

# INDEPENDENT REVIEW OF THE NEW DEAL FOR ENGAGEMENT IN FRAGILE STATES

Executive Summary

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## CENTER ON INTERNATIONAL COOPERATION

The world faces old and new security challenges that are more complex than our multilateral and national institutions are currently capable of managing. International cooperation is ever more necessary in meeting these challenges. The NYU Center on International Cooperation (CIC) works to enhance international responses to conflict and insecurity through applied research and direct engagement with multilateral institutions and the wider policy community.

CIC's programs and research activities span the spectrum of conflict insecurity issues. This allows us to see critical inter-connections between politics, security, development and human rights and highlight the coherence often necessary for effective response. We have a particular concentration on the UN and multilateral responses to conflict.

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## EXECUTIVE SUMMARY

### MAIN MESSAGES

**The New Deal for Engagement in Fragile States rests upon the mutual commitment of national and international partners to country-owned and country-led exits from fragility.** Externally-imposed solutions do not work. In 2011, at the Busan Fourth High Level Forum on Aid Effectiveness, the New Deal was launched with a powerful message: 1.5 billion of the world's poorest people lived in fragile situations. Without partnerships for first building peace, resilience and institutions, the eradication of poverty was not possible. The Millennium Development Goals failed to address this.

**The UN Sustainable Development Goals (SDGs) now recognize in SDG 16 that achieving peaceful and inclusive societies, access to justice and effective, accountable and inclusive institutions is fundamental for leaving no-one behind in any country.** The SDGs agenda will, however, fail the world's poorest people by 2030 without concerted action to apply the partnership principles of the New Deal. Ending conflict, building institutions and resilience, and delivering basic services and growth could reduce the number of people in absolute poverty from 1.5 billion now to 350 million by 2030. It could also help societies manage new risks. Retreat from the New Deal principles should be inconceivable.

**As an alliance, the g7+ group of countries has the opportunity to make a unique contribution to the sustainable development agenda as a leading coalition for leaving no-one behind.** National leadership and ownership of policies and plans must be respected. Implementation of the New Deal so far has not been easy, reflecting a need for political leaders to recommit to the principles of the New Deal. This is especially true for political processes that bind all relevant actors into a shared vision for "what" needs to be achieved and "how."

**International partners could do much more to deliver their side of the New Deal bargain.** The g7+ needs coherent, predictable and timely assistance to develop national capacities and fill finance gaps. Yet, the fragmentation of aid and development partners across the SDGs, and growing pressures on humanitarian aid, could make matters worse in the SDGs era. All international governmental and private sector partners need to rally to the institutional development priorities of the g7+.

**This is why partners should commit to a New Deal for the New Deal.** There must be a Ministerial Compact that recognizes the urgency of re-engaging on the New Deal principles for achieving the SDGs. The Compact should provide the basis for a new SDGs generation of strategy, planning, programming and monitoring, as well as global and regional partnerships and advocacy. The International Dialogue on Peacebuilding and Statebuilding could re-position itself as a multi-stakeholder and country-focused partnership for leaving no-one behind under the UN pledge of SDG 17 to "Partnerships for the SDGs."

### WHAT IS THE NEW DEAL?

The New Deal was negotiated by the International Dialogue on Peacebuilding and Statebuilding (IDPS). The IDPS is composed of the g7+ group of self-identified countries in fragile, conflict-affected and transitional situations; the OECD's International Network on Conflict and Fragility (INCAF); and now includes the Civil Society Platform for Peacebuilding and Statebuilding (CSPPS). The IDPS is unique because it is the only international multi-constituency platform for peacebuilding and statebuilding, and it is country-focused.

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The New Deal principles rest on three pillars: (1) Peacebuilding and Statebuilding Goals (PSGs) recognize that politics, security, justice, institutions and economics are the foundations for development; (2) FOCUS principles are about politics: identify the causes of fragility; support nationally-owned and nationally-led plans; achieve mutual accountability for results through compacts; (3) TRUST principles commit to aid effectiveness and national capacity development.

## NINE MAIN FINDINGS OF THE INDEPENDENT REVIEW

The review assesses the ways that the New Deal has contributed to behavior change in partnerships. It also identifies opportunities for strengthening the New Deal. The review is not an in-depth evaluation of policy and programmatic efforts or of peacebuilding and statebuilding.

### AT THE GLOBAL LEVEL:

**1. The g7+ has become an increasingly influential constituency on the world stage.** Supported by the IDPS, members of the g7+ have advocated for their needs in UN negotiations on Financing for Development (FfD) and the new SDGs. The g7+ also informed UN panel reviews on Peace Operations and Peacebuilding in 2015. The g7+ are building partnerships through the G20, international financial institutions (IFIs), southern actors and regional organizations, have agreed a Fragile-to-Fragile cooperation framework, and are developing tools to support national actors.

**2. Increasing global influence will require widening the dialogue about international coherence and approaches.** Civil society has engaged with the concepts on the global and national levels, and contributed analysis and lessons to New Deal implementation. The New Deal principles have also contributed to informing multilateral and donor countries' national security and aid strategies. However, the New Deal has not appealed to actors in crisis situations outside the IDPS membership. Many influential regional actors and middle-income countries have yet to be engaged in dialogue with the g7+. The New Deal is often seen as too technical, bureaucratic, inflexible and donor-dominated.

### AT THE COUNTRY LEVEL:

Applying the New Deal principles has proven to be complex. Eight g7+ pilot countries have officially started implementation. Twenty countries are members of the g7+, many of whom are taking forward aspects of the New Deal. Actors are learning by doing, but it is too early to judge the impact on fragility. Expectations have been partially met:

**3. Significant resources have not been directed to the PSGs as a result of the New Deal.** The PSGs have enjoyed some uptake in national plans and programs and monitoring frameworks. But only in the case of Somalia have the PSGs been used to define national priorities and align budgets. There is no evidence that international actors have increased their aid allocations towards the PSGs.

**4. g7+ Ministries of Finance and Planning are the major champions of the New Deal, thus progress is most evident in**

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**their areas.** Many countries had pre-existing development and peace strategies and aid agreements and the New Deal has been understood as one of multiple frameworks. Actors have drawn on the New Deal as it seems most relevant to: inform national plans (Liberia); conduct assessment and monitoring (Democratic Republic of the Congo [DRC]); and empower government and improve aid effectiveness (Afghanistan, Liberia, Sierra Leone, Timor-Leste).

**5. Center and whole of government ownership of the New Deal by g7+ countries and international partners can quickly change partners' business methods.** Somalia's experience in aligning national and international priorities and budgets through a New Deal Compact suggests that the New Deal may have strong resonance where it is the "only game in town."

**6. Political processes have been missing to identify "what" needs to happen and "how."** The New Deal's implementation has been dominated by technical responses. Normative commitments to inclusivity are proving difficult to translate into practice. The New Deal could become more overtly political and inclusive over time. Opportunities include drawing on the g7+ Fragility Spectrum to empower national actors to conduct fragility assessments; convening national dialogue to agree on priorities in the SDGs era; building synergies with relevant political and gender-sensitive initiatives such as national action plans for women, peace and security and the African Peer Review Mechanism; and using compacts to define a discrete set of priority results and mutual accountability between all partners.

**7. The New Deal principles are not surrogates for preventive diplomacy and political dialogue in crisis situations.** Failure to involve all necessary national and international political, security, development, humanitarian and social actors in dialogue and prioritization can contribute to crisis. This was demonstrated in South Sudan. The g7+ Fragile-to-Fragile and preventive diplomacy initiatives offer new opportunities in this regard.

**8. The 2008 financial crisis precipitated reduced commitment to aid effectiveness. Humanitarian resources are being directed to growing crises in the Middle East.** Many g7+ countries are vulnerable to low commodity prices, constraining growth and revenues. But aid to the g7+ does not appear to be counter-cyclical when they face shocks and crisis. Building self-reliance and preventing crisis requires more aid for fragile situations and urgent efforts to make better use of peacebuilding, development and humanitarian resources to build self-reliance and resilience in the long-term. Actors must introduce smarter aid modalities that build national capacities.

**9. The core challenge for the IDPS is to expand its traction and results within its own membership and beyond.** The complexity of both the IDPS membership and the New Deal principles makes attribution of achievements difficult. This in turn fuels skepticism. Actors outside the IDPS reported low levels of awareness of it. The absence of regional actors, middle-income countries and the private sector, and low levels of participation of political, justice, security, humanitarian and development actors constrains IDPS impact.

## MAIN RECOMMENDATIONS

**If the New Deal did not already exist, it would need to be invented.** Making historic advances against fragility and poverty will require accelerating the pace of institutional development and resilience in g7+ countries by 2020. This is the significance of the New Deal and the IDPS in the SDG era: they offer a set of principles for leaving no-one behind under the pledge of SDG 17 to "Partnerships for the Goals."

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## **Strengthening the New Deal for the SDGs era will require actors to address three main groups of gaps and challenges:**

- 1) Build whole-of-government (g7+ and development partner) and social ownership of the concepts at the country level to galvanize agreement and action on “what” needs to be achieved and “how”.
- 2) Involve a wider range of regional and international public and private actors to improve international coherence.
- 3) Make more effective use of limited resources and smarter aid measures to build resilience and institutions.

**This is why partners need to agree a “New Deal for the New Deal.”** The IDPS will host a Ministerial Level meeting in Stockholm in April 2016. This forum offers an opportunity to re-engage high level actors in the New Deal for the SDGs era. A Ministerial-level compact could form the basis for a new SDGs generation of strategies, plans and programming, and global and regional advocacy. Pragmatism is required. Building support and coherence will take time and almost everything is context-specific. The following opportunities could strengthen New Deal implementation and the IDPS. Detailed options and recommendations are provided in the review.

### **1. Strengthen operational effectiveness and political relevance**

- The SDGs and UN commitments to sustaining the peace are universal. The IDPS makes a crucial contribution to these aspirations through its multi-stakeholder and country-focused approach to leaving no-one behind. The IDPS could reposition itself within the global architecture under SDG 17 as a multi-stakeholder and country-focused partnership for leaving no-one behind on the SDGs.
- The g7+ could commit to leading an expanded dialogue with international actors under SDG 17. It will be crucial for the g7+ to engage with the UN, neighboring countries, the G20, the African Union, BRICS and MINTs and middle-income countries.
- The g7+ could make a political commitment to aligning the SDGs, the PSGs and national plans through nationally-owned and nationally-led processes to identify “what” needs to happen and “how”. The g7+ are already agreeing a common set of SDG goals and targets against which to measure collective progress. The g7+ could take the opportunity of the SDGs launch to convene national dialogues on priorities. These could create a new generation of strategies, policies and programs for leaving no-one behind.
- All partners could commit to using compacts as the means to advance mutual accountability among states, society and partners for priority results in the SDG era. Compacts will also foster monitoring and evaluation of impacts at the country level.

### **2. Make better use of resources**

- The g7+, the OECD 2015 States of Fragility Report and the 2016 UN High Level Panel Report on Humanitarian Financing have stated that it will be imperative for the international community to: a) increase the overall proportion of funding to fragile situations; b) make better collective use of all humanitarian, development and peacebuilding resources to build national capacities and institutions; and c) shrink humanitarian needs and generate foreign direct investment and domestic revenues over the long term.

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- INCAF could commit to increasing aid to fragile situations, introducing smarter aid modalities that assist countries to build institutions and resilience, and raising domestic revenues and private investment. Partners could institute a traffic light system to measure innovation.

### **3. Strengthen southern capacity and knowledge**

- Commit to a plan to build the capacities of the g7+ secretariat and coalition. Goal: to advance fragile-to-fragile cooperation, and south-south and triangular and multilateral partnerships and advocacy.
- Commit to a plan to strengthen the capacities of southern civil society organizations, think tanks, research institutes and universities. Goal: to generate knowledge that contributes to building peaceful societies. Accelerate southern knowledge development on when and how inclusivity advances peace at the national and subnational levels.
- Commit to a plan to develop southern civil society capacities to contribute to building peaceful and inclusive societies.

### **4. Improve the organizational impact of the IDPS**

- Expand the international dialogue to a wider range of middle-income countries, rising powers and international fora. These could include the G20, the BRICS, MINTs, African Union, UN and neighbors of the g7+, led by the g7+.
- Push implementation down to the country level through national dialogues. Identify champions to drive forward national dialogue. Promote whole of government and society's ownership by expanding the network of actors involved.
- Build upon what is unique about the IDPS' multi-stakeholder approach and country focus by inviting civil society and the private sector to co-chair the IDPS, or thematic working groups. Build new partnerships through the World Economic Forum or UN Global Compact.
- Be flexible. Create time-bound working groups and virtual groups to trouble shoot specific challenges and thematic priorities.
- Set time-bound objectives and results for the g7+, International Network for Conflict and Fragility (INCAF), Civil Society Platform on Peacebuilding and Statebuilding (CSPPS) secretariats and the IDPS, and conduct annual monitoring and evaluation. The IDPS secretariat could be closed, ring-fenced in a recognized 'aid policy hub', or transferred to the South, potentially to an entity in Africa, to provide more direct interaction with southern actors. The IDPS secretariat should provide logistical and administrative support to the IDPS. However, the g7+ should take increasing responsibility for leading the development of policies and guidance.



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