Report

Rethinking state-building, fragility and conflict

Monday 31 October – Wednesday 2 November 2016 | WP1499
Report

Rethinking state-building, fragility and conflict

Monday 31 October – Wednesday 2 November 2016 | WP1499

Summary of key points

The event brought together aid workers, diplomats and researchers to reflect on a decade of research and practice from the world’s most complex conflicts - Afghanistan, South Sudan, Somalia and the Middle East - and to consider practical options for a change in approach.

In the run up to 2010, many analysts heralded a moderately peaceful moment of human history as armed conflict appeared, statistically, to be on the decline. There has since been a sharp spike in the number and intensity of armed conflict around the world, prompting debate over whether this signals a new wave of complex crises or the re-emergence of historic tensions.

Governments around the world have committed to build effective institutions and reduce violence through the Sustainable Development Goals (SDGs), The Fragile States Principles and in the New Deal. However, experience over the last decade raises important questions about:

- the application of peacebuilding, state-building and fragility concepts;
- the difficult trade-offs between ending conflict and processes to address post-conflict justice and reconciliation;
- working with states and working in contested areas;
- gaps between donor national interests and international coherence;
- achieving inclusive growth in war economies
- bridging the distance between the grim realities of conflict and global norms.

Participants considered whether with the benefit of hindsight, and if considering a future 20 year conflict trajectory, aid would have been implemented differently. They debated whether international efforts responded appropriately to changes in conflict dynamics and whether any generalisable trends or lessons emerged.

In addition to the meeting discussions, this note draws on work by: the World Bank, UN and DFID, alongside research from the Overseas Development Institute (ODI) led Secure Livelihoods Research Consortium (SLRC), the Justice and Security Research Programme (JSRP) at the London School of Economics, and The Political Settlements Research Programme at Edinburgh University (PSRP).

This note will inform:

- the UN and World Bank's planned 2017 report on development and conflict prevention;

1 http://www.pcr.uu.se/digitalAssets/61/61533_1brochure2.pdf
• the roll-out and translation into action of DFID’s new stability framework; and
• thinking about next steps for the New Deal, in particular how it should work in ongoing conflicts where state authority is contested.

Key points

Develop appropriate aid modalities

1. **Rationalise objectives.** Plan in decades rather than years. Keep medium-term expectations focused and real, whilst setting bold long-term ambitions that can publically drive momentum for peace.

2. **Understand context.** Violence has long roots, and short triggers. Complement technical skills able to design solutions with deep geographic expertise and relationships able to identify and mitigate risks. In protracted crises invest in continuous data collection and long-term analysis.

3. **Develop agile operations.** Traditional means of delivering aid are increasingly impeded by insecurity and decreasing access to affected communities. ‘Joined up’ assessments are key to setting shared objectives across partners. Innovation in remote delivery mechanisms is required to ensure results.

Develop appropriate aid modalities

4. **Prioritise Prevention.** Given the risks and cost of conflict, efforts to prevent violence should be prioritised as much as improving operations in crises.

5. **Sequence peace and political processes and be aware of trade-offs.** Ending conflict and re-establishing security cannot wait for the longer term, but peace does not start or end with a deal. Prepare for a long negotiation process and expect setbacks.

6. **Avoid ‘All in’ or ‘All out’ state relationships.** Effective conflict response requires multi-year programmes that can adapt to changing political contexts, scale up or down, and operate within or outside state structures. Avoid stop start shifts from state-building to humanitarian operations.

7. **Take sub-national tensions seriously.** All politics, security and public goods are experienced locally. Sub-national actors with access to communications technology and transnational networks can threaten regional and international order.

Consider drivers of conflict outside the state or aid architecture

8. **Narratives and identity affect behaviour.** Honour and perceptions of group deprivation and persecution may be amplified to mobilise violence and/or peaceful behaviour.

9. **Economics and financial flows can incentivise peace and war.** Perceived inequality in distribution and control of resources and public goods can be important motivators for violence. The eventual dividends of peace may be great, but material incentives for war are usually more tangible.

10. **Cross-border dynamics and geopolitical interests significantly influence conflict.** Yet our tools are calibrated for yesterday’s within-border problems

Main report

This is an abbreviated record of the discussions that took place. It does not reflect the full depth of the discussions or the policies of organisations attending the conference.

Participants recognised the dramatic shift in the global conflict landscape over the last five years. Whether this reverses the historic trend of declining intensity and number of conflicts is too early to confirm. However, certain patterns are clear. Since 2011 the number of conflicts, the level of forced displacement and the numbers killed in armed conflict have risen significantly. As a result of insecurity in the Middle East violent conflicts are afflicting
more Middle Income Countries than previously, and the degree of international interference in violent conflict has also increased. The growth of violent extremism and regionalisation of conflicts have seen violence spread across borders with far reaching international consequences. This has altered the policy calculations around intervention in conflict countries, and rendered traditional models of conflict management and peace making difficult. In many areas today, even signature of a peace deal does not guarantee security for international organisations, nor the end of violence.

**Develop appropriate aid modalities**

**Rationalise objectives**

1. Plan in decades rather than years. Keep medium-term expectations focused and real, whilst setting bold long-term ambitions that can publically drive momentum for peace.

2. The international aid frameworks in all the case study countries were considered to have overambitious objectives and deadlines. Afghanistan’s development milestones have been revised several times. The recent Brussels conference (2016) was the 11th international donor conference for Afghanistan since 2001. The Somali Compact (2014-2016) is making reasonable progress overall but early goals were also overambitious. In South Sudan the milestones set after the Comprehensive Peace Agreement (2005), and in the South Sudan Development Plan (2011-2016) after the South Sudan Independence Referendum (2011) appeared deeply unrealistic in the shadow of violence in 2013-15.

3. Of particular concern was the risk that these frameworks raised expectations locally. For example, whilst Somalia was considered to be progressing reasonably well, despite setbacks, Somali expectations of the size and flexibility of aid flows and the speed at which Somalis’ lives would improve (in terms of security, livelihoods and poverty reduction) were too high. These expectations were linked to the international ambitions expressed in the compact, which was too ambitious in describing what Somalis could achieve over three years in terms of political deal-making and the development of stable institutions (particularly security institutions).

4. Participants recognised that this was a trade-off. Setting ambitious targets was key to generating sufficient momentum and commitment to the compact, whilst the risk of such high objectives was that over time they could corrode national and international buy-in to the state-building process. The emerging lesson for international actors was to maintain a clear communication and planning strategy distinguishing between realistic medium-term targets and long-term ambitions required to maintain support for a political process.

More realistic objectives may also be helped by:

- **Improving understanding of the rapid evolution of different types of fragile and conflict affected situations.** This improved understanding would distinguish more clearly between contexts, such as decade long spiralling wars, areas at risk of descent, and situations affected by protracted instability or violent extremism.

- **Realising that more aid will not automatically lead to more stability.** In the short-term, changes in the use of force, patronage, popular narratives and financial flows will influence conflict more than improving delivery of public goods. Knowing what will alter these factors can avert assumptions that more aid will automatically lead to more stability, help manage risks to programmes and improve long-term planning.

- **Considering specific conflict resolution or crisis ‘moments’ as part of a process of transition rather than a linear step from war to peace.** Set aid objectives to address drivers of conflict, achieve gradual positive shifts and respond to crises by reviewing aid/development programmes alongside wider
Understand context

5. Violence has long roots, and short triggers. Complement technical skills able to design solutions with deep geographic expertise and relationships able to identify and mitigate risks. Invest in continuous data collection and long-term analysis.

6. In all case study areas, researchers and practitioners identified multiple long-term drivers of conflict. Yet, international systems had struggled to address these, and in particular to act on signals of discontent or to alleviate emerging tensions before violence breaks out. The ideal recipe of knowledge, leadership and decision-making to address this problem would look different in each context, so it was difficult (and would be unwise) to envisage a standardised solution.

Opportunities to improve the ingredients were much easier to identify:

- **Diversify the type of data and research on peace and conflict.** The current emphasis attached to comparative methods raised concern about reduced investment for in-depth country-specific research. Valuable comparative work should be balanced with mixed method longer-term research at country level.

- **In protracted crises, invest in long-term (10-20 year) iterative or continuous quantitative and qualitative data collection.** The tendency to rely on “good enough” short term analysis in crisis contexts posed risks to effective decision-making over the longer term. Solid data and analysis are required to understand the long-term drivers of conflict in protracted crises. Standard socio-economic indicators were not sufficiently capturing change in conflict contexts, and sporadic data collection often made it difficult to measure change over time.

- **Flexible expertise and brokering** (e.g. tailored briefs, roundtables, scenarios) that deliver the right product to the right person at the right time were likely to increase the uptake of research among policy makers.

- **Research that generates both:**
  - a) **Generalizable lessons** (what is more or less likely to work comparatively) and
  - b) **Contextual understanding** (what is likely to work in a specific place) were likely to be more useful.

Further proposals included:

- **Creating a culture of debate between and within organisations.** The more effective programmes tended to address trade-offs head on – through debate and discussion – and continually revisited scenarios and options with a diverse set of stakeholders. This requires high levels of trust and confidentiality, particularly between officials and external experts.

- **Communicating complexity concisely.** Research is likely to reach a wider audience in conflict settings when it uses brief tailored formats, signposts recommendations upfront, references methodology, is published in relevant languages, and is available free online. Creating a ‘one-sentence version’ of complex research outcomes was considered necessary to avoid potentially detrimental abbreviation by others.

- **Capturing and communicating success.** Research into conflict and fragility tends to capture failure more than success. It could do more to recognise success in complex situations and draw on constructive solutions from contexts with lasting peace. Overall, more focus should be given to how aid is involved in ‘managing risks’ rather than delivering solutions, when presented directly to decision makers.

- **Resourcing aid organisations to draw on and researchers to provide flexible geographic as well as thematic expertise.** Balance local and international experts, through multi-disciplinary and mixed identity teams.
Recognise geographic (not purely thematic) expertise in conflict response rotas.

- Enable experts to provide advice flexibly and informally to decision makers on situations as they develop, through standby arrangements or call down contracts.
- Develop cross-agency networks to share contextual knowledge and policy options.
- Support local analyst networks, think tanks, researchers and practitioners to develop skills, to obtain access to difficult areas and to provide intellectual memory.
- Ensure risk frameworks cover political as well as fiduciary risks. Provide adequate resource to risk assessments and management arrangements, eg Somalia Risk Management Unit.
- Learn iteratively (monitor and learn lessons as you go) and historically (reviewing over a decade or more) while planning for the future (eg through scenarios).
- Pay close analytical attention to a) big contested issues, or geography; b) ‘critical junctures’ in a conflict cycle where events took an unexpected turn; and c) exploring ‘windows of opportunity’.

Develop agile operations

7. Traditional means of delivering aid are increasingly impeded by insecurity and decreasing access to affected communities. ‘Joined up’ assessments are key to setting shared objectives across partners. Innovation in remote delivery mechanisms is required to ensure results.

8. Efforts to improve joined up assessment and delivery mechanisms over the last decade were recognised positively. This included steps to improve coherence between conflict mediation, aid and security efforts; within and between donor organisations; between military and civilian planning; between institutions such as the World Bank and UN; amongst NGOs and through cluster coordination systems. Several international organisations developed expert rosters, adjusted risk and needs assessments and developed collaborative ways of working.

9. However, there is still some way to go to improve institutional coherence, particularly where the political, security and development missions for international responses are split between neighbouring countries, for example the missions for Somalia and Syria. Coherence is also being hampered by decreasing access. International organisations are relying heavily on remote management and third party monitoring in all the case study areas. Access could worsen further in the next 5 years, impeding progress towards the vision of mixed teams of national and international experts, blending thematic and contextual knowledge, to work on conflict assessment and aid delivery alongside local partners.

10. Operational solutions were not discussed in depth but were recognised as needing further attention. These might include:

- More flexible secondments or sharing of experts between organisations, eg for economists from financial institutions to be seconded to UN political missions.
- Enhancing duty of care arrangements to allow frequent movement of staff to conflict affected areas and communities.
- Prioritising resources for access negotiations and for security of deployed international personnel.
- Investing in local partnerships over the long term.
Work politically

11. **Prioritise prevention.** Given the risks and cost of conflict, efforts to prevent violence are a key counterpart to improving operations in crises.

12. Noting the increasing costs and complexity of conflicts, serious efforts were required to prevent the outbreak, escalation and return to violence in conflict-affected countries. This was recognised as necessary but also difficult. Prevention widens the number of countries of concern, and increasingly, with the crises in the Middle East, prioritises countries not previously recognised as requiring development assistance. Middle Income Countries, with signs of state repression, inequality and disintegrating social contracts might be at risk of escalating violence, but international engagement may be perceived as treading on state sovereignty. State-building concepts based on strengthening weak states may not be well suited to these contexts. Countries with a strong history of civil society dialogue (and women’s participation) appeared more able to mediate political violence early on, for example in Tunisia, Lebanon and Kenya. This conclusion needs further research though, as inclusive peace-making may have had more to do with the political calculations of the varying groups than the capacity of the participants involved.

13. New international frameworks for prevention were recognised as offering a potential change in approach, for example the UN resolutions on Sustaining Peace and the joint UN/WB study on prevention. Targets for violence reduction have also been set through the Sustainable Development Goals. Further research and careful coordination of political, security and development resources is required to support these efforts. Whilst development operations may be especially important in addressing the underlying causes of violence, they are equally important for mitigating risks and managing shocks to fragile systems.

- **Correlate analysis on structural changes to economic and social wellbeing and political tensions.** In the run up to the 2011 Arab Uprisings, political tensions overlapped with changes to food prices, unemployment figures, perceived inequality and the decline in voice and accountability indicators in some areas, though these trends were not often analysed coherently.

- **Develop more coherent strategies around prevention** by bringing conflict risks firmly into the planning processes before a crisis, carefully sequencing objectives and reconciling trade-offs. This may require initiating policy dialogue over key areas, such as strengthening of civilian policing or building participatory processes, before a crisis breaks out.

- **Crisis prevention will require development experts to work alongside emergency response personnel.** Preventing violence may require a surge of resources and expertise to work out what approach is feasible, even if such investments are not sustainable over time. One complication highlighted in this area is that policy coherence between international organisations around the need for prevention is often only developed after a crisis has broken out and/or when a political deal has been reached.

Sequence peace and political processes carefully

14. Ending conflict and re-establishing security cannot wait for the longer term, but peace does not start or end with a deal. Prepare for a long negotiated process that entails setbacks and trade-offs.

15. A clear political agreement - centred around an elite deal - is often considered a prerequisite for ending conflict. However, peace agreements may signal a change in the dynamics of conflict rather than an end to violence and there is no guarantee of transformative change. Looking at conflict more holistically and developing responses through a broader, slower and more flexible process may help end conflict and prevent it from recurring. Such an approach would include progressively addressing material
risks of violence along with iterative political deal making linked to institutional
development, whilst progressively deepening inclusion of a wider group of citizens over
time, Aid, when carefully managed, can support short term arrangements while helping
to incentivise progress on conditions for longer term change.

16. Those involved in mediating peace or advising on constitutional processes should
therefore develop strategies based on phased negotiations rather than the signing of a
comprehensive deal. There were over 35 ceasefires before the Dayton Agreement
(The Framework Agreement for Peace in Bosnia and Herzegovina, 1995). This
approach requires detailed analysis of contested issues, attention to how state
legitimacy is perceived by different groups and conversations about the sort of state
that should emerge. Decisions made by international intermediaries about who is at the
table and who is on the fringes, the time frames, or even the venue for negotiations can
also affect outcomes.

17. The risk of conflict relapsing appeared more likely where:
  - External political actors pushed time frames to sign a deal too fast, without
    sufficient local support or leaving critical issues unresolved (eg Iraq, Libya,
    Darfur).
  - Sudden changes in financial flows destabilise political agreements (eg following
    the fall in oil prices in 2014 in South Sudan and Iraq).
  - Ceasefires are negotiated between armed actors before peace or constitutional
    negotiations begin. This can give them undue influence over the shape of the
    future political trajectory or the freezing of an unhealthy stalemate.
  - When international counter terrorism priorities over-ride the interests of local
    groups or when back-door deals risk undermining public participation.

18. In South Sudan, some felt that the international community had more influence than it
was prepared to exert and could have pushed more heavily for the resolution of key
issues during the Comprehensive Peace Agreement (CPA) negotiations. Improving the
sequencing and monitoring of varying peace agreements over the decade between
2005 (CPA), 2011 (Referendum) and 2016, might have drawn more international
attention to unresolved issues between north and south as well as within South Sudan,
and how these affected the resurgence of violence in 2013-15. South Sudan also
highlights the challenges of an international peacekeeping architecture that
fundamentally relies on consent of the state and geopolitical agreement on mandates
(through the UN Security Council), particularly when the state breaks down.

Avoid ‘All in’ or ‘All out’ state relationships

Design adaptable multi-year programmes that can scale up or down, within or outside state
structures.

19. Building states, or effective institutions, featured in almost all international aid efforts in
conflict affected contexts over the last decade. Long-term pathways out of conflict
require effective, viable institutions, and yet it is within these institutions that
competition for resources between political groups can be fiercest – in some cases
leading them to divide or dissolve.

20. In the most challenging contexts, aid actors can face difficult trade-offs between
working alongside governments with contested legitimacy (eg where state institutions
are implicated in perpetuating conflict or human rights abuses) or operating outside the
state (eg In Darfur, where aid has been primarily channelled through humanitarian
mechanisms for over 13 years.)

21. Aid organisations come under considerable pressure to put resources on the
negotiating table to incentivise or underwrite a political deal. If they agree too early, a
tentative agreement may still fall through. If too late, or not at all, they may be accused
of failing to sustain post-negotiation peace.

22. Considerable risks to aid agencies in navigating these trade-offs were identified. Some organisations working across front-lines have been accused of:

- Conferring power/legitimacy on a particular party to the conflict or being complicit in working with violent groups/regimes.
- Freezing an imperfect political arrangement and/or sustaining the illusion of ‘a legitimate’ deal, amidst ongoing atrocities (eg Darfur Peace Agreement).
- Undermining sovereignty by working outside the state.

23. The best possible, though imperfect solution for these contexts was that donors avoid ‘all in’ or ‘all out’ relationships with state institutions, preferring a balanced portfolio of relationships and flexible programmes that span geography, identity, and communities, particularly in hard to reach contested areas.

24. Further suggestions included:

- Avoid simply closing development approaches when the state breaks down or when conflict breaks out. Participants recommended scaling funding instruments up or down during difficult times but not disengaging completely unless in complete jeopardy. In particular, preserving core functions of the state is often critical to halt state collapse that results in an even worse crisis. This could mean holding a framework arrangement in place for 10 years without channelling funds through it. In Yemen, some international donors drew down but continued to support institutions such as the Social Fund for Development during crises, enabling them to surge later without having to re-establish relationships from scratch.

- **Improve our understanding of the political-economy of the state.** Several participants suggested that more attention be paid to understanding how the state is politically constituted, how institutions organise themselves, how power is distributed and how it is linked to political organisations. Particular attention should be paid to; the expansion of patronage networks within the state, the side-lining/dismissal of technocrats and/or particular identity groups (including women) or the assertion of parallel power networks from outside the state.

- **Designing skeleton funding instruments well in advance of a likely peace agreement** could leave space to adapt to subsequent political changes, to bring in different actors, or to adjust governance arrangements. This might avoid pressure to hurriedly initiate a new multi-donor fund on the eve of a signing ceremony or taking two years afterwards to get a funding instrument up and running.

- **Improve the conflict prevention/resolution benefits of service delivery** by designing peacebuilding and accountability initiatives into wider programmes, by improving fair access, and by strengthening cooperation between communities.

- **Ensure civilian oversight where international resources are allocated to strengthen security institutions - often for counterterrorism or warfighting roles.** This requires a careful, inter-agency approach incorporating civilian as well as military expertise. Long term support for justice institutions, legal assistance, and or human rights monitoring was noted as particularly important where warring parties are integrated into state structures or where large numbers of fighters cannot be easily demobilised. In South Sudan, security institutions account for 40-50% of the state budget, yet they dissolved along ethnic lines during violence between 2013-16.

25. Different perspectives emerged on the optimum balance of political support and aid modalities in the different case study contexts.
26. Afghanistan, South Sudan and Somalia all faced substantial challenges in developing effective institutions. However, in Afghanistan and Somalia, international donors continued to finance national development plans, while in South Sudan most donors preferred to work outside the state with many resorting to humanitarian emergency mechanisms since the 2013-15 violence. In the Middle-East, some comparatively extensive and well-resourced institutions have faced considerable challenges in managing political upheaval and economic tensions effectively. Donors have tended to support lending through international financial institutions, often with complementary technical advice, alongside humanitarian assistance where appropriate. This approach allows donors to maintain close cooperation with governments through international institutions, in contexts where it might not be feasible to channel aid bilaterally through central government systems. Liberia was cited as a possible example where post conflict state-building had contributed to more peaceful institutions.

27. In Afghanistan, the on-budget, Multi-donor, Afghanistan Reconstruction Trust Fund (ARTF) had intended to sync with political electoral cycles and hold government to account for delivery against costed manifestos, but practice seemed some way from this theory. Some proposed a scaled back central system, providing the bare basics of central state functions as an alternative to the complex budgeting and expenditure frameworks accompanying the centralised ARTF. This lighter approach could include a modified cash accounting system, transferring finances to local non-state delivery partners (to minimise delays or leakage) while working with central ministries to provide quality assurance and oversight.

28. In Somalia, some international donors had invested in more flexible initiatives like the private sector/NGO delivered Somalia Stability Fund. Lebanon had also adopted a heavily private sector delivery approach. Research by the Secure Livelihoods Research Consortium (SLRC) suggested that perceptions of state legitimacy did not show significant variance between areas where state or non-state providers were the primary delivery mechanism.

Take sub-national tensions seriously

29. All politics, security and public goods are experienced locally. Sub-national actors with access to communication technology and transnational networks can threaten regional and international order.

30. In all case study countries, sub-national crises had escalated to a level where they challenged regional and sometimes international order. These contested areas had often been denied economic and social opportunities, been isolated from political processes and/or experienced significant injustice at the hands of state security. In some cases, grievances were exploited by armed or terrorist groups and states were perpetuating these tensions through violent responses.

31. In Afghanistan, Iraq, Lebanon and South Sudan, powerful local social/political networks, sometimes backed by regional actors, shadowed or underpinned formal state structures. Ministries were often co-opted by particular political interest groups, leading to an imbalance in their geographic coverage with some areas barely receiving any of the services or resources allocated to them in central budgets. The International organisations funding them often underestimated these influences. The extent to which national, often elite-centred political processes recognised sub-national networks or allocated resources to address local grievances and poverty varied considerably. There was significant difference within as well as between countries, eg between Bamiyan and Helmand provinces in Afghanistan.

32. In Somalia, the international community supported a locally driven approach by working through municipal institutions and/or sub-national officials who may have had greater incentives than those in high office to provide public goods and maintain order. This approach developed the building blocks of a collective governance framework from a dire point in 2011 when over 260,000 people died from famine. With the advent
of a federal constitution this evolved into support for emerging federal and sub-federal institutions (drawing on the New Deal) to encourage local and federal-local political deal making.

33. The Middle East has experienced significant debate around the role of states and citizens following the 2011 Arab Uprisings. In some cases this has led to new reform initiatives or the development of provincial development plans created through dialogue between communities, businesses and government. However, there has also been an entrenchment of exclusionary regimes, a backlash against civil dialogue, and the emergence of new notions of statehood such as those inspired by the Islamic State.

- **Understand and address sub-national tensions before they turn violent.** Particularly when central state structures are destabilised or paralysed, working directly with local institutions can enable greater involvement in local political bodies or councils and strengthen incentives for communities to collaborate to deliver public goods or livelihoods. The catalyst for cooperation differed in each context but economic assets and infrastructure may be key entry points. Ports played an important incentive in Somalia’s coastal areas while irrigation, land and water resources were more important in Afghanistan’s rural provinces.

- **Use sub-national interventions to improve the experience of citizen-state interaction.** This means allocating resources for engagement with local communities throughout a project lifecycle, rather than rolling out standardised templates typical of technical decentralisation programmes. These initiatives recognised the links between different levels of government and the conditions that make institutions work. This approach required donors to be open to a variety of options - a particular type of conflict prevention measure, service delivery reform, or something else – rather than pre-prescribing the service to be delivered or the mechanism.

- **In a number of countries, a more scaled up local development effort might also be tested working with local leaders and developing a vision for how central governance structures could evolve.** In contrast, the post-referendum aid effort in South Sudan focused on the central nation state first, and broke down when the South Sudanese government and security institutions split along ethnic lines.

34. Comparative research on fragile and conflict states suggests that ‘how’ citizens experience engagement with authorities matters to their perceptions of state legitimacy. SLRC found that the link between service delivery and state legitimacy is conditioned more by how programmes are designed than by what is being delivered (and how accessible it is). Predictability of services was also attributed high priority in the research as churning of services or job opportunities was found to be particularly disruptive to perceptions of state legitimacy.

**Consider drivers of conflict outside the state or aid architecture**

**Narratives and identity affect behaviour**

35. Honour and perceptions of group deprivation and persecution may be amplified to mobilise violence and/or enable peaceful behaviour

36. In all the conflict contexts, identity based narratives influenced the direction of a conflict. Narratives, increasingly projected via social media, are created by warring parties to mobilise violent action or legitimise aggression towards particular identity-based groups. Alternatively they can influence the extent of public support, or not, for a negotiated end to conflict.

37. Some narratives drew on recent events, eg revenge for an experienced atrocity while others revived/distorted historic tensions and trauma. In almost all cases, narratives drew on some form of perceived or real structural injustice or inequity.
38. The resonance of concepts such as honour, humiliation, fear, aspiration, hope and belonging were considered particularly important to understanding behaviour in conflict contexts. These terms are frequently cited in research exploring violent extremism as well as by those promoting peaceful constituencies for change.

39. International actors should consider how their own narratives are understood and how this impedes or facilitates their relationships in particular areas. Messages about intervening or not intervening (eg through the provision of humanitarian resources or deployment of international troops) can be interpreted very differently among different communities. What works for one group might alienate another.

40. Additional challenges highlighted included that:

- Publicly voiced narratives may not be accurate in conflict contexts where fear may inhibit individuals giving an honest public view.
- The experience of conflict and violence is transformative. Narratives that mobilise violence by one group against another may become self-fulfilling when the other group responds (and a counter-narrative is developed). Challenging such narratives in the midst or immediate aftermath of conflict can be particularly difficult.
- Identity is malleable and not easily defined or categorised. Precise definitions that categorise groups in a particular way might prevent them adapting into more constructive political constituencies over time.
- Unified statements about support for or against a peace agreement may emerge through perception polling that obscures a complex set of cultural beliefs underpinning those views.

41. To support new visions of statehood that provide genuine alternatives to groups like Daesh, or authoritarianism, will likely require convening multiple communities (local, regional and international) in a long dialogue process. Some actors will have very different models of statehood or service delivery and may actively undermine international efforts. It may be necessary to agree or at least tolerate these differences in order to achieve constructive change in the longer term. Some participants proposed that shared values such as the “common good”, “fairness” or “dignity” could help achieve consensus.

42. Others suggested that more research was needed on a) how social norms influence violent behaviour in different contexts; and b) the role of socio-cultural and/or international standards (eg international humanitarian or human rights law) in reducing behaviour that is ‘beyond the pale’, to limit the most harmful effects of conflict.

**Economic and financial flows incentivise peace and war**

43. But material incentives for war are usually more tangible than the eventual benefits of longer term peace.

44. **The cost of war** drives communities, countries and even regions to bankruptcy. The Syria conflict alone is expected to have cost the country over $275 billion by some estimates. The cost of international humanitarian and crisis response, post-conflict reconstruction and the associated costs of reintegrating returning refugees and demobilising armed groups require significant international finance.

45. War damage to social wellbeing, human capital and skills can erode economies as much as collateral damage to hard infrastructure and takes much longer to heal.

46. International aid (and the prospect of re-joining world markets) may provide an incentive for peace, alongside private sector investment. However, for this to be a convincing alternative to war, it must be accompanied by a subsequent drop in finance

for weapons sales, fighters’ salaries and other related war economies.

47. The move from war economies to peace-inducing economic growth is, however, rarely smooth. There are examples of economic transitions made by countries formerly affected by conflict. However, some argue that the countries that succeeded already had established economic, political and social institutions enabling them to capitalise on the resources that emerged when warring parties agreed to put down their weapons.

48. Markets, in the case studies examined, have been deeply damaged by conflict while war economies appear to have flourished. Illicit trade has become entrenched as conflict deepens, making it extremely difficult to re-orientate economies during active conflict and often hampering post–conflict recovery (eg Syria, Iraq, Libya). The beneficiaries of growing illicit flows may be the very people who lost out in pre-conflict economies. In order to reduce illicit trade it may therefore be necessary to re-balance the licit economy to reach disenfranchised areas and communities. Disrupting illicit trade without providing alternative livelihoods could worsen living conditions and/or escalate violence. In Afghanistan, local farmers in the South articulated that they preferred to grow licit crops but often found opium was the only viable option in the longer term.

49. Many of the incentives for more productive economic transitions (eg capital, trade deals, and investment in innovation or new skills) may not be feasible while war continues, especially in countries facing sanctions. These mechanisms have, however, helped countries bordering active conflicts (eg Jordan and Lebanon).

50. There are varying levels at which financial and economic flows affect prospects of peace (and human well-being) or war, from individual and/or village level livelihoods, supported or exploited (via corruption) through socio-political networks, to regional and international political marketplaces facilitating vast financial flows. These may be linked together in perverse ways, for example by connecting warlords in Afghanistan’s provincial capitals to global flows through the Gulf. Aid actors need to consider the impact of these hidden, as well as overt, political marketplaces, on the behaviour of warring parties. These flows may dwarf any incentive for peace offered by on-record aid spending.

51. Further suggestions included:

- International organisations should be aware of the risks of supporting elite-run businesses with little diversity in the workforce, and need to properly assess where identity groups dominate particular business sectors. How projects are procured across aid and investment funds, and the degree to which groups are equipped to win contracts, can significantly weigh the balance of resources in favour of one party to the conflict or sway the political process.

- Carefully consider timing of reform. Countries in crisis may be tempted to put difficult political or economic reforms on hold. In the Middle-East for example, plummeting GDP rates are now rapidly reducing the scope to address the socio-economic issues that catalysed the 2011 Arab Uprisings, and yet it is difficult to see how countries like Egypt can break this cycle without making difficult changes. There may be occasions when economic incentives could form part of a wider political deal to prevent political violence turning to conflict or to incentivise peace. Lebanon’s post-civil war reconstruction was heavily based on private sector development, financed largely by the Gulf. Tunisia could still become a model for the region but would require significant financial incentives, eg trade with the EU, investment, and support with macroeconomic reform.

- Beware of rentier states. Many of the Middle East economies are rentier states reliant on oil revenues. Some argue that this intensifies competition for control of the state, which serves as the primary mechanism through which natural resources, eg oil, are received and dispersed. Fluctuations in revenue through
disruption (eg Libya, Syria) or global commodity prices (South Sudan, Iraq) may affect the balance of power. Over reliance on oil may also undermine wider political and economic changes required to address conflict and diversify economies.

- **The distribution of finance, resources or territory can be one of the most contested components of peace negotiations** and will often have lasting implications for economic recovery and who benefits from peace. Changes to resource sharing arrangements can also destabilise a political settlement. In South Sudan, public resources plummeted after the fall in global oil prices due to the government being tied into a fixed oil sharing arrangement in the comprehensive peace agreement. In Iraq the government budget also became contested following the fall in oil prices, when the main parties realised the prospective reduction in public expenditure.

- **Conflict is more likely to occur where groups feel deprivation ‘relative’ to others, or where there are gross inequalities between groups.** Research is needed to understand how aid addresses these factors.

- **Sustaining resilience** of war affected communities and enabling healing through psycho-social support may be a particularly important investment in longer term stability and economic recovery. Social welfare systems and cash transfers may also be important to improving the fairness of resource distribution, as well as reaching those most in need.

**Cross-border dynamics and geopolitical interests significantly affect conflict**

52. Yet our tools are calibrated for yesterday’s within-border problems.

53. Conflicts are spilling over national boundaries as warring parties actively pursue control of trading routes and border areas to sustain war economies. The key routes used for the illicit trade in weapons, goods and people are often centuries old, but the increase in conflict has led to greater movement, profits and subsequent tensions in these areas, such as Sinai (Egypt), Kufra (Libya) and Anbar (Iraq). The motivations for maintaining these illicit trade routes can vary, with some groups seeking to control war economies or profit from them, while others may wish to maintain a transit route or trans-national interest (eg ISIL and AQ). More domestic communities may want to challenge the unequal consolidation of resources in state capitals or improve opportunities in marginalised peripheries. More research is needed to understand how collaboration or violence emerges between the different groups that inhabit or transit these areas and how this affects war or peace.

54. International organisations are paying increasing attention to cross-border flows and how these either a) facilitate conflict eg through the movement of armed or terrorist groups, weapons or organised crime; or b) enable essential opportunities for peace and stability such as by allowing refugees to flee war or return home as well as by facilitating cross-border humanitarian operations, integrated border security, governance in periphery areas or trade. The case studies highlighted that these movements often occurred along the same routes, creating difficult trade-offs. For example Turkey, Lebanon and Jordan found it difficult to keep their borders with Syria open and secure as the conflict escalated – despite mounting international advocacy to do so.

55. These cross-border tensions are increasingly challenging geopolitical interests, leading to complex interventions from regional or international parties. Areas with a higher concentration of external interventions appeared most protracted and difficult to resolve, especially where external interests are in direct competition with one another.

56. **The need for regional and global approaches to resolving these complex issues** was recognised as important but difficult. Geopolitics also affects the working of the Security Council and the ability of the UN and other multilateral or regional institutions
to work for a peaceful resolution to conflict. Few international (as opposed to regional) organisations were structured to respond regionally or to deal with conflict across state boundaries.

57. In the Middle East, geopolitics is seriously affecting the balance of power in the region and affecting opportunities to broker both international and local agreements (eg Syria, Iraq, Libya and Yemen). Some proposed regional ‘grand bargains’ as a way of persuading external states to pursue competition through peaceful means, or a series of connected mini-bargains that would allow regional competition to continue without tearing states apart.

58. In Afghanistan, many international actors were slow to recognise the roles played by neighbours Pakistan and Iran in the country’s politics and security, especially along contested border areas. Land locked countries experiencing conflict, such as Afghanistan and Democratic Republic of Congo (DRC), were particularly dependent on their neighbours for imported goods and trade.

59. In Somalia and South Sudan, some regional actors were allegedly engaged, simultaneously, in fuelling instability while supporting international mediation efforts.

60. Greater attention to this surge in cross-border migration, illicit trade and the emergence of armed groups in contested border spaces was considered essential for designing effective aid programmes. Understanding the political economy of key transport routes and infrastructure, including ports (Somalia, Yemen), roads (Afghanistan, DRC), border towns (Libya, Afghanistan) and airports (Iraq, Libya), might help develop more integrated policy responses that take account of: regional trade, movement of people, governance in periphery areas and border security.

Richard Mallett, Dina Mansour-Ille, and Charlotte Morris

February 2017

Wilton Park reports are brief summaries of the main points and conclusions of a conference. The reports reflect rapporteurs’ personal interpretations of the proceedings – as such they do not constitute any institutional policy of Wilton Park nor do they necessarily represent the views of the rapporteur.

Should you wish to read other Wilton Park reports, or participate in upcoming Wilton Park conferences, please consult our website www.wiltonpark.org.uk

To receive our e-newsletter and latest updates on conferences subscribe to https://www.wiltonpark.org.uk/newsletter/