

# **‘Fragility’ and Aid: DRC and Ethiopia**



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# Overview

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- Fragility & aid: what the literature has to say
- Reflections...
- Fragility & aid (to education) in Ethiopia and in DR Congo
- More reflections...

# Fragile states: definition, categories etc.

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- Relatively recent, “fuzzy” definition: lack of will (commitment, leadership), capacity and accountability
- OECD, DFID (2008): Fragility arises from disequilibrium in negotiation of social contract/political settlement
- Wide range of criteria/measurements → Different “populations” of fragile states
- Different sets of categories capturing different facets
  - E.g. Deteriorating; Arrested development (impasse); Post-conflict (political transition, reconstruction); early recovery
- Heterogeneity; within-country fragility; not “either or”; non-linear trajectories
- Moving out of fragility: Toward what? How long does it take?

# Donor engagement in fragile contexts (1)

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- Rationale: “cost of doing nothing”; MDGs as a global commitment; rights-based approach BUT “risks vs rights”
- Broad response frameworks
  - Good Humanitarian Donorship (2003), Paris Declaration (2005) & AAA (2008), **Principles for Good International Engagement in Fragile States and Situations (OECD 2007)**
- “Business as usual” will not work
  - Must address state-building agenda, but...
  - How: feasibility with/ through government? [Context = starting point; “do no harm”]
  - Applicability of Paris Declaration? Link with humanitarian aid?
  - State-building agenda: What does this mean? Which state’s functions to be supported in priority?

# Donor engagement in fragile contexts (2)

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- Aid allocations to fragile states
  - Increased selectivity (e.g. IDA PBA) ↔ “Needs”
  - Beyond ODA: other resource flows highly concentrated
  - *“Donor policies in aggregate do not lead to predictable, clearly criteria-based and relatively stable allocations”*
  - Should more aid flow to fragile states? No consensus
- Aid modalities/instruments in fragile contexts
  - TA versus financial aid
  - Support variety of actors - all levels
  - “New instruments” can/should be used in fragile contexts
  - Solution = **context-specific mix of carefully-crafted complementary instruments** (hardly ‘different’?)

# Reflections... (1)

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- 'Disconnect': increasingly sophisticated and politically-savvy (conceptual) analyses ↔ uncertain implications re: approach (different?) + operationalization (how?)
  - In particular, difficult to engage where lack of **will**
    - The more so when there **is capacity?**
    - What do we mean by "will"? (Willingness to listen to what we donors say?)
  - I.e. difficult to engage when partnership is fragile (not necessarily synonymous of fragile state... At least at first glance)

# Reflections... (2)

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- Fragile state agenda: ex-post rationalisation?
  - Tension between MDG/aid effectiveness agenda, and 'imperative' to work in more difficult environments
  - Do aid agencies respond to the fragile state agenda, or is the agenda a convenient way of 'dressing up' other rationales for engaging in all sorts of situations defying categorisation?
- Engaging in 'fragile situations' & 'trust gap'
  - A sense of 'we have to' support countries' to engage/continue in 'upward trajectory' but...
  - Not sure how to deal with 'trust gaps'
  - Trust gaps shaped by how we (donors) judge the country's trajectory...

# What about Ethiopia & DRC

	<b>Ethiopia</b>	<b>DR Congo</b>
History	<p>Never colonised;            Unification under Emperors →            Derg (African stalinism) →            Today's government 'for the people' (first time ever) but...</p>	<p>Belgian colony; Ill-prepared decolonisation            Mobutu: unifying dictator for a while, then 'dividing for ruling' → Today's government (against/for what?) ...</p>
Government in place	<p>Power taken by force (quite clear victory, 1991)            Ethnic-based coalition, strong in surface (fragile in reality?)            Strong federalism ↔ Ruling party driving 'national' agenda            Elections in 1995, 2001, 2005 → 'Arrested political development'?</p>	<p>Power 'shared' after unclear victory of "allies" (early 2000s)            Elections in 2006. Fragile political coalition; war in the East; no 'obvious' unifying agenda            Decentralisation: political promise; risk of 'exploding' the country'?</p>

# Ethiopia & DRC (2)

	<b>Ethiopia</b>	<b>DR Congo</b>
Economy	<p>Very low base; Reasonable economic success (last 5 yrs)</p> <p>Unclear effects at local/individual levels, continuous acute vulnerability to shocks for most</p> <p>‘Militaristic’ (‘marxist’ campaign) approach to development</p>	<p>A scandal. Plenty of riches. Yet today, deep poverty, acute vulnerability, service provision a lot worse than 30-40 yrs ago</p> <p>Post-Washington consensus jargon but...</p> <p>Corruption at all levels in all spheres of life...</p>
‘Status’ of fragility	<p>Post-conflict; but conflict/ arrested development in several areas</p> <p>Peace dividends: social services, some form of economic change</p>	<p>Conflict/ arrested development in large areas; ‘is it a country?’</p> <p>Peace dividends? Large numbers still die due to lack of access to basic health services...</p>

# Ethiopia & DRC (3)

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	<b>Ethiopia</b>	<b>DR Congo</b>
Govt-led agenda of transformation?	Yes, but donors not comfortable with parts (variable over time)	Unclear... and donors not comfortable
Trust gap	A certain level of capacity is in place But government doesn't do what donors think it should do I.e. 'government for the people' but not in right way?	Severe depletion of administrative capacity Unclear 'transformational agenda' I.e. 'government for the people'??? Not sure

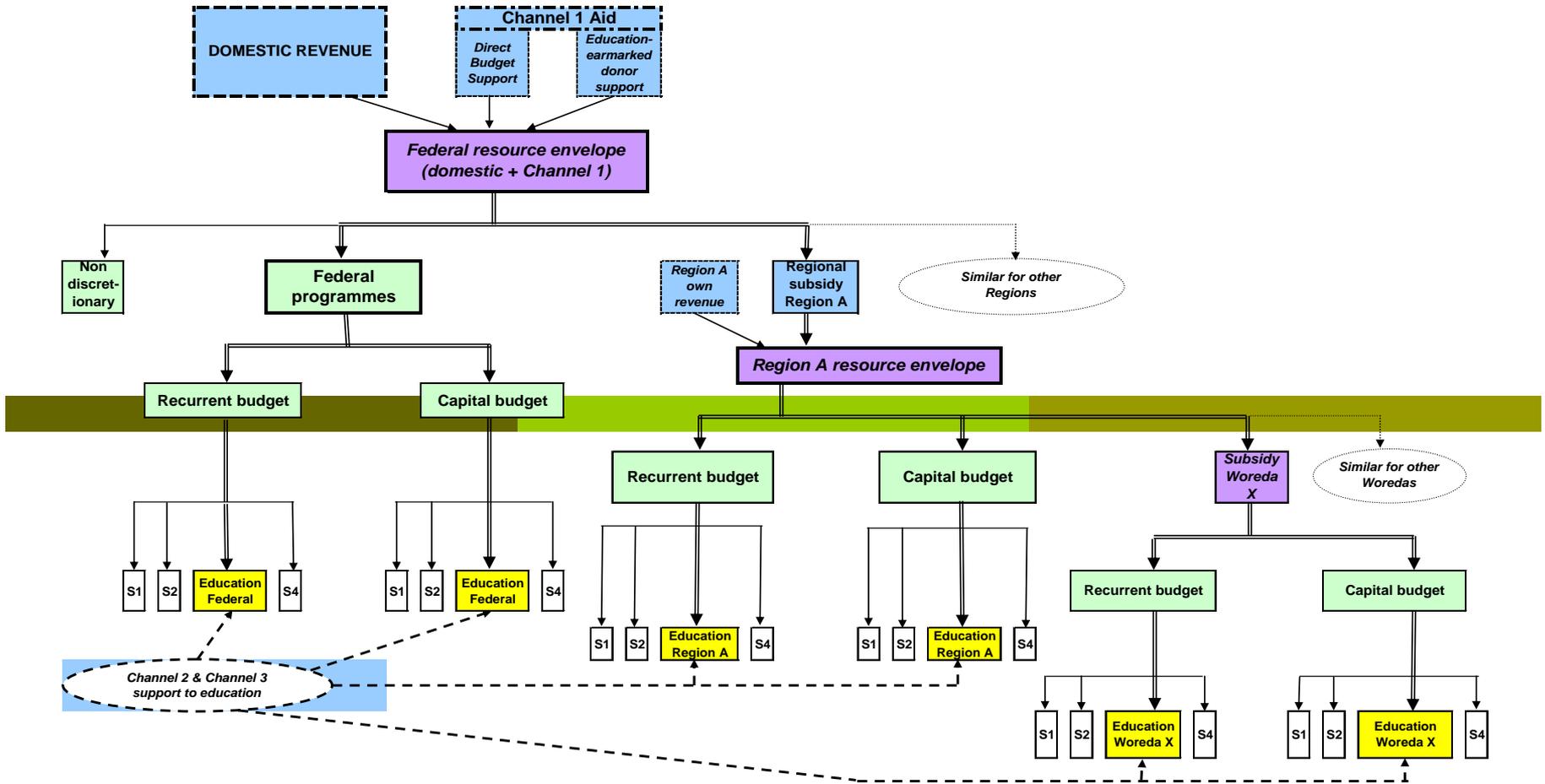
# Ethiopia & DRC (4)

	<b>Ethiopia</b>	<b>DR Congo</b>
Education	<p>Trajectory of massive expansion at all levels</p> <p>High government priority on tertiary and TVET expansion too</p>	<p>(Predator) system survived in autarky for 20-30 years</p> <p>(Data?) Massive shrinking at all levels. Now timid re-expansion (school fees a formidable obstacle)</p>
Education financing	<p>20-25% of expanding government budget</p> <p>Other priorities = food security, infrastructure, war at times</p>	<p>From 25% in 1970s, to 2-3% for decades (up to 2001). Now 8% primary + secondary</p> <p>Other priorities = very high debt level, war, corruption...</p>

# Ethiopia & DRC (5)

	<b>Ethiopia</b>	<b>DR Congo</b>
Systems 'in place'	<p>650 budgets for education - yet priority</p> <p>Fiscal transfer system: orderly, increasingly transparent</p> <p>Government (incl aid): teachers, teacher training, textbooks, admin/inspection</p>	<p>Govt: 2/3<sup>rd</sup> teachers (1ary); parents all else (out-of-pocket &gt; govt budget)</p> <p>“Ventilation”: ‘legal’ + ‘negotiated’ + ‘illegal’ = education services of some kind + private gains...</p>
What do donors do?	<p>PBS: Support education through adding on fiscal transfers + Strengthen local accountability (slow process)</p> <p>Donor impatience → Vertical ring-fenced channel (not sure good idea)</p> <p>PBS future uncertain due to political developments again</p>	<p>Donors now: ‘scattered’</p> <p>Emerging support to ‘fee reduction strategy’ progressively substituting public funding to out-of-pocket funding for primary education</p> <p>Govt only very thinly aware of long term implications (interested?)</p>

# Decentralised Budgets in Ethiopia



**Legend:**

- ====> Resources allocated through overall allocation processes (domestic & DBS) + resources earmarked for education sector & captured in government planning & budgeting processes.
- ====> Resources allocated through overall allocation processes (domestic & DBS) only (or with resources earmarked for other sectors).

DBS Direct Budget Support  
 S1 Sector 1 (and similar for S2 etc.)

(\*) Donor support captured in government planning and budgeting (resource allocation) processes. In principle this should/ could be the case whatever the channelling modality chosen (Ch1, Ch2 or Ch3).  
 (\*\*) In practice, Ch1 support (even earmarked) is "de facto" captured in government allocation processes and in government channelling procedures. It is much less certain for other Channels. Channel 2 and Channel 3 support is often both, allocated and channelled outside of government procedures. It then can "enter" into the sector funding at any of the levels indicated by (\*\*).



# More reflections...

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- Identifying trust gap 'root cause(s)'
  - Ethiopia: Too much (not right) ideology?
  - DRC: No ideology ('façade government')?
- Fragile state agenda: ex-post rationalisation?
  - Why do donors stay in Ethiopia? Why did they return in DRC?
- State-building – in practice?
  - Ethiopia: 'State' may not want to be 'built' as donors see it 'fit'? (Meles in Japan)
  - DRC: Is there a state to build?

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“So aid to Africa has escalated over time from individual projects to structural adjustment to institutional transformation to ending civil wars and reconstructing failed states.” (Easterly 2008)

What next?

**THANK YOU**