order to build capacity gradually and allow for the eventual handover of responsibility by external partners. Successful reform of the security sector needs political commitment, basic coordination, and consensus among national actors. It is also critical to involve the national military in this process, since failure to do so will result in resistance to reform on the part of military commanders, that can be swayed by mistrust, fear, and vested interests (see United Nations General Assembly Security Council 2008).
- Effective governance and civilian oversight of the security sector are essential. Effective and efficient civilian oversight requires that the legislature play its appropriate role—vetting policies, approving budgets, and monitoring implementation of security sector governance reforms.
- Specifically, the involvement of civil society is vital to achieving effective and accountable governance of security institutions. Civil society can play a critical role in articulating the public's interests and needs and in monitoring government policies and activities. At the same time, if civil society is to represent the interests and concerns of citizens, it must stay connected at the grassroots level and continually engage

the local population on the relevant issues (Caparini 2005). The highly consultative South African security sector transformation process is viewed as a model. While consultations lengthened the pace of producing legislation, the process yielded better results and greater acceptance on the part of all the key stakeholders (Ball 2007).

- Security sector reform must go hand in hand with other reforms (Richardson et al. 2005). The experience of Liberia illustrates that governance reform, economic reform, and effective security were all interdependent. Many young ex-combatants have cited a lack of job opportunities as one major reason for joining forces prior to and during the conflict (World Bank 2005b). One of Liberia's major challenges is to formulate strategies for employing former military leaders and ex-combatants. Widespread youth unemployment and discontent in Liberia and Sierra Leone are widely seen as risks that could reverse achievements both countries have thus far recorded (Ebo 2006).
- Security sector reform has to be linked to other national priorities and strategies. In Afghanistan, Liberia, and Sierra Leone, SSR has been included in national reform agendas and reflected as a key pillar in poverty-reduction strategies and development programs (United Nations Secretary General's Report 2008). Moreover, the need for a holistic approach cannot be overemphasized, and all reforms should be part of an overall strategy, even when different donors take the lead for different institutions within the sector (Stone 2005).
- External support and intervention can complicate recovery efforts or impede the necessary sense of legitimacy. Experiences in Afghanistan and Iraq show the limits of external military power as a force for change, particularly when perceptions of illegitimacy have the effect of strengthening groups opposing new governance structures. In contrast, the successes of the United Nations Transitional Administration in Timor-Leste (UNTAET) are underpinned by an international presence that was welcomed openly by the local population (Croissant 2007). Ball emphasizes that the SSR can benefit from appropriate external support that may include advice, technical assistance, and financing. But effective SSR requires a broad range of external actors working together toward a common goal. The Development Assistance Committee (DAC) recommends a "whole of government" approach to SSR. Among donor countries, the United Kingdom (and to some degree Australia and Canada) has been a front-runner in conceiving and adopting integrated policy responses to fragile states and post-conflict environments (Stewart and Brown 2007).
- While recognizing the complications of externally provided security, analysts recognize that there are situations where the host country lacks the capacity to provide security, and that an external entity may be needed. In Sierra Leone, for example, peace was restored by a modest British intervention, after which ongoing security has been ensured by a 10-year "over the horizon" security guarantee (Kaplan 2008). The external security arrangement involves a trade-off between providing a level of safety the government is not in a position to deliver versus undermining the government's legitimacy by outsourcing a fundamental role of the state to outsiders. The cost of transferred sovereignty grows heavier the longer security sector governance is provided externally.
- Finally, SSR may also be considered a tool for peace building and strengthening peace. Toward this end, SSR should tackle and positively address existing cleavages within society (party politics, ethnic divisions, etc.) and emphasize approaches to integrate different factions rather than reinforce divisions.

What then does a security sector governance agenda require? A review of the literature suggests the following agenda and guidance, which is supported by the three categories of reform activities to achieve effective security sector governance suggested by the OECD/DAC:

- Measures aimed at reconstructing the security apparatus should be comprehensive and target the military, police, intelligence, judiciary, and prison institutions. Moreover, it is imperative to link each area of engagement because efforts will not succeed unless complementary work is carried out in other areas.
- Measures aimed at strengthening civilian management and democratic accountability of the security apparatus should address the capacities of relevant ministries, as well as parliamentary and judicial oversight mechanisms.
- Security sector governance requires capacity building for the civil society and also adaptation of an appropriate constitutional and legal framework (OECD/DAC 2008).

While encompassing similar objectives, Ball and Fayemi (2004) and Hendrickson and Karkoszka (2005) argue that SSR entails a broader agenda, including the following priorities: (1) strengthening the professionalism of the security services, which encompasses doctrinal and skills development, technical modernization, and understanding of the importance of accountability and the rule of law; (2) developing capable and responsible civil authorities to establish and manage security policy; (3) fostering a capable and responsible civil society that can monitor performance and provide input; (4) establishing the rule of law; (5) developing regional approaches to the security problem; (6) placing a high priority on human rights protection; (7) increasing transparency, meaning access to basic information about security policies, planning, and resourcing; and (8) conforming with international and internal law.

Security sector reform poses a challenge for the World Bank, whose charter limits its role to questions of economic development. A recent World Bank report noted that ' there is increased recognition within the World Bank and its partners, and that while respecting the mandate and comparative advantage of different institutions, there is a need to support integrated security, relief, and development. This approach is clarified in the World Bank's new policy on Rapid Response to Crises and Emergency, which has replaced the previous policy on Emergency Recovery Assistance Strategies, which argues that countries could intentionally undermine long-term development outcomes by separating out security issues from development strategies or by leaving them out altogether.

The experience in Afghanistan shows that there are viable entry points through which the World Bank may leverage its core competencies and contribute to SSR, which most analysts agree cannot be divorced from economic and social development. Afghanistan raised security as part of its plan to make progress on the Millennium Development Goals, and other countries have incorporated security into their poverty-reduction strategies.

Justice and the Rule of Law

Rule of law is an essential means to establish stability. Moreover, without strengthening the delivery of justice and security, other public goods cannot be accessed (OECD 2007). The rule of law means different things to different institutions, depending on whether they emphasize human rights, corruption, or judicial or other institutions. However, there is consensus that the breakdown of the rule of law is a significant indicator of an escalating conflict or a return to violent conflict. Thus, reestablishing or maintaining the rule of law—with attention to a range of functions, including the judiciary and the police—is critical to conflict prevention (UNDP 2008; OECD/DAC 2007). An approach to security and justice that focuses solely on strengthening governance and state capacities is unlikely to be effective or sustainable in fragile states and conflict affected environments. OECD/DAC suggests a multilayered approach that is context-specific. Such an approach can take into account the role of the state as regulator, and the primary role of non-state actors as providers of security and justice in fragile and conflict-affected environments (OECD/DAC 2007). Four rationales have been advanced for including the rule of law within a broader program of governance reform in post-conflict or fragile states:

- Predictable and enforceable laws are essential for contract enforcement and foreign investment, and thus, play a critical role in economic development.
- Holding government accountable for the protection of human rights is essential in liberal democracy and inherent in the rule of law.
- Rule of law is essential to poverty reduction because criminality hits poor people hardest (their livelihoods are more profoundly affected by crime, and their access to judicial systems is limited).
- Transitional justice that seeks to address issues of injustice is an essential aspect of peace building in fragile and post-conflict states (Samuels 2006).

Rule of law programs that have been implemented in fragile and conflict-affected countries can be broken down into the following five categories: (1) human security and basic law and order, (2) systems to resolve property and commercial disputes and the provision of basic economic regulation, (3) human rights and transitional justice, (4) predictable and effective government bound by law, and (5) access to justice and equality before the law (Samuels 2006).

An even broader framework for establishing rule of law emphasizes a focus on efforts to address women's security in particular, specifically access to justice for sexual and gender-based violence. The UNDP has also recommended that efforts to promote confidence building and reconciliation should also be considered under the rule of law rubric (UNDP 2008).

The last decade has seen the development of bottom-up approaches to rule of law that apply the concepts of access to justice and legal empowerment. Most bottom-up approaches are based on the concern that the needs and preferences of the poor should inform rule of law interventions. Typically, activities involve initiatives to support education on rights awareness, legal clinics, developing alternative resolution mechanisms, supporting local existing dispute-resolution institutions, and strengthening local civil society (van Rooij 2009). Through its Justice for the Poor Program, the World Bank has contributed to the prominence of bottom-up approaches. This program promotes a demand-oriented, community-driven approach to justice reform, valuing particularly the perspective of poor and marginalized groups such as women, youth, and ethnic minorities. The program acknowledges the global diversity of justice systems and that concepts of justice are intertwined in the social, economic, and political landscape of any given society. Any attempt at pro-poor justice reform requires a detailed understanding of the structures and processes both formal and informal whereby the poor achieve or are denied justice (World Bank 2009c).

The experiences of Liberia and Afghanistan offer insights about the challenges facing the rule of law after severe conflict. Limited capacity, resources, and access weaken the judiciary and delegitimize national courts (Widner 2001). In Liberia, for example, the civil war left the justice system in ruins. This included a critical shortage of lawyers, destroyed courthouses, rampant corruption, inadequate wages and incentives, and limited access to justice due to lack of social and economic capital. Additionally, widespread gender-based violence and rape constituted a major challenge for the justice sector. In Afghanistan, the challenges were further complicated by an absence of uniform rules and competing formal and informal institutions (courts versus jirgas). Also the lack of human capital (1 lawyer per 78,000 population) and the destroyed infrastructure also created compelling challenges.

The experiences of Haiti, Liberia, Sierra Leone, and Afghanistan offer pertinent lessons toward future efforts toward establishing rule of law in fragile and conflict-affected countries.

- There is a need for coherence and coordination among all external and local partners to ensure complementarities and consistency (USAID 2006a).
- Policy makers should avoid ad hoc programs and note that donor-driven interventions may further complicate the reform process and policymakers should take into account the politics of the reform process. Moreover, security and justice requires flexibility because these environments change rapidly (USAID 2006a).
- It is essential to undertake a thorough diagnostic of the justice sector and also important to understand the local culture and pay attention to customary legal norms and beliefs. Program design requires good analysis and should be created through inclusive consultations, based on local priorities, and linked to specific problems (USAID 2006a).
- Civil society's role is essential to ensure local ownership and to build a constituency for change. Strong grassroots efforts and cooperation with civil society can be more effective, especially in situations where institutions are weak and dysfunctional.
- There is an interconnected nature between rule of law reform, security, and development, and moreover, security and justice cannot be delinked.
- Prosecutions can advance peace, when they are legitimate and fair charges against individuals and the arrest of key protagonists who violate accords can boost peace implementation. On the contrary, there are real risks that a peace agreement that mandates prosecutions can jeopardize the peace process, and the case of northern Uganda demonstrates this difficult dilemma (Benomar 2001).
- Where there is a legacy of trauma, transitional traditional justice mechanisms are useful frameworks for accountability and reconciliation. These traditional mechanisms may help bridge the gap to begin the transition to the rule of law. The strengths offered include that they are transparent, affordable, and able to foster social harmony. At the same time, the shortcomings include that these practices may be applicable only in these communities, as well as concerns about an overreliance of elders to the detriment of other groups (Alie 2008).
- Transitional justice models can combine options that are controlled by state institutions (national or international) such as the international criminal court and policies that are community initiated and organized that may be more ritualistic and informal. Tradition-based techniques incorporate the notion of reconciliation, accountability, truth, and reparation (Huyse 2008).
- The reality in fragile states is that security and justice are delivered by a large number of actors, some of whom are state agencies and services, but most of whom are likely to be non-state organizations and systems (OECD/DAC 2007). Non-state systems may also be more effective, accessible, quicker, cheaper,

more flexible, and in tune with people's values (see also Baker and Scheye 2007). Challenges to non-state systems include being subject to corruption, being unable to maintain adequate records, lacking accountability, and complying with international human rights standards, such as discrimination and women's rights (OECD 2007).

Improving Effectiveness

Improving effectiveness involves increasing the capability of the government to work with society to assure the provision of order and to deliver public goods and services. Public goods and services include public safety (policing), education, health, and water (Meagher 2005). For the World Bank, effectiveness incorporates questions related to the quality of public services, the capacity of the civil service and the quality of policy formulation (WBI 2008). Questions addressed in this discussion will include: What is the link between service delivery and resilience to crises? How can weak capacity be addressed? What are potential opportunities and constraints? What are feasible entry points for initiating economic recovery? What does an economic reform agenda entail? What does public-sector reform involve and what are entry points? What lessons can be drawn from the experiences of Mozambique, Angola, and Timor-Leste?

Restoring service delivery and initiating economic recovery are central in fragile states and conflict-affected countries and are seen as the *raison d'être* for functions of the state (Brinkerhoff 2007). In this analysis, the challenge of improving effectiveness will be broken down into three core elements: service delivery, economic recovery, and public-sector reform.

Better Service Delivery

According to Berry et al. (2004), service delivery may act as a tangible peace dividend in countries emerging from conflict. Improvements in public services can play an important role in addressing fragility, with service-delivery interventions bringing sustained improvement or at least preventing a period of backsliding (Berry et al. 2004). Many analysts suggest that conflicts often are a result of inequities and conditions that can be addressed by the equitable provision of basic services.

For example, research findings of Meagher (2005) and Pillay (2003) indicate that by providing employment opportunities and access to education, government can address a youth "bulge" that is linked to increased risks of instability and conflict. Specifically, it is estimated that access to education can reduce the risk of conflict by 20 percent (Pillay 2003; see also Meagher 2005).

Further, health service delivery can help to promote peace and reconciliation at the local level and is an effective way to initiate engagement with communities around a neutral subject (Meagher 2005). During Angola's civil war, the rebel group UNITA, the government, and some nongovernmental organizations (NGOs) worked successfully together to control outbreaks of trypanosomiasis in northern Angola (Meagher 2005). In Mozambique, NGO extension of food distribution and health provisions across conflict lines played an important role in decreasing tensions and dismantling military restrictions on movement. Additionally, NGOs were allowed to revive health services in RENAMO-controlled areas and retrain staff from RENAMO areas, signaling government commitment to the peace process. Overall, the work on health services helped facilitate the reintegration of rebels into a civil administration. The experience of Cambodia provides further insights on the positive role that health can play as a bridge to peace and reconciliation. In that country, the World Health Organization facilitated efforts to reintegrate health workers from three different factions within the interim health administration (Vaux 2005).

Service-delivery interventions can provide an entry point for broader governance reform that can trigger longer-term economic and social change. Governance reforms that are needed for longer-term change have a better chance of success if linked to reforms in service delivery that produce tangible results and benefit the public in noticeable ways (Berry et al. 2004). Effective service delivery also helps to strengthen the state's legitimacy with the population, as positive perceptions contribute to fostering institutions. Improved service delivery can also undermine the lawlessness and proliferation of parallel illegal organizations that can often fill the vacuum in fragile and conflict-prone environments.

According to an OECD report, several problems specific to fragile and conflict-affected countries can complicate service delivery. First, the incentives for service delivery may be impaired by lack of government capacity, political will, or the breakdown of social order through conflict. Second, service delivery may be impacted by deteriorating or nonexistent infrastructure and poor technical managerial or technical capacity. Third, in some cases, in the absence of a national policy, service delivery becomes fragmented. Such difficulties may result in disengagement with the public institutions, which can further weaken the legitimacy of the state (OECD/DAC 2007).

In situations where there is some capacity, state providers should be considered the first entry point for strengthening service delivery. This focus can foster state accountability for public services and is less likely to undermine an already fragile state. At the same time, in situations of crisis, there is need for shorter-term radical or innovative solutions to boost the state's capacity for delivering services. When there is no government capacity, the international community can harness non-state providers. For example, contracting allows governments to harness the capacities of both state and non-state actors, as was done in Cambodia (Bhushan, Keller, and Schwartz 2002).

A crucial dilemma for policy makers is that sustaining the peace depends on the provision of basic public goods and services. However, without local participation and national ownership of the process, countries may not be able to sustain early achievements or make a relapse to violence less likely. Consequently, instead of simply bypassing weak or nonexistent government capacity, it is critical to build government capacity in parallel to utilizing temporary arrangements that respond to the immediate needs of the population (World Bank 2003).

Other alternative delivery models involve direct community action, autonomous programs run by international NGOs, coproduction, and markets (Meagher 2005). Ultimately, in developing longer-term solutions, governments will need to address incentives, including such issues as pay, morale and motivation, effective management, and transparent employment systems.

Krasner (2005) asserts that shared sovereignty, under agreements between national authorities and external entities, can promote good governance in fragile and conflict-affected environments. Forms of shared sovereignty, whereby a weak state partners with a more developed country on some aspect of its country's management, could prove more useful than technical assistance. For example, a country with a highly developed legal system could provide a "judicial blanket" for a fragile state in the form of a series of courts to adjudicate major cases and supervise lower courts. Natural resource revenue could be placed in an international escrow account co-managed by a foreign country or international body. Kosovo and Bosnia and Herzegovina have both operated under forms of conditional sovereignty with a UN or European Union special representative holding pre-consular powers in order to prevent ethnic differences. Liberia was forced to accept a revenue collection structure in which foreign nationals worked with counterparts to introduce systems to prevent corruption. Others examples include Sierra Leone's special court, where most of the judges as well as its prosecutor are UN appointees (See Krasner 2005; Kaplan 2008).

Many practitioners agree that time lines make a difference. A particular arrangement (sovereignty share, for example) might be deemed effective in the early stages of post-conflict recovery, but would be seen as undermining state legitimacy if it were perpetuated.

Economic Recovery

Reigniting the economy is as important as improved service delivery in conflict-affected countries (Putzel 2007). Beyond service provision, effective economic governance is an important contributor to public goods (Brinkerhoff 2007). Collier argues that economic growth directly reduces conflict risk while cumulatively raising income and diversifying the economy, both of which also reduce the risk (Collier 2007) of a relapse into conflict. Empirical studies suggest that a society with 5 percent annual GDP growth is 40 percent less likely to fall into conflict than a country whose economy is declining by 5 percent.

However, economic recovery in conflict-affected environments remains challenging. A UNDP study noted that Sierra Leone is still largely dependent on international assistance, and while a degree of political stability has been achieved in Bosnia and Herzegovina, Timor-Leste, and Kosovo, these nations have not yet successfully established themselves as viable, self-sustaining economies (UNDP 2008).

A review of the literature and insights from practitioners offer some guidance on how to approach economic recovery in fragile states and conflict-affected environments. Brinkerhoff reasons that good economic practices involve the following:

- sound macroeconomic and fiscal policy making;
- efficient budget management;
- promotion of equitably distributed, wealth-creating investment opportunities;
- an adequate regulatory framework (Brinkerhoff 2007).

Similarly, USAID suggests four functions essential to the promotion of economic recovery:

- The most immediate priority is reestablishment of a market economy. This overarching task may include such activities as setting up mobile systems, assisting credit facilities to support wholesale trade, exporting promotion, and establishing market locations for small-scale retailing.
- A second priority requires identifying employment opportunities that may exist within different sectors. Emergency job-creation schemes are important—both to absorb ex-combatants and youth and to achieve a quick impact and build confidence in the new state.
- The third area needing attention is public finance management, which covers control of the national budget, resuscitating a central bank, setting up an environment to support the banking sector, and scoping out sources of state revenue.
- A fourth priority in economic recovery involves management of natural resources, real property assets, state-owned enterprises, and the environment (USAID 2006).

UNDP proposes a broader scope for sustainable economic recovery although encompassing some of the same attributes as the USAID framework. It outlines the following seven functions:

- establishing security by breaking the dynamic of violence through actions such as disarmament, community policing, and strengthening justice;

- setting a coherent macroeconomic framework with effective systems for public finance, monetary exchange rate policy, and quick-yielding measures to restore basic infrastructure and jump-start the economy;
- creating an oversight system for public finances and national resources;
- diversifying public investment by supporting the private sector;
- reconstituting social and human capital by growing new leadership;
- fostering decentralization;
- establishing the rule of law to help reduce intersocietal tensions (UNDP 2007).

But even with the best policies, economic recovery takes time. Collier suggests that an external military presence can help to maintain a secure environment while the government focuses on facilitating a meaningful economic recovery. UNDP research suggests that in the short term, international actors often take the lead in providing both relief and recovery assistance. While this may be necessary, it is critical that national actors take the long-term lead in pulling together a system for political and economic governance. To this end, they must acquire the capabilities for making key decisions on economic reform and the allocation of resources. Governments also need to be prepared to assume responsibilities that international partners have managed under temporary arrangements (UNDP 2007).

International experience thus far shows that the starting point for economic recovery will depend on the situation on the ground. In Timor-Leste, an imperative priority was to build and staff economic institutions and to develop inclusive economic policies. These priorities sought to address a dominant root cause of the Timor-Leste conflict, whereby age-old practices and patronage networks dominated the control of resources. Efforts at sustainable economic recovery required more inclusive systems. In Afghanistan, where the economic structure was interwoven with the opium trade, sustainable economic recovery will entail transforming the opium economy because of its negative impact and its reinforcement of war economy.

Public-Sector Reform

The most critical governance and institutional needs for post-conflict recovery are the restoration of the state's capabilities, encompassing the creation of a professional public administration and civil service; the rebuilding of representative and inclusive political institutions; and the establishment of mechanisms for oversight, accountability, and financial controls (UNDP 2008). However, public-sector reform involves complex political and sequencing issues. Broadly, governments do well to focus on basic reforms initially, maintaining realism about the time it takes to get significant results (World Bank 2008).

Practitioners and scholars offer useful insights based on recent experience of public-sector reform in fragile states and conflict-affected environments. For example, while strengthening the civil service and administrative components of the public sector should be high priorities, such reform efforts can be challenging or impossible in the period immediately following conflict. A UNDP report suggested that reinstating a government payroll is the first step in what will be a long-term need to put into place a government service that can discharge state responsibilities. The first task will be simply paying government workers, who, in many fragile and conflict-affected environments, may have worked without pay for months or longer, demoralized and unproductive. Workers may also have been killed or displaced. "If they are to begin to getting the drinking water, electricity, fire protection, waste removal, etc back into working order, they must be given some minimal incentive to do so. They must be paid their salaries." (Blair and Amitzoebel, 2007). However, the experience of Liberia showed that

even such administrative tasks can be challenging without robust efforts to prevent corruption and ensure effective management of the state's economic resources.

Because establishing a new payroll system for all government workers may be overly ambitious, it may be more feasible to address payroll issues sector by sector, beginning with the areas of highest priority. Also, governments can focus on personnel management reforms, such as merit-based recruitment and promotion to improve performance and counter patronage-based systems (World Bank 2008). Ultimately, governments must begin to reinvest in human capital, even though this is a long-term effort (World Bank 2008).

Public expenditure and financial management is another key component of public-sector reform. Public financial management refers to managing the money, from budget planning to procurement, including treasury functions and monitoring (World Bank 2008). Public finance underpins the ability of the state to perform its core functions, including the provision of security. World Bank experience in Afghanistan demonstrates that the creation of a public finance system and credible institutions were fundamental to the creation of a secure environment (Carnahan and Lockhart 2008). A functioning public finance system is the backbone of an effective and legitimate state. By building up the public finance system in a post conflict country, the capability for strategic planning can be developed through the budget process, which should be the locus for formulating, coordinating, and monitoring policy. The state's capacity to collect and expend revenues underpins its ability to deliver basic services, including security, social services, and infrastructure.

Experience suggests that it is essential to put into place basic systems for cash management and budgets before addressing the more complex reforms of computerized systems. Although many fragile and conflict-affected countries rely initially on external aid, their sustainable recovery and stability requires that governments develop the institutional, administrative, and fiscal means to finance and deliver basic services. Often, post-conflict governments are uncertain how to re-launch tax systems or identify sources of revenue. Effective customs and tax-collection systems are complex, and they are vulnerable in situations of state fragility. For example, in the Democratic Republic of Congo, it has been estimated that between 60 to 80 percent of custom revenues are not collected by the central government but are instead used to finance militia operation (UNDP 2008).

There are two major challenges to building a sustainable revenue system. First, there must be adequate economic activity from which revenue can be extracted. Second, the tax and customs administration require a strong cadre of public officials who are well trained, adequately remunerated, and committed to building a strong revenue service.

The international community has a number of options to ensure that resources are used appropriately. At one end of the spectrum, donors can impose specific conditions, and on the other end of the spectrum donors can apply a more collaborative and consensus-based approach to government expenditure. International actors also possess a range of policy tools, including sanctions, military interventions, and direct provision of services (Carnahan and Lockhart 2008).

Reconstituting Legitimacy

If improving effectiveness is one element of government resilience in conflict-affected countries, restoring legitimacy is another. Reconstituting legitimacy in post-conflict states involves expanding participation and inclusiveness, reducing inequities, creating accountability, combating corruption, and introducing contestability (Brinkerhoff 2007). This section will examine different paths, strategies, and approaches for reconstituting

legitimacy. Key questions include: What does legitimacy mean, and what is the link with fragility? What is the relationship between legitimacy and elections? Are other political processes or traditional mechanisms more appropriate to achieve legitimacy? What insights can be drawn from South Africa, Afghanistan, Iraq, Liberia, Angola, and other countries?

Legitimacy refers to the perception by citizens that the government is exercising state power in ways that are reasonably fair and in the interests of the nation as a whole (Meagher 2005). Legitimacy plays a role in buffering states against fragility. Without a minimum degree of legitimacy, states have a difficult time functioning, with loss of legitimacy being an important contributor to state failure (Brinkerhoff 2007). There are two basic ways to generate legitimacy. Output-oriented legitimacy refers to government's problem-solving quality and derives from the ability of governments to produce tangible results, such as needed social, economic, and security services. In this respect, government effectiveness (discussed above) links directly with the goal of reconstituting legitimacy. Input oriented legitimacy involves the participatory process of decision making and derives from the consent of those who are asked to comply with the rule of law and to submit voluntarily to the government's authority (Inball, Belman, and Lerner 2007; OECD 2008).

An immediate challenge in fragile and conflict-affected environments involves achieving input legitimacy by building consensus on the parameters of a new system of governance essential for both stability and recovery. Typically, legitimacy can be reconstituted through political processes, including peace agreements, constitutional processes, and transitional elections (UNDP/USAID 2005; see also UNDP 2008). A recent report noted that like normative standards, legitimacy can be approached empirically, referring to the shared beliefs of the constituency in question (Bellina, Darbon, Eriksend, and Sending 2009).

The Challenge of Elections

With regard to elections, international declarations and norms unambiguously establish elections as the basis of legitimate government. Fair elections have become a critical requirement for governments to achieve legitimacy in the eyes of the international community and their own citizens (Bjornlund, Cowan, and Gallery 2007). Some experts have asserted that even flawed elections are a step in the right direction, giving government the experience of administering elections and giving citizens some experience in democratic participation (Manning 2005). The experiences of some countries, including South Africa, Mozambique, Nicaragua, and El Salvador, suggest that elections can help strengthen institutions that will in turn be critical in preserving stability. Bjornlund et al. offer three major objectives for elections in post-conflict societies: first, to enable the transfer of power to a recognized democratic government with national and international legitimacy; second, to introduce democratic processes; and third, to promote reconciliation among the parties to the conflict and transform their competition from a violent to a nonviolent form (Kumar 1998; Bjornlund 2007).

However, many analysts and practitioners point to the numerous constraints. Carrothers has argued that the role of elections is overestimated because often, civic participation goes no deeper than the act of voting, while government accountability remains weak. In cases where elections are perceived as being held for the benefit of an international audience, the process lacks credibility (Carrothers 2007). In Iraq, for example, some have argued that the rapid push for elections was a way for the United States to legitimate the use of force to its own domestic and international audiences. Moreover, legitimacy based on democratic processes can be extremely difficult to ensure. Many long-standing democratic regimes have been easily deposed by authoritarian regimes. These democracies failed to deliver meaningful economic change or could not provide the basic security or presided over highly unequal societies (Putzel 2007). Whether warranted or not, there is sometimes a disenchantment about democracy when there is a perceived absence of tangible economic benefits (Fritz and Menocal 2007).

When elections are held too early not allowing the development of new political forces into coherent parties, incumbents and already-established political forces stand to gain (Zartman 2005). Further, premature elections—such as in Burundi—can increase the risk of violent conflict in a country lacking the organizations to manage competitive elections. Elections in Angola in 1992 precipitated renewed conflict and the 1997 Liberian elections provided only a brief pause before another round of conflict. In Angola, elections were premature because demobilization was incomplete, creating a condition in which the country easily returned to war when one group rejected the election results. In the case of the 1997 Liberian elections, fears that war would return led many voters to cast their ballots to appease the most dangerous candidate, ex-factional leader Charles Taylor (Lyons 2005). Other research suggests that holding local elections prior to national elections can ensure greater stability. This notion is based on the belief that local elections reflect more directly on the needs of the population and are less likely to be fought along ethnically divisive lines (Cole 2007).

For Goldstone (2008), elections are likely to confer legitimacy only under the following circumstances: (1) an inclusive electoral process, with the provision of fair monitoring and supervision; (2) acceptance by all sides of the rules of the game and agreement in advance that election outcomes will be accepted; and (3) assurance that security can be provided. If these conditions cannot be met, seeking an interim government under an alternative leader or council who has some prior legitimacy can be a good precursor to elections (Goldstone 2008). Mansfield and Snyder (2007) reason that democracy can succeed if promoted in the right sequence. The first priority is to strengthen the organizations of state administration. Next would be support for a political coalition that believes it will benefit from governing impartially and sticking to the rules. Partners would also help the coalition to fight corruption, create honest courts, and allow journalists to practice their profession. Once these building blocks are in place, free and fair elections can lead to good results, and violence is less likely. These authors argue that successful recent democratic transitions in South America, Eastern Europe, Korea, Taiwan, and South Africa have had many preconditions of democracy in place before the voting started. On the contrary, violent transitions in the Middle East, the Balkans, and elsewhere have not (Snyder et al. 2008).

Inclusive and Other Participatory Processes

Fukuyama (2004) asserts that past experience suggests that processes cannot simply be uprooted and transplanted to developing countries. Societies need to create their own institutions through processes of contestation and deal making between state and society. Traditional systems that may not be recognizable in Western states may still perform the same functions and generate the same outputs as formal state institutions (see Fukuyama 2004; OECD 2005). Such processes may take many forms, both modern and traditional. South Africa's national constitutional dialogue and the Afghan constitutional Loya Jirga that led to the first elected governments are examples of political processes other than elections that aimed to achieve legitimacy (UNDP/USAID 2005). Kaplan argues that to achieve sustainable governance reform, planners must redesign government institutions to fit local conditions. Kaplan argues that states can gain legitimacy by leveraging people's histories and customs (Kaplan 2008).

South Africa's post-apartheid constitution in 1996 was remarkable for both the inclusive and consultative process by which it was adopted as well as for its programs and ideas. The process involved a massive public-participation campaign in which the role of civil society was paramount, along with participation and compromise, with all sectors of South African society. These meetings were advertised widely, especially through television and radio campaigns that were designed both to educate the public and to elicit feedback on the new constitution (Jagwanth 2003).

In Afghanistan, the state never commanded the full loyalty of its own citizens. People viewed the Loya Jirga as a process closest to a representative one and as an intermediary step to a more representative process. Ottaway reasons that a political process needed to be based on an understanding of Afghanistan's history and "not on an image of the modern state the West would like it to become" (Ottaway and Lieven 2002, 3). As an existing institution with high legitimacy, the Loya Jirga was a culturally accepted basis to reconstitute elections (Goldstone 2008). It involved hundreds of leaders from around the country and provided a stake and the opportunity for different leaders across the country to discuss issues of national importance. Even with its inherent problems, people welcomed the shift from the totalitarian and exclusionary state that was Afghanistan under Taliban rule.

While the above political processes are desirable, they are not always necessary or sufficient to ensure broader legitimacy of the state. This is especially the case where predatory and exclusionary governments have contributed to the outbreak of war. Other analysts argue that governments achieve legitimacy by providing palpable benefits such as security, justice, basic services, and economic opportunity (UNDP 2008). Ghani and Lockhart (2008) maintain that elections are a zero-sum game, whereas legitimacy is a dynamic value requiring constant discussion and cooperation from the public domain. These authors argue that states derive legitimacy from their performance in the economic, social, and political domains, with the following 10 functions:

1. Law making, with the purpose of establishing the rules by which society operates. Rule of law is imperative because it creates a predictable environment and a way to hold government accountable
2. A monopoly on the legitimate means of violence
3. Administrative control, managed by government professionals who are accountable to the citizenry and recruited through an open process
4. Sound management of public finances, which is the vehicle through which states can realize their public goals
5. Investment in human capital
6. Creation of the rights of citizenships through social policy
7. Provision of infrastructure services
8. Formation of a market through setting and enforcing rules for commercial activity; support for the operation of private enterprise and intervening in the time of failure
9. Management of public assets, which range from fixed assets including land, heritage to natural capital, including forests, rivers, and minerals
10. Effective public borrowing, which is the basic foundation of the banking system and critical for the operation of the financial sector

When a state performs all 10 functions effectively, this contributes to the legitimacy of the state, producing a "sovereignty dividend." This means that governance reform should focus on getting the state to achieve the above 10 functions (Ghani and Lockhart 2008).

Analysis thus far infers that legitimacy is a critical attribute of a functioning state and suggests the following: (1) there is a need to rethink how and when elections are introduced; when not introduced, appropriate other tools to expand participation should be employed; (2) sometimes good arguments can be made for much longer transitions, whether by conducting elections at local levels initially or in other instances leveraging traditional processes geared to increase participation; (3) both input and output legitimacy are interdependent, and one form of legitimacy may be eroded if not complemented by the next form of legitimacy; (4) while the World Bank does

not traditionally work on political processes, legitimacy is a relevant governance that needs to be considered; and (5) a mistake by the international community is to believe that if a government is legitimate in the international community's eyes, it is legitimate in the eyes of everyone else. Ultimately legitimacy will not last unless it produces results. The World Bank can promote legitimacy by support of policies and programs that improve the standard of living of ordinary citizens.

Ensuring Accountability

Accountability is central to state legitimacy and remains critical to any sustained system for advancing good governance. Citizens have the right to demand accountability, and elected officials have an obligation to account for their actions and performance (Silva-Leander 2007). This section will seek to explore various strategies that achieve accountability. The analysis will explore three areas that are central to accountability: the role of civil society, legislative bodies, and local governance and decentralization.

Accountability describes the obligation of public officials to explain and justify their behavior to society and face sanction (OECD 2008). Accountability can be secured by various means, with different mixes of interventions producing the desired outcome (Wang et al. 2006). In programming, accountability is divided into the vertical (the ability of individuals or social groups to influence how government responds to their social demands) and the horizontal (the separation of power and the systems of checks and balances among the different branches of government) (OECD 2008). To achieve both types of accountability, a society needs to have established the rule of law (addressed in the section on stability); and then strengthened institutional checks and balances across branches of government (especially the legislature); strengthened the civil society, particularly the media; and advanced a workable plan for decentralization where appropriate, which places some decision-making authority closest to the people. A recent World Bank Report emphasized the importance of 'the missing link,' referring to the quality of the public sphere for improved governance and successful post-conflict recovery. The report highlighted the relevance of fostering a vibrant and inclusive civil society, including a professional media sector (made up of community radios, print media, and public broadcasting), as well as fostering transparent and accountable institutions, notably parliaments (and entry points for participation, particularly through legislative processes and through civic education, for long-term stability) (World Bank 2009).

Increasingly, the World Bank has paid attention to the "demand side of governance," which involves social accountability, or the capacity of citizens to demand greater responsiveness from public officials. In a public-sector context, social accountability refers to a broad range of actions and mechanisms that citizens, communities, independent media, and civil society organizations can use to hold public officials and public servants accountable. These might include participatory budgeting, public-expenditure tracking, monitoring of public services delivery, investigative journalism, public commissions, and citizen advisory boards. These citizen-driven accountability measures complement and reinforce conventional mechanisms of accountability, such as political checks and balances, accounting and auditing systems, and administrative rules and procedures (Kaltenborn-Stachau 2009; Marlina et al. 2004). The following highlights three areas that may help to address accountability in fragile and conflict-affected environments:

Strengthening Civil Society

Civil society is the reservoir of formal and informal organizations outside of state control. A key function of civil society involves monitoring the activities of the government and holding government officials and institutions accountable. Monitoring can involve a wide range of issues, such as human rights, public spending, corruption, and service delivery (Paffenholz and Spurk 2006). While civil society can play a prominent role in fostering governance reform in fragile and conflict-affected countries, it faces important challenges in fragile states and

conflict-affected countries. There follows some insights from international experiences:

- Civil society often needs outside help to emerge as a meaningful force for accountability. The objectives for building civil society should be linked to the goals of local communities. Capacity building should be grounded in a long-term strategy for social change; therefore, capacities for building coalitions, promoting dialogue on issues, and promoting public participation and development planning can be useful (Patrick 2001).
- Serious efforts to build and strengthen independent media organizations are particularly crucial, since access to information is essential for accountable governance. The media enables citizens to make informed choices and to monitor the performance of elected officials (Blair and Ammitzboell 2007).
- Civil society employs two different mechanisms to promote good governance, notably advocacy and substitution. With regard to advocacy, a key role of civil society is to articulate the interest of ordinary people, including marginalized groups, to raise public awareness and enhance the public debate on key issues. While advocacy is challenging in these environments, in the absence of capable public institutions, civil society can substitute for the state when the state is failing or has failed (Paffenholz and Spurk 2006)
- Civil society can improve governance from the bottom up by establishing partnerships between community-based organizations and local government and can introduce participatory approaches to community-level decision making. In addition, civil society organizations can play a useful role in policy formulation; for example, in the development of country strategies such as a PRSP (World Bank 2005)
- Strategic partnerships between civil society organizations, international media, and international NGOs have played a critical role as a catalyst for transformation. For example, during the outbreak of cholera, health officials sought to suppress information, until CSOs got the information into the international media (World Bank 2005).

Legislative Development

Legislatures can carry out three major functions to strengthen accountability. Legislative bodies can represent the needs and concerns of ordinary people and groups at the national level, where they can be factored into policy making and enacted into legislation. They can conduct oversight and, where necessary, hold the executive accountable through impeachment processes, no-confidence votes, or, in less extreme situations, through control of the budget (Johnson and Nakamura 1999, 2006). It is important to emphasize that several factors, including flawed peace agreements, weak political systems, entrenched patrimony and corruption, and limited resources, can render legislative bodies ineffectual in fragile and conflict-affected environments. However, there is great potential in strengthening the capacity of legislatures to play a constructive role in fragile and conflict-affected countries (UNDP 2006). By playing these roles effectively, parliaments can contribute to the core elements of effective governance: state capability, accountability, and responsiveness (Hudson, ODI, and Wren 2007). The following are insights drawn from experiences with legislative bodies in fragile and conflict-affected countries:

- Improving the legislative capacity of parliaments strengthens its ability to reach out to all sectors of society. Legitimately elected parliaments provide a forum for the concerns and views of different actors of the society to be incorporated into processes of dialogue and reconciliation (UNDP 2006).
- Parliament can also help the peace-building process by providing an institutional framework to help prevent conflict (O'Brien 2005). Even when parliaments are marginalized during peace processes (with executive branch, armed groups, and other non-state actors exercising considerably more influence), legislative bodies can forge a vital role in validating agreements and building constituencies for peace (UNDP 2006). For example, the AMANDI Great Lakes Peace Forum, comprising parliamentarians from countries in the Great Lakes region, have undertaken fact-finding missions to conflict-ridden regions in

Sudan and Uganda, and parliamentarians from the Democratic Republic of Congo, Rwanda, and Uganda agreed to hold their respective government accountable for implementation of peace agreements to end conflict in the region.

- Parliaments hold important legislative responsibilities that are critical to long-term stability, including legislation on transitional justice mechanisms; resettling internally displaced people (IDPs) and refugees; disarmament, demobilization, and reintegration (DDR) frameworks; and reestablishing civilian control over the security sector (UNDP 2006).

Decentralization and Local Governance

Decentralization and democratic local governance have assumed an increasingly prominent role in governance-reform support in fragile and conflict-affected countries. A recent World Bank report defines decentralization as “different degrees of transferring authority, responsibility, and finances for public functions from the central government to intermediate and local governments or to quasi-independent government organizations and/or the private sector” (World Bank 2009). There are three different types of decentralization, notably devolution, delegation, and deconcentration. However, there is no consensus about whether or how decentralization should be pursued in fragile and post-conflict environments.

Some scholars and practitioners argue that strengthening subnational governance in fragile states is vital for service delivery. For these experts, decentralization can improve governance in post-conflict contexts where central governing structures are likely to be weak. Local government can provide public goods and services when the central government is not prepared to manage such programs on a national scale (UNDP; CMI 2004). This view further posits that local governments are generally closer to both communities and traditional authorities, can play a critical role in early recovery, and can pave the way for a longer-term and sustained response (UNDP 2007). A recent World Bank Report on Sierra Leone’s experience highlighted the potential for increased accountability, transparency, and participation in decentralizing contexts, due to more active engagement and closer monitoring by stakeholders, including civil society (World Bank 2009).

On the other hand, other experts caution that decentralization can be damaging in some contexts. Thus far, no uniform set of recommendations for supporting local governance is possible because the process is very context dependent. Recent material posted on the Governance and Social Development Resource Centre’s (GSDRC) website nevertheless provided the following suggestions on how to address decentralization efforts in fragile and conflict-affected countries:

- Conducting a political economy analysis is essential, given that the process of decentralization is essentially about access to power.
- Comprehensive decentralization is not recommended, as it is a long-term process requiring political will and technical capacity.
- Interventions need to take into account and incorporate informal and traditional institutions and non-state authorities, in order not to undermine reform efforts.
- Local ownership is crucial to enhance the legitimacy of interventions.
- Effective decentralization should begin with deconcentration while laying the building blocks for devolution in the long term.
- External assistance should take into consideration that the rights of the poor and disadvantaged groups are taken into account, particularly minimum access.
- For decentralization to succeed there must be both political will within the central government,

bureaucratic support within ministries, and popular support.

- There must be a good understanding of the political context, including the politics of center-periphery; a solid grasp of the conflict dynamics and the political economy; and adequate resources under a program of fiscal decentralization.

Is Sequencing Feasible?

One key issue facing fragile and conflict-affected countries is how to sequence policies of political, social, and economic governance to create a change process that is both effective and sustainable. This section will discuss which governance tasks or goals might appear to be needed before others are possible and will explore whether a particular sequence might work best. Questions this chapter will address include: Is it possible to establish a hierarchy of tasks or goals to help policy makers navigate the complexities of forming appropriate policies? What are the challenges or constraints facing the sequencing proposition? Are experiences replicable? What lessons can be learned from the experiences of Haiti, Cambodia, Bosnia and Herzegovina, Mozambique, Liberia, Timor-Leste, and Afghanistan regarding sequencing of governance reform?

The sequencing debate revolves around shifting views that a hierarchy of governance objectives is feasible and helpful versus a more fatalistic opinion that in fragile and conflict-affected states, sequencing is implausible. Dobbins et al. (2007), for example, emphasize that the first priority for any nation-building mission is security and that absent this, other reform efforts will not succeed. At the same time, these authors caution that it does not imply that governance efforts should always be initiated sequentially. Rather, they argue that governance objectives can and should proceed in tandem if adequate funding is available (Dobbins et al. 2007).

Timilsina's research (2007) indicates that security must be achieved first and foremost, followed by the establishment of effective, accountable, and inclusive institutions at local and national levels. These would lead the process of institutionalizing democracy and reviving the economy. The research of Fritz et al. (2005) argues that the first step must be achievement of a political settlement and early progress toward reconciliation. Dobbins et al. (2007) would also view a peace process as a precondition for economic growth and a transition to democratization.

Lund (2004) argues that governance-reform objectives pursued in fragile states and conflict-affected environments are not all likely to be achievable simultaneously or immediately and that some are clearly needed before others. He stresses that although there is no single recipe, governance objectives may need to be phased in at different stages, and thus a certain sequence of priorities generally works best. Lund proposes a possible sliding scale of priorities from more immediate concerns to deeper and more long-term ones. He further suggests that the following sequence may work best: security, political agreements, service delivery, representative government or legitimate government, economic growth, and reconciliation.

Cole and Caan (2006) argue that governance objectives are interrelated and cannot be implemented one after another. Using the examples of Bosnia and Haiti, they stress that when one prong is ignored or relegated to a later phase, the mission is bound to fail (Cole and Caan 2006). Serwer and Ball articulate the same skepticism toward the effectiveness or feasibility of sequencing reforms. Ball reasons that the politics of the country in question should drive the sequence, which would be largely determined by who controls the levers of power. Ball further challenges the sequencing argument and the idea that "one can go down a checklist and then be ready to go home," (Ball et al. 2007) stressing that effective governance reform requires a long-term engagement. However, she acknowledges that within individual domains of governance, some kind of sequencing will be necessary. A sequencing problem frequently encountered in the area of security-sector reform is balancing the need to strengthen the capacity of the agencies mandated to deliver security against the need for assistance in strengthening rule of law, justice, and democratic governance (Ball et al. 2007).

Ghani and Lockhart assert that sequencing is the “critical link between idealism and pragmatism,” (2008) suggesting that interventions should be limited initially and developed gradually but systematically. Carrothers (2007) suggests gradualism in contrast to sequencing, explaining that this does not imply putting off indefinitely the core element of democratization, for example, but rather doing so in iterative and cumulative ways rather than all at once. Therefore, in post-conflict environments, the concern over premature elections does not suggest never having elections at all, but rather delaying the process pending a minimum level of trust that the rules of the game will be respected by all contending groups (Carrothers 2007).

Reform efforts in Mozambique, Haiti, Cambodia, Afghanistan, and Bosnia provide valuable insights. While each case is unique, similarities exist and can help assess the value of sequencing. The failures of the international community’s efforts in Haiti during the 1990s offer useful lessons toward the sequencing debate. One lesson is that security is a prerequisite without other reforms inevitably fail to gain traction. However, to ensure sustained reform in the security sector, policies should be designed comprehensively, encompassing reform of the police and military, judicial and penal code, and DDR. Although a new police force was established and trained during the early post-conflict years in Haiti, the effort later was undercut by a failure to reform complementary judicial and penal systems or manage the DDR process successfully. Secondly, credible elections can only take place when vital preelectoral conditions have been established. Basic security is essential to ensure that most of the population can be registered effectively and vote freely. Arrangements are needed to ensure the process can be monitored by independent observers. Thirdly, Haiti’s experience showed that some actions to stimulate economic recovery are required first or early in the process. Meanwhile, the leadership should advance civil-service reforms with caution in settings where government capacity to plan, implement, and monitor reform is weak (Timilsina 2007).

Experiences in Liberia and Timor-Leste also suggest that following peace accords, the first priority is to establish security. Analysts of these and other countries’ experiences argue that without a legitimate monopoly of violence through DDR processes, other reform efforts may fail. Secondly, to enable citizens to buy and sell essential commodities, it is critical to reestablish markets and generate opportunities for employment. Finally, on the administrative side, a civil-service payroll is needed if government workers are to begin restoring the services that collapsed during the conflict (Blair and Ammitzboell 2007). At the same time, Liberia’s experience demonstrated that in the period immediately following a conflict, when corruption remains pervasive, it is enormously challenging to implement an effective civil-service payroll system. Corruption during the transition period not only siphoned funds from needed government services, it generated a lack of confidence in the new order and added to the risk that the conflict would reignite. The implementation of the Governance Economic Management Action Program (GEMAP), in which the government of Liberia agreed to an international oversight authority, was an innovative response to gross mismanagement of funds. GEMAP targeted revenue collection, expenditure controls, and procurement and concession practices, with international experts exercising a cosignature authority on expenditures (Dudwick and Nelsson 2008).

The success of Mozambique’s post-conflict governance reform supports arguments that basic security is a prerequisite for all other reforms. But the same experience challenges the feasibility of sequencing discrete reforms. In this case, UN-led success in providing security during the stabilization period (1992–1994) greatly contributed to the success of subsequent governance-reform endeavors. But research shows that economic reforms were not delayed in order first to achieve security. Mozambique’s rapid rebound from war resulted from strong and sustained private and foreign investment that created markets and spurred further investments. However, private sector efforts require the establishment of legal frameworks to protect property rights and keep macroeconomic stability in the economy (Timilsina 2007).

In Cambodia, efforts to establish security stumbled. Demobilization faltered in the early phases, factional fighting broke out, and political instability ensued in the latter part of the reconstruction phase (Richardson et al. 2005). The absence of legitimate local governance further hindered the international community's ability to deliver needed human security and help efforts toward reconciliation.

Moreover, even within the same type of intervention, countries face different challenges requiring distinct solutions. A security-sector governance program needed in one setting may be ill-suited for another. For example, while the top security priority in Cambodia and Mozambique was demobilization and reintegration of ex-combatants, in Liberia, rebuilding the police was the most urgent step. By the same token, while creating a national military force was the highest priority in Timor-Leste, in Afghanistan, cross-border movement of arms and combatants emerged as the most critical threat to stability.

Based on the above analysis, the following lessons can be learned regarding the feasibility of sequencing:

1. Governance reform is context dependent and requires careful analysis and understanding of the country in question.
2. There is no one-size-fits-all governance reform formula; diverse countries present differing needs and vulnerabilities, and therefore differing priorities.
3. Governance objectives can be broken down into immediate priorities, medium-term priorities, and long-term priorities.
4. Governance reform is nonlinear and not chronological.
5. Governance reforms are interrelated and interdependent; even in cases where basic security might be the most pressing requirement, it cannot be addressed independent of related reforms or may not be sustainable if other reform efforts are not also underway.
6. Within individual areas of governance reform, there might be a need for a hierarchy of tasks that leads to sequencing of reforms, with certain changes to be carried out before others can succeed.

Therefore, while a generic or mechanical sequence is neither feasible nor effective, governance reform can and should be prioritized.

Prioritizing Governance Reform

Sequencing with a set hierarchy of tasks in different countries, for example, Afghanistan and Sierra Leone, is not recommended because of the differences in context. However, setting priorities is necessary, particularly in post-conflict settings where everything appears to be an urgent need. The 1997 World Development Report highlighted that countries with low state capability, such as fragile and conflict-affected countries, need to focus first on basic functions, and this principle can guide how to prioritize governance reform in fragile and conflict-affected environments (World Bank 1997).

The evidence thus far suggests that in the period immediately following the end of large-scale violence, a basic priority should be to stabilize an insecure environment to enable the recovery of institutions and services. Equally, efforts should focus on strengthening resilience in order to avoid a return to violence. Here, evidence suggests that effectiveness and legitimacy can both strengthen the state's resilience to crisis and conflict and lessen the likelihood of a relapse. The 1997 World Development Report further emphasizes that the provision of public goods and services defined to include maintaining law and order (public security and justice), social services, and economic well-being are among the basic functions that governments are expected to provide (World Bank 1997). Therefore, while a generic or mechanical sequence is neither feasible nor effective, governance reform can be prioritized according to three overriding objectives, notably *stability, resilience, and the provision of public goods and services*.

At the same time, many scholars and practitioners emphasize that these dimensions of governance are inextricably linked and interdependent. Stability contributes to resilience, and the provision of goods and services fosters stability and resilience. For example, establishing security is probably the single most important way to win legitimacy for a state after prolonged violence (Putzel 2007). Low legitimacy can undermine effectiveness, as elites and groups will withdraw support from a government that is seen as unjust, thus undermining its ability to function. Brinkerhoff (2007) echoes this view, commenting that effectiveness contributes to legitimacy in the sense that citizens tend to withdraw support from governments that cannot provide basic services or generate some level of economic recovery. Similarly, low effectiveness can undermine the legitimacy of the state because failure to provide public goods and services will be seen as an injustice (Goldstone 2008). At the same time, creating a safe, just, and secure environment for the state and the entire population is an essential public good and service.

In fragile and conflict-affected countries, governance priorities can be effectively elaborated in the design of a country's development strategy. For example, PRSPs represent a central government framework and provide the political space to articulate a country's governance priorities. PRSPs are a planning instrument and at the core of donor coordination in some fragile and conflict-affected countries. For some fragile and conflict-affected countries, the PRSP is a necessary tool for peace consolidation, as well as a requisite and key element in important international negotiations (most notably renewal of International Development Association lending and Heavily Indebted Poor Countries Initiative). By many respects, including the strategic nature of the process, anticipated levels of funding, amount of governmental and administrative efforts involved, and levels of expectation raised, the PRSP elaboration can constitute a major opportunity for restarting the state machinery for policy making, and hence for putting the country back on the path of greater economic development..

Scholars and practitioners maintain that PRSP can serve as entry points for governance reforms in fragile and conflict-affected environments because the quality of governance is critical for poverty reduction. Moreover,

some country PRSPs highlight good governance as a fundamental pillar (Central African Republic 2006; Republic of Burundi 2006; Republic of Chad 2003; Republic of Cote D'Ivoire 2002; Republic of Nicaragua 2005; Republic of Rwanda 2007). Among the typically recommended reforms are the reform of judicial systems, public administration reform, anti-corruption, decentralization, public expenditure management, security, and the rule of law. Among the reforms to the judicial system, several countries committed themselves to increasing its independence, strengthening its human resources, increasing budgetary allocation, and revising legal codes. With regard to the public sector, proposed reforms are broad, including a merit-based civil-service system and decentralization. To fight corruption, many PRSPs call for increased accountability and transparency of government processes, some singling out procurement, public information, and parliamentary oversight as critical. On public-expenditure management, efforts to increase efficiency and promote greater transparency in the budgetary process were also emphasized. Some countries facing political instability also recognized establishing law, order, and stability as critically important governance conditions for poverty reduction.

However, moving from rhetorical commitments in a country strategy paper to implementation in the real world can be uniquely difficult in fragile states and conflict-affected environments. Fragile states and conflict-affected countries already suffer from multiple points of stress—including low legitimacy, weak institutions, limited financial and human resources, endemic corruption, damaged social fabric, and low performance. Consequently, the list of governance reforms required by PRSPs appears exceedingly ambitious and potentially overwhelming (Grindle 2001; Manor 2007).

Some analysts have argued that PRSPs need not be an option for all poor countries and present arguments that PRSP may be premature or inappropriate. Dudwick and Nelsson (2008) suggest that where the government's commitment, legitimacy, functionality, and motivation are in question, donors should not pursue a poverty reduction strategy. In the Solomon Islands, the government was initially too involved in issues of security, trying to work out how to engage with a large international mission and make preparations for a national elections process. Citizens and the government had not been back in "normal mode" long enough to have a clear view of what was the usual business of government and what could be realistically expected in terms of reconstruction and development. Moreover, because it is difficult for governments with low capacity to engage fully in the PRSP, there is almost overwhelming incentive for donors to drive the process. In the end, national ownership is undermined and national stakeholders are alienated (Dudwick and Nelsson 2008; Ellis 2008).

Based on experiences generated through a four-year program that focused on PRSPs in conflict-affected countries Fruchart, Wam and Webster agree that warnings about the dangers of overly ambitious PRSPs in conflict-affected countries are always wise, but maintain that they do not imply postponement of all poverty reduction planning. Rather, they highlight the need for PRSPs, or equivalent strategies that may carry different names, to be initially modest, focused, and manageable. In their view, an effective strategy in a fragile or conflict-affected state will include, besides constant attention to conflict factors, adherence to five guiding principles: realism; transparent prioritization; context specificity; flexibility; and concreteness (Fruchart, Wam and Webster (2009).

Despite apparent challenges, there are good reasons for using PRSPs as entry points for governance reform in appropriate circumstances. PRSPs can therefore serve as an opportunity for enhancing governance capability. If properly managed, the process serves as a capacity-building tool and a vehicle that allows a government to engage its citizens in a national dialogue. Given the constraints, practitioners and scholars offer the following ideas that may guide how to approach governance reform for poverty reduction.

- Individual countries have distinct governance deficits, and donors should help partners to prioritize. Priorities need to be established based on which actions or initiatives produce results and can have the most critical impact on poverty reduction. Some countries might start with political stability, while others that have more institutional coherence, like Nicaragua, might target corruption or expand basic services. For example, when the Rwandan PRSP suggests that the judicial sector is an impediment to poverty reduction, donors could support a process of identifying which aspects most need changing and supply lessons from other countries (Grindle 2004).
- Capacity should be built on whatever already exists, even if that capacity is low—so donors should be prepared to work with leaders to “start where the country is” (Grindle 2004).
- Poor and disenfranchised constituencies should be mobilized, especially women and youth. With greater access to information, citizens can become better informed about government initiatives. Initiatives to develop media or alternative communication vehicles can be useful. There can be risks, especially where repressive regimes tend to view civic engagement as a threat (see World Bank 2007; Dudwick and Nelsson 2008).
- Although corruption can undermine governance, attacking it directly can be destabilizing in fragile states. Donors might concentrate on the kinds of corruption that can hinder the transition. In conflict-affected countries, programs must be sensitive to the links between corruption and the war economy, which may involve resource extraction and trade in drugs and arms. Vested interests may be strong, and certain groups may have a high interest in reigniting conflict if their income is threatened (Mathisen 2007; Le Billon 2005; Naim 2005; Dudwick and Nelsson 2008).
- Accounting and financial-management systems are fundamental to a government’s capacity to allocate and use resources effectively. For this reason, PFM reforms can create the basis for formulating realistic policies and may be easier to undertake than other governance reforms. Where possible, PFM reforms should support the development of the budget as a policy tool (Wilhelm and Krause 2008; see also Hilker et al. 2003).
- A strategic area of capacity building that is sometimes overlooked is the capacity of governments to manage the PRSP implementation process, produce evidence-based policy, monitor and evaluate systems, and manage donors. Experience indicates that well-developed policy matrices provide the catalysis necessary to set in place some of the features essential for effective policy implementation (Fruchart, Wam and Webster 2009)).
- PRSPs are an arena to explore substantive issues around conflict, given the close linkages between governance and conflict. PRSPs need to be more in tune with the reality of conflict. PRSPs can be translated into facilitating support to the PRSP by providing methodological support for the PRSP process, designing institutional framework for poverty reduction strategy coordination, implementing monitoring and evaluation, elaborating policy matrices, plan of actions, indicators (Fruchart, Wam and Webster 2009).

In sum, while poverty-reduction strategies can provide useful entry points for governance reform, policy makers and practitioners should be realistic about what can be achieved. For this to be effective, it may require tremendous amount of resources and a long time. PRSPs can be incremental, developing over time as elites grow more accustomed to pro-poor policies.

Conclusions: Implications for Governance Reform in Fragile States and Conflict-Affected Environments

Governance reform is difficult in countries with advanced economies and stable governments, and the complexities are compounded in fragile and conflict-affected countries. A carefully tailored approach is needed. While the focus of this report has been on conditions in fragile and conflict-affected environments, many of its lessons may be applicable to weak states or states with deteriorating governance that have not experienced violent conflict. While there are significant differences between conflict-affected environments and fragile states, there are also significant similarities, and approaches can be adjusted to the constraints and opportunities presented by each country. This report also acknowledges that entry points may be different in fragile states, which may not have the flexibility and “window of opportunity” that often characterizes the post-conflict environment. The following represent conclusions that can serve as operational guideposts toward formulating a conceptual framework for governance reform:

1. Start From What Exists. Even in collapsed states, or countries where violent conflicts continue, some capacity survives because local communities will meet their needs in ad hoc fashion. Even when states are weak or fail, there exists a whole universe of governance systems devised by local communities and based on traditional customs to provide the core functions of government, including basic security and justice and beyond. Interventions should seek to build on what already exists or seek to leverage existing governance or what governance is working for long-term reform.

2. Not all Governance Objectives can be Achieved at Once. Governance reform in fragile and conflict-affected environments requires a special approach. The idea of “good enough governance” is more open to nuance, taking into account the realities in settings that are not ideal. Not all governance objectives can be achieved at once; institutional strengthening and capacity building are products of time. At the same time, policymakers must ensure that their interventions contribute positively and do no harm.

3. Generic Sequencing is Not Feasible. Governance reform is context-dependent and requires careful analysis and understanding of the country in question. There is no one-size-fits-all governance reform formula. Governance reform is not chronological, but prioritization is necessary to help focus or guide policy makers. Also, governance objectives may be approached or broken down into immediate/early priorities, medium-term priorities, and long-term priorities. Despite the growing consensus that security might be required first, even security governance should not be addressed independent of other reforms.

3. Governance is Politics. Ideally, political settlements are required to end violent conflict before governance reform can advance. Political frameworks, regardless of how they are achieved, set the parameters for good governance issues and are essentially the first step on the governance path. Political settlements should create a sense of stability, because a secure environment is a necessary prerequisite for governance reforms. Notwithstanding the limits of the World Bank’s mandate, Bank teams should factor political or conflict analysis into their economic reasoning, because this can help define the risk environment. Some suggest that the World Bank secure a seat or “ear” at the table even when political negotiations and settlements are being designed for fragile or conflict-affected countries.

4. Rule of Law is Fundamental. Without a sustained improvement in the rule of law, other governance efforts, including political and economic reforms, are futile. Consequently, the highest priority in situations of fragility

should be given to establishing security and justice before other efforts to build effectiveness and legitimacy through economic growth and provision of social services can be productive. Moreover, security and justice cannot be delinked and are intimately related to development, especially in countries that have been affected by conflict and thus may have a bloated security service but questionable access to security and justice for the poor.

5. Legitimacy Requires Tangible Results. Legitimacy is a critical attribute of a functioning state. The World Bank efforts can promote legitimacy chiefly by supporting economic programs that improve the lives of ordinary citizens equitably across society. With regard to political legitimacy: (1) there is a need to rethink how and when elections are introduced, and when not, and what other tools might be more appropriate in certain situations; (2) sometimes good arguments can be made for much longer transitions, with elections only at local levels initially or with programs for leveraging traditional processes geared to increase participation; (3) both input and output legitimacy are interdependent and one form of legitimacy may be eroded if not complemented by the next form of legitimacy; and (4) while the World Bank does not traditionally work on political processes, legitimacy is a relevant governance dimension for the World Bank. A mistake that the international community makes is to believe that if a government is legitimate in the international community's eyes, it is legitimate in everyone's eyes.

6. Even Priorities Can Be Prioritized. While there are compelling justifications for the need to establish the rule of law, support civil society, and promote legislative development and decentralization, such a long list can be overwhelming for even the most reform-minded governments in fragile states and conflict-prone environments. Such reforms require capacities that may be nonexistent in settings where both human and financial resources are scarce and institutions are weak. Governments need to prioritize and target those reforms that will have the most critical impact on supporting stability, strengthening resilience to crisis and providing equitable public goods and services. Some reforms are not appropriate with countries in the midst of high levels of violence or civil war, because they may be counterproductive and entrench preexisting patronage networks or other poor governance habits. However, the donor community can help build the capacity of governments to identify the critical gaps, and push reforms likely to have the greatest impact.

7. Country Development Strategies Can Be Entry Points. Where appropriate, PRSPs can serve as a vehicle for enhancing governance capacity. At the same time, policy makers and practitioners should be realistic about what can be achieved under PRSPs, which may need to follow an incremental path. The notion of a "good enough PRSP" exercise is one that is achievable and whose deliverables are sustainable. However, for a strategy to be effective, governments need to pay constant attention to conflict factors and adherence to the guiding principles of: realism, transparent prioritization, context specificity, flexibility, and concreteness.

8. Governance Reform is a Political Process with Multiple Actors and Different Agendas. In postwar states, it can be challenging to disassociate effectively the efforts driven by local actors from those driven by external actors. Donors are actors in the political process, even though this may not always be acknowledged. Also, national governments may incorporate competing interests and opposing agendas. In some cases, the interests of civil society actors may be closely aligned with the government. What may be useful for practitioners is to attempt to identify spoilers and true reformers.

9. Governance Reform Works Better When Domestic And International Pressure Converge. Governments need to maintain a support base, a factor that may subvert important reforms such as fighting corruption. Patronage networks are fiercely resistant to change. Governments tend to accept aid uncritically, often lacking the vision of how to move from rhetoric to tangible actions that improve the lives of ordinary citizens. Sustainable progress will

depend on building appropriate coalitions of interests and taking opportunities for reforms as they arise. The international community can be part of such coalitions but only after making a long-term commitment and building a thorough understanding of local needs and interests. Civil society has a very important contribution to make in the process of transforming fragile states into peaceful and stable states. However, it is important to ensure that civil society reflects the voice of ordinary citizens, not merely urban elites.

10. Ethical Leadership Matters. Merely establishing formal institutions and processes does not guarantee that policies will be developed and implemented by all relevant actors. It is not possible to transform governance without a transformation of mind-sets of people and the ways in which they relate to each other. Governance reform requires visionary leadership in a transparent, participatory, and inclusive society.

Annex: Sierra Leone: Drivers of Reform

Sierra Leone built a recovery from years of civil war facing security concerns, the challenges of elections as a contributor to political legitimacy, the management of natural resource wealth, and the problem of corruption. To some degree, virtually all conflict-affected states face these same challenges. The experience in Sierra Leone illustrates the incremental nature of recovery, in which certain threshold tasks are accomplished while others remain incomplete or partly achieved. The West African nation's transition from violent conflict does not offer a formula for other countries, but rather a series of instructive experiences and processes.

Sierra Leone's experience provides an opportunity to analyze the drivers of governance reform for insights toward future governance-reform efforts in fragile and conflict-affected environments. The need to address governance weaknesses in countries like Sierra Leone is more critical than ever, given the danger that fragile states present to themselves and the wider international community. In Sierra Leone, weak governance over several decades culminated in the collapse of state institutions and served as a major cause of the 11-year civil conflict.¹ In 2002, collaboration between the government and the international community stabilized the security situation and ended widespread violence. While Sierra Leone is hailed as a success story by analysts, there is considerable disillusionment in many quarters at the lack of progress in tackling the governance issues that caused the war, such as corruption and the exclusion of many from access to resources and public services. Unless other governance dimensions improve, recent progress may not be sustainable (ICG 2007). The following section seeks to explore the range of interests, motivations, and incentives that drove governance reform efforts in Sierra Leone.

Security Sector Reform

When the government launched its wide-ranging National Strategy for Good Governance in April 1997, SSR unsurprisingly topped the list. Given the precarious security situation, key areas for SSR prioritized by the government included the establishment of a new army, reform of the police, and the establishment of democratic oversight. Regarding SSR, government priorities aligned with the donor community and donor engagement responded to the government's reform strategy. However, through force of circumstance, this was not systematic, and reform was also heavily influenced by the momentum of the civil war (as well as Britain's involvement). In the early stages, the British military took more of a hands-on approach to management than would have been the case if fighting had not been ongoing. From July 2002, the British-led International Military Advisory and Training Team (IMATT) took full operational responsibility from the U.K. military, and there was a gradual process of switching international personnel from operational to advisory roles. However, the shortage of Sierra Leonean officers proved a bottleneck, and even in 2004, there were still IMATT staff in key operational positions (Thomson 2007).

Police reform from 1998 under the Commonwealth Police Development Task Force led to considerable improvements. Undoubtedly, during the 2007 elections, the police were credited for their constructive role, a testimony of ongoing reforms over the course of almost a decade. The community policing model involved greater delegation to field levels, increased consultations with communities, and improved relations with the media. Additionally, national authorities sought to develop a reputation for transparency and accountability, and they established systems for audit and investigation of complaints (Thomson 2007).

¹ See <http://www.sl.undp.org/governance.htm>.

Overall, the reform of the security sector in Sierra Leone enhanced the restoration of public safety in the country and represents successful international intervention to stop a brutal war. Some positive features of the process were the inclusion of SSR as a key pillar of the country's poverty-reduction strategy and the emphasis of SSR on the decentralization of the security apparatus. However, significant gaps remain, and donor dependency and the "youth question" are continuing challenges (Ebo 2006).

Elections

Once the security situation was stabilized, elections in 2002 became an important priority for the government as a means to restore their legitimacy. Government confidence that they would win the 2002 elections provided an incentive. The subsequent 2007 elections were the first time in Sierra Leone's history that an opposition party had won elections without prompting a constitutional crisis and military intervention. Despite fears that political confrontations could turn violent and that domestic troops would be insufficient to ensure peace, legislative and presidential polls were conducted with few incidents of violence. The National Electoral Commission functioned with remarkable independence and helped to ensure the success of the electoral process. The government (former president) appointed a strong-minded chairperson for the electoral commission whose appointment reflected the groundswell of domestic sentiment for credible elections. (Freedom House 2008; see also United Nations Peacebuilding Commission 2007). Civil society organizations also played an important role in achieving this successful outcome. Various initiatives, including support to organizations such as the National Election Watch and Independent Radio Network, helped to prevent violence and ensure transparent elections (Ambrose and Fortune 2007). Consequently, regarding the issue of elections, there was good alignment between the government and the donor community. Donors, mainly the DFID, the USAID, and the European Union, contributed substantial funding for the elections process, including technical assistance to the National Electoral Commission.

Deregulation of the Diamond Sector

Sierra Leone's recovery from decades of economic meltdown and political and social turmoil will depend, to a very large extent, on how it manages its vitally extractive sector, especially the diamond industry (Gberie 2002). Diamonds may not have caused the civil war, but they certainly fueled it. By 1996, formal government regulation of the sector had almost completely eroded, and physical control of the diamond-bearing areas was heavily contested. However, since 2002, with the gradual improvement in security, there has been a rapid increase in official exports of diamonds, the government has expanded the legal part of the diamond sector, and government capacity to regulate the sector has improved (Thomson 2007). In terms of the interests and motivations for reform, there was a range of concerns held in different measure by different stakeholders.

The international community, particularly the United States, began to pay serious attention to the sector. Moreover, momentum was building internationally over "blood diamonds" and led eventually to the Kimberley Process Certification Scheme. Other donors such as the DFID provided advisers to the government, the USAID encouraged stakeholders in the industry to create a Peace Diamond Alliance, and the World Bank helped to develop a mineral-sector strategy in 2005.

The private sector in Sierra Leone is characterized by a complex relationship between some government officials and Lebanese commercial traders who play a key role in the diamond industry. With the change of power and impact of civil war, they became less influential, but their role has remained important. Despite government-declared policy, this complex relationship has sometimes hindered the ability to improve transparency in the diamond sector.

Anti-Corruption

In view of Sierra Leone's pervasive history of diversion of state resources, corruption became a major concern during the Kabbah administration. It regularly featured in citizen's characterization of government, and government officials also acknowledged the seriousness of the problem. For example, the minister of finance declared that about 70 percent of customs revenue disappeared into the pockets of customs officers. Moreover, corruption featured in several of the president's speeches, and it was his initiative to approach the DFID to help set up the Anti-Corruption Commission (ACC). The ACC made a promising start, with some highly publicized cases. However, investigations have generally avoided top politicians, and the commission is beleaguered by political interference (Freedom House 2008). Some reviewers have also pointed to problems of lack of capacity within the attorney general's office, shortage of judges, deficiencies in court management, and also a number of management issues. Beyond lack of political will, other analysts have noted that the persistence of corruption is also due to the poor conditions of services for civil servants and lack of attention to corruption in the private sector (Thomson 2007, 2008; see also Human Rights Watch 2008). Donors continue to view corruption with major concern and regard this issue as a primary obstacle to sustained recovery of an autonomous national authority capable of surviving without massive international aid (Freedom House 2008). Undoubtedly, anti-corruption emerged as a flagship of the Kabbah administration, but reform efforts were subverted by the reality of politics and the need to maintain a power base. Observers are concerned that the old patterns of patronage politics that traditionally characterized Sierra Leone politics may be reemerging.

Public Financial Management

Providing budget support to the government was a risky undertaking, in view of the collapse of the country's management systems and reputation for corruption. Nonetheless, aid was central to the strategy for stabilizing the security situation and improving governance. Since 2002, the World Bank and the DFID, among others, have continued to provide capacity building in public financial management. The measures taken include law reforms relating to the budget and public procurement and strengthening of government accounting and audit functions. While better systems have been introduced to manage public finances, implementation is at an early stage. An important challenge has been resistance from many within the government who have not wanted these reforms to succeed. For example, donors had to push really hard to get improvements in the area of audits.

Local Governance and Decentralization

Decentralization through the restoration of paramount chiefs and establishment of new local councils were important features of Kabbah's government policy from the onset. The government saw this process as a way to rectify some of the mismanagement of prior regimes where power was centralized. Moreover, part of the government's platform for reelection was returning power to the people. Consequently, decentralization was driven by government and supported by donors as a way to broaden democracy. However, the issue of chiefs remains a controversial one for donors, and thus far, mainly the DFID has been willing to support government efforts, while other donors have been less enthusiastic (Thomson 2007).

Poverty-Reduction Strategies and Governance Reform

Sierra Leone's first poverty-reduction process was credited for its participatory quality and was characterized by dialogue among government officials and key stakeholders, including private and civil society. However, some experts maintain that the Sierra Leone PRSP lacked a realistic strategy for implementation.

The research and analysis thus far suggests the following insights about drivers of governance reform in Sierra Leone:

1. Governance reform is a political process with multiple actors and different agendas. In postwar states where there are several actors; agendas may become blurred, making it challenging to disassociate effectively the efforts driven by local actors from those driven by external actors. Donors are actors in the political process, even though this may not always be acknowledged. Also, national governments are not a homogenous group, and there are competing interests and sometimes opposing agendas. With regard to civil society, in some cases the interests of civil society actors may be closely aligned with the government.
2. Areas of governance reform that worked best are those where domestic pressure and international pressure worked in the same directions, such as in the security sector and decentralization (specifically the establishment of local councils). For example, these issues were a priority for both sides.
3. Government intentions may be sincere, but reform efforts can be obstructed by the realities of politics and the government's need to maintain a support base. Therefore, while government was committed to fighting corruption and there were important successes in early stages, anti-corruption efforts were gradually subverted by the politics of patronage.
4. A disconnect exists between fund-raising efforts by governments and the ability to get tangible results on the ground. Governments tend to accept aid uncritically and often lack vision on how to move from rhetoric to tangible actions that transform the lives of ordinary citizens. Governments sometimes lack the capacity to prioritize or lack a clear vision on how to maximize aid flows by moving beyond commitments on paper.
5. Governance reform requires long-term engagement and can be costly, especially when driven externally. Sustainable progress will depend on building appropriate coalitions of interests and taking opportunities for reform as they arise. The international community can be part of such coalitions of interests but only if it is willing to make a long-term commitment as well as develop a thorough understanding of local needs and interests.
6. Civil society has a very important contribution to make in the process of transforming fragile states into peaceful and stable states. However, it is important to ensure that civil society reflects the voice of ordinary citizens (and is not dominated by urban elites).

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