## **EXECUTIVE SUMMARY**

## FRAGILE CONTEXTS HAVE REACHED A CRITICAL JUNCTURE FOR AGENDA 2030 AS THE FURTHEST BEHIND FALL FURTHER BEHIND

In 2020, before the coronavirus (COVID-19), fragile contexts were home to 23% of the world's population and also to 76.5% of all those living in extreme poverty globally. None of the fragile contexts were on track to meet the Sustainable Development Goals (SDG) on hunger, health, and gender equality and women's empowerment. The 13 extremely fragile contexts are at particular risk of being left behind from progress on sustainable development and peace relative to their peers: from 2012 to 2018, the gap in levels of fragility between them and non-fragile contexts increased every year. There is also evidence of a widening gap in progress along key SDGs. For example, in 11 of the 13 extremely fragile contexts, progress has stagnated or declined on SDGs related to hunger and gender equality, whereas progress is increasing or on track for achievement in more than half of non-fragile, developing contexts.

Alongside climate change, COVID-19 is a global systemic shock that is likely to intensify these trends and compromise even modest progress on the SDGs. For example, while 8 fragile contexts were on track to meet the first SDG on eradicating poverty, early projections suggest that the pandemic will result in 26 million additional people falling into extreme poverty by the end of 2020 in fragile contexts. The aftershocks of COVID-19 are also likely to disproportionately harm women's wellbeing relative to men's, manifesting in greater gender inequalities and what UN Women has termed a "shadow pandemic" of violence against women and girls. Children could be most severely impacted by the pandemic. As of mid-July 2020, 222.7 million primary schoolage children were out of school in fragile contexts - 107.5 million of them girls - and early projections suggest that 36 million more children will be living in households in fragile contexts that cannot make ends meet by the end of 2020.

By exacerbating existing fragilities, the systemic shock will have serious implications for people, planet and prosperity. One year into the Decade of Action, fragile contexts are at a critical juncture if they are to achieve stability and refocus on achieving Agenda 2030.

# ADDRESSING THE CONSEQUENCES OF CORONAVIRUS (COVID-19) MEANS FOCUSING ON FRAGILITY

The emerging evidence on the impact of COVID-19 is sobering – the consequences of COVID-19 will aggravate existing multidimensional risks and strain the coping capacities of those least able to cope. This is most apparent in health and education, the building blocks of sustainable development in fragile contexts. Focusing on fragility is imperative to mitigate the impact of COVID-19 and build back better by resourcing resilience, restoring livelihoods, and supporting people's potential and wellbeing. This calls especially for supporting human capital through investment in health (including nutrition), education and social protection.

Official development assistance (ODA) is a critical resource for this effort. More net bilateral ODA - USD 76 billion - went to fragile contexts in 2018 than ever before, and in extremely fragile contexts, ODA amounted to 11.5 times the level of foreign direct investment (FDI) and 2.5 times the amount of remittances. ODA stands as a stable and risktolerant resource to support fragile contexts' pathways to sustainable development. OECD Development Assistance Committee (DAC) members gave USD 60.3 billion in ODA to fragile contexts in 2018, and recognising its importance, they pledged quickly to strive to protect ODA in light of the pandemic. This was an important first step. The next step will be to renew that pledge when the full extent of the pandemic's impact becomes clear.

Over the last 20 years, fragile contexts have gradually increased their connections to international systems, trade, migration and financial networks. For many fragile contexts, this improved economic connectivity has been

a source of opportunity, increasing investment in infrastructure, opening access to new markets, facilitating new approaches to social service delivery, and enabling domestic and international finance where it might not otherwise be available. But connectedness also brings risks to be navigated, as the COVID-19 pandemic has made starkly clear. Fragile contexts may be among the hardest hit from reductions in external finance, FDI and remittances, with impacts on tax revenues and significant debt risks. Efforts to support the access of fragile contexts to domestic and international financing should include mechanisms to reduce the volatility of financial flows and prepare for so-called black swan events. Absent mitigating measures, estimated debt service owed in 2021 would amount to roughly 6% of total ODA in extremely fragile contexts and roughly 82% of ODA in other fragile contexts.

## PREVENTING CONFLICT AND BUILDING PEACE IS EVERYONE'S RESPONSIBILITY

Preventing violent conflict is a long-term endeavour that aims to influence human behaviour and political incentives for or against violence. The system is complex, intervention is expensive and there are no guarantees of success. Although not synonymous with fragility, violence and armed conflict are concentrated in fragile contexts. In 2019, 22 of 31 contexts in active, state-based conflict were fragile, representing 65% of the population of fragile contexts. Additionally, progress on SDG 16 (peace, justice and strong institutions) has stagnated or declined in 41 of the 54 fragile contexts for which data is available, including 12 of the 13 extremely fragile contexts, underscoring the importance of investments in sustaining peace.

Violence and armed conflict affect everybody, and thus preventing them is a global, collective responsibility that is led by national actors with support from international partners. In 2017, the costs

of containing violence amounted to 86% of the total economic impact of violence on DAC member countries. Violence is cyclical and protracted, meaning that the benefits of preventing it, both in terms of lives and money saved, are significant and compounding each year. Engagement in fragile contexts should thus prioritise prevention always, development when possible and humanitarian action when necessary. However, DAC members' commitment to prevention does not always translate into investments: for example, only 4% of DAC ODA to fragile contexts in 2018 focused on conflict, peace and security. Identifying and addressing root causes of fragility and conflict through nationally owned and led processes is critical for effective peacebuilding and conflict prevention. These processes often depend on inclusive and diverse local partnerships that build on the strengths of local politics, institutions and civil society. To work best, they also must rely on a sound analysis of the broader context and operating environment that is conflict-sensitive and politically informed.

Yet contemporary analysis, frameworks and approaches for conflict prevention and peacebuilding are fragmented. Humanitarian and development support for these activities in fragile contexts is often critical, but security and diplomatic actors have valuable roles to play – roles that historically have enabled and enhanced peace. Between 1991 and 2017, 88% of the negotiated settlements in conflicts in fragile contexts involved

third-party diplomacy. The full potential of the humanitarian-development-peace nexus must be utilised to drive informed analysis, adaptive frameworks and coherent approaches to help fragile contexts reach the global goals.

# THERE ARE NO SOLUTIONS IN ISOLATION: THERE IS A NEED TO BUILD PARTNERSHIPS AT EVERY LEVEL TO SUPPORT RESILIENT LOCAL OUTCOMES

Fragile contexts test people and systems. Supporting societal transitions from fragility to resilience is complex, volatile and politically charged. But systems-informed strategy and adaptive operations across the nexus can and do deliver results in addressing fragility. International partners should identify how to better leverage their strategic comparative advantages, focusing on context-specific analysis as the starting point. International partners should also seek to identify and develop durable partnerships and co-ordinated approaches at multiple levels based on trust, conflict sensitivity and risk-sharing. As the diverse characteristics of fragility demonstrate (Infographic 1), actors must be capable of responding to a broad range of challenges that shape fragile contexts if sustainable outcomes are to be achieved.

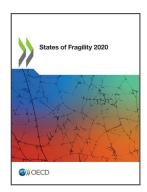
### WHAT IS FRAGILITY? -

The OECD characterises fragility as the combination of exposure to risk and insufficient coping capacity of the state, systems and/or communities to manage, absorb or mitigate those risks. Fragility can lead to negative outcomes including violence, poverty, inequality, displacement, and environmental and political degradation.

Fragility is measured on a spectrum of intensity and expressed in different ways across the economic, environmental, political, security and societal dimensions, with a sixth dimension (human capital) forthcoming in States of Fragility 2022. Each dimension

is represented by 8-12 indicators – 44 in total across all 5 dimensions – that measure risks and coping capacities to fragility. In doing so, the OECD multidimensional fragility framework captures the intersection of fragility, risk and resilience to inform where and how international actors can help address the root causes of fragility in each dimension while bolstering sources of resilience against it.

On the 2020 edition of the fragility framework are 57 countries and territories – hereafter referred to as contexts – of which 13 are extremely fragile and 44 are other fragile contexts. The framework captures the diversity of contexts affected by fragility and the dimensions of fragility in each context where indicators point to encouraging or worrying performance. Additional information on each dimension and what it measures, as well as the methodology for States of Fragility, is available on the States of Fragility platform, launched in October 2019 and containing the most up-to-date data and evidence on the states of fragility in fragile contexts.



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