

Fragile States Assessment Methodology (FSAM)

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1. Introduction

Purpose

The Netherlands Ministry of Foreign Affairs and its embassies increasingly face the challenge of developing appropriate strategies to support security, socio-economic development and governance in fragile states and societies. The Fragile States Assessment Methodology (FSAM) has been developed to help RNEs better understand the local context and political processes with which they are engaging when they work in fragile states. It helps explain the underlying causes of fragility in a particular country, the implications for strategic priorities and risks, the incentives of local actors, and the likely impact of external interventions.

It is intended as a starting point to structure and analyse existing information through a state-building lens, and to identify areas for more in-depth study. The theoretical underpinning for the framework is similar to the SGACA, but it has been tailored to the specific circumstances of very fragile environments. It is designed to be used, as appropriate, in conjunction with other existing analytical tools including the Stability Assessment Framework (SAF) and different forms of conflict analysis, but is not intended to substitute for them. There are areas of overlap between the FSAM and the SAF, and they are to some extent complementary, but they have distinct objectives. The SAF seeks to identify factors and trends that contribute to instability and violent conflict, as a basis for stabilisation and peace building strategies. The FSAM seeks to understand factors that contribute to state fragility with a focus on state-building strategies.¹ The SAF is particularly valuable in highlighting changes in sensitive areas such as a declining economy or worsening service delivery that could increase fragility by weakening the state's ability to meet citizens' expectations, and so act as potential triggers of violent conflict. The FSAM seeks to deepen the search for the underlying causes of failing state - society interaction, by focusing on the political dynamics that define state resilience.

The FSAM provides a basis for applying the DAC principles for operating in fragile states, including: start with the country context; do no harm; focus on state building as the central objective; and integrate approaches to security, governance and development. It is thus relevant to all RNE interventions: political, security and development.

Theoretical Underpinnings

The understanding of fragility that underpins the FSAM is in line with that offered in the research paper developed for the OECD Fragile States Group². Fragility is equated not with "instability", but with a lack of state "resilience", and reflects an imbalance (or disequilibrium) between what citizens expect of the state, and the state's capacity to deliver. So the focus is not on stability or instability so much as on the processes of state building that provide resilience to deal with internal and external shocks.

As the OECD paper makes clear, state building is not the same as peace building (action to institutionalise peace). Nor is it the same as nation-building (deliberate

¹ See below for the difference between peace building and state building

² From Fragility to Resilience: Concepts and Dilemmas of State Building in Fragile States, January 2007, NYU Center on International Cooperation and International Peace Academy, Joint Programme on State Building As Peace Building

strategies to forge a common national identity, often led by domestic elites) although this can play an important role in state building. State building involves a domestic political process of building state-society interaction to negotiate a dynamic "social contract", which reflects mutual expectations of rulers and citizens. Outsiders can play a supportive but not a central role in this process.

State building is not a linear process, but it may be helpful to think of it in terms of some broad stages³:

Firstly, if there is still widespread violent conflict, the priority will be peace making, and humanitarian assistance.

Secondly, there must be a political settlement: an understanding -- usually between elites, and often formalised in a peace agreement-- that the interests of the parties are best served by resolving their differences under the aegis of the state, through political processes rather than through violence. The peace agreement will often at some point in time be succeeded by a formal constitution.⁴

Thirdly comes the creation of structures to fulfil core (survival) state functions: security, revenue raising, basic administrative tasks, and some element of rule through law. How security is managed matters (does the state seek simply to enforce control, or to provide protection for citizens?).

Thereafter comes a gradual process of expanding state functions and the capacity to carry them out effectively, through engagement with citizens to negotiate a social contract that reflects expectations between rulers and ruled. This would often require an evolution from 'elite pacting' to greater voice for citizens. Action by the state can stimulate organisation by citizens. For example collecting of taxes may lead to organised protest of interest groups or to organised claims for delivery by the state in exchange for the taxes levied. Another example is the establishment of national programmes to fund community initiatives. Aggregation of citizens' interests and channelling of their demands can improve the state's capacity to respond, and help make it more accountable. A positive dynamic that serves the common interests of both state and citizens contributes to building state resilience, helps expand the scope of the social contract and provide mechanisms through which it can be constantly re-negotiated. This also helps states to move from being able to exercise "controlling" power, towards more "constructive" power (to make and implement policy effectively).

Links between Security, Socio-economic Development and Governance.

A society's need to deal with security and socio-economic development lies at the heart of state building. This is well illustrated by Robert Bates' explanation⁵ of how political order is achieved. Political order occurs when a deal is made between rulers who agree to use their coercive power to protect the creation of wealth rather than prey upon it and citizens who agree to set their weapons aside, devote time to the production of wealth and enjoyment of leisure, and pay the rulers to protect them. Order occurs when these choices are in equilibrium, disorder (in the form of state fragility) implies a lack of agreement between state and society.

Security and protection thus play a central role in the basic contract between rulers and ruled. In conflict-affected fragile states the deal has gone wrong, for some reason. The theoretical debate on what causes conflict is not finished, and

³ These are set out more fully in DFID's working paper "States in Development: Understanding State building", June 2008.

⁴ The timing of the constitution is crucial, as will be evident from this description of stages. A constitution that basically reflects the peace agreement often codifies a political constellation of elite pacting, while a constitution elaborated in the stage of expanding engagement with citizens can reflect a greater voice for citizens

⁵ Robert Bates 2008: "When Things Fell Apart: State Failure in Late-century Africa", Cambridge University Press.

the relative importance of grievance factors (or reasons), greed factors and feasibility (or resources) is not fully established.⁶ All may have a bearing on the reasons why state-society relations got disturbed and on how to redress the situation.

The focus of the FSA will be on identifying the factors that inhibit the security deal between rulers and ruled to materialise and function well. It will search, among the foundational factors, the rules of the game and the here and now, for the factors that led to disruption of the social security contract resulting in current or recent conflicts, either as grievance, greed or feasibility factor. It will focus on those factors, preferably in the rules of the game, that could lead to a new security contract. The model of state-building in fragile states cited above will help in indicating the phase of state-society interaction the country is in and the remaining path to go.

Socio-economic development is likewise part of the deal that characterises political order: the rulers agree to protect the creation of wealth and the ruled agree to produce it and pay for protection. Again, in fragile states the deal has gone wrong, e.g. because the rulers have decided to prey upon the citizens' wealth, or are incapable or uninterested to protect the citizens' properties. Rulers may prioritise short-term benefits from preying if they are insecure about their tenure. Or rulers may not be dependent on creation of wealth by citizens and their taxes, e.g. if they have access to rentier income (natural resources, donor funds, etc.). Or again, rulers may have an interest in creating monopolies or other economic rents to benefit themselves or their supporters or to co-opt potentially violent opponents, with negative effects on broader socio-economic development.

Again, the focus of the FSA will be on identifying the factors that inhibit the economic deal between rulers and ruled to materialise and function well. How could the rules of the game be adjusted to achieve a mutually benefiting social contract that would favour broad socio-economic development of citizens?

Linking Political Analysis with Policy Choices

There is no direct read across from the analysis to specific donor interventions. RNE staff will already have a lot of expertise on different aspects of policy, including knowledge on security sector reform or service delivery. The methodology provides an understanding of how strategies work out in fragile states, by providing the political context and process in a particular country. It facilitates the formulation of sectoral or thematic approaches that would contribute to increased state resilience. It should help RNE staff to:

- assess priorities (these will be different at different stages of state building, and avoiding policy overload is especially important at very early stages where the political settlement is fragile).
- Think about the political feasibility of different policy choices, and their likely impact on state building – will a particular approach undermine or reinforce state resilience? What are the local pressures for or against a particular policy reform?
- Think about the impact of external players in fragile contexts: both the impact of international diplomacy, business and military interventions on local institutions and actors, and the impact of aid and of different aid modalities.
- Think about the links between security, development and governance.

The FSAM is intended as a starting point, to provide a broad understanding of political context and process. It is expected to identify specific areas for more in-depth analysis, for example state-business relationships, the political impact of

⁶ See Collier's publications.

different approaches to security sector reform, or the political economy of particular sectors. In drilling down to look at issues in more detail, it will be important to keep in mind the interaction between political context and the content of policy reform.

Structure of the FSAM

The FSAM is structured around four main components:

- A preparatory phase that involves all the main stakeholders (i.e. RNE, MoFA, and Consultants) and that leads to the drafting of a **concept paper**. The concept paper serves as a basis for the Fragile States Analysis (FSA);
- A **Fragile States Analysis**: through a process of additional refinement of the concept paper, expansion of the information basis (mainly through interviews), and possibly a specific narrowing of the scope of the FSA to cover those issues that are key to the RNE's strategic objectives, a synthesis report is produced by the consultants;
- A **Workshop**, split into 2 days. Day 1 can be planned as an internal exercise or might be open to selected external stakeholders. Day 2 should be non-public and focuses on designing an appropriate donor strategy for the Netherlands;
- The formulation of a **follow-up strategy** by the RNE, together with the MoFA. The whole FSAM exercise has to be considered as a starting point in a longer-term process of analysis and policy engagement.

2. Fragile States Analysis (FSA)

The FSA provides a set of structured questions to guide analysis. The issues it deals with are yet subject of ongoing research; the framework however aims to reflect the current consensus and put it to practical use. The FSA is organised around **three dimensions**:

Foundational Factors that fundamentally shape conditions for state building in a particular country context. These are often deeply entrenched, of very long-term origin, and tend to change only slowly if at all.

Rules of the Game that relate to formal and informal institutions of the state, civil society and the private sector, and how relations between them shape processes of state building. They represent the rules of behaviour, the logic that essentially rules the game of state-society interaction and negotiation. To the extent that state-society interaction is at the heart of state fragility, they look at key causes of fragility. Changing the rules of the game can result in fundamental changes in the incentives of political actors. Rules of the game are more amenable to change than foundational factors and are likely to involve changes to both formal and informal rules. This section also looks at medium term socio-economic trends that could help to change the rules of the game.

Here and Now looks at the capacities and interests of key actors, and the current events and pressures (context) to which they are responding. Although state-building is more fundamentally influenced by the rules of the game, in many very unstable situations the here and now tends to consume all attention.

The following pages include a standard template. This should not be used mechanistically, but as a guide to structure knowledge and reflection.

I. Foundational Factors

This dimension involves mapping factors that fundamentally shape prospects for state-building. Exactly how they do so will depend also on contingent factors: there is no suggestion, for example, that ethnic divisions or difficult geography automatically result in fragility. But they are likely to make it more or less easy to negotiate a political settlement, and sustain interaction between rulers and citizens that helps create and expand a social contract.

Territorial Integrity

The starting point is to know whether the government broadly exercises authority over its population and territory, and controls its borders, or whether there are parts of the territory which remain outside government control. In extreme cases there may be no recognised central authority at all. Governments that are preoccupied with basic exercise of authority may be predominantly concerned with protecting – and perhaps enriching – themselves, and may have little interest in or capacity to promote growth or deliver basic services.

Suggested Questions: Does the national government have the monopoly of violence? Are there disputed territories? Is the state recognised as legitimate by key international and domestic power holders?⁷ Is there a basic political settlement? Are there local governance structures that serve as de facto substitutes of central government authorities? Is there a serious challenge to public authority from armed insurgents, social movements or local power holders? Are there disputed peace settlements? Do tax collection, policing and justice systems cover all areas of the country?

History of State Formation

This shapes the access to political and economic power of different groups and regions, relationships between them and perceptions of state legitimacy. For example, if state power was forged / enforced by a colonial authority, this may have resulted in a weak sense of political community or of national identity; weak state legitimacy; a dominant political elite and permanent exclusion of certain groups; language barriers; major political divisions; a lack of broadly based interest groups that can challenge the private use of public power.

Suggested Questions: How has the state's history shaped the access to political and economic power of different groups and regions? How has it shaped the perceptions about and relationships between different groups? Is there a sense of political community or national identity? To what extent is the state embedded / rooted in the local / traditional context – or was there a rupture in long-standing institutions as a result of conquest / colonial rule that weakens state legitimacy? Is there a history of violent conflict?

Sources of Revenue

The source of the state's revenue and how it is controlled/managed is central to state-building. Governments are dependent on sources of revenue. If these sources require them to bargain with citizens, e.g. over taxes, they will have incentives to nurture growth, build bureaucratic capacity to collect and administer

⁷ SAF indicator 1 also deals with state legitimacy. Here, the concern is with "embedded" legitimacy, rather than legitimacy that can be gained or lost through government performance.

state revenue, and meet demands for public goods. By contrast, the availability of 'unearned' income from natural resources or aid can lessen the interest of governments in promoting broad economic growth, or delivering a range of public goods and services in exchange for tax revenues. Large oil and minerals resources are particularly problematic for state building, and may be captured by opposition groups, or used by state authorities to fund repressive internal security.

Suggested Questions: To what extent is the state dependent on citizens for tax revenue? Does it have incentives to nurture the economy? Does the state have access to significant amounts of income from natural resources (especially oil and minerals), or external sources (e.g. aid)? How aid dependent is it? Are revenues sufficient to meet core state (survival) functions? Are there fundamental disputes about access of different groups to natural resource rents/other revenue? Are there illegal economies and sources of revenue (e.g. from the drug trade?).

Social and Economic Structures

Embedded social and economic structures impinge on state-building⁸. They affect the basis for mobilisation, and the ability of different groups to organise and influence policy. They also affect the potential for revenue-raising. Long-standing significant income gaps or other inequalities between different groups and regions that are linked to structural factors in the economy or social set-up of the country can affect state legitimacy and the overall level of social cohesion, and increase risks of violent conflict.

Suggested Questions: What are the main social and economic structures impinging on state-building and governance? Is there a history of unequal economic development along group lines, or between regions?⁹ Are there major ethnic and religious cleavages, or other social divisions that are politically significant?¹⁰ Is there an organised working class, based in industry or agriculture? a significant middle class? a large landed class with an interest in retaining control of labour, if necessary by repression? Have processes of land and agrarian reform taken place and what have been their effects on social and economic structures? Is there a military-centered class traditionally in control of state power? To what extent are there 'horizontal' groupings around shared economic interests, or are vertical client-patron relationships dominant? Does a large informal economy or reliance on subsistence agriculture make it difficult to tax? How significant is the public sector in providing employment opportunities?

Geostrategic Position

This refers to the state's relations with external players and how these impinge on state-building. Things can sometimes change quickly, but many factors are of long term origin.

Suggested Questions: How much autonomy does the state in question have in shaping its own policies? Is it land-locked and so economically dependent on neighbouring countries? Is it particularly vulnerable to external intervention? to regional instability? Are there cross-border ethnic groups that have an impact on stability/legitimacy?¹¹ Is it constrained by fear of provoking another state or external power? Does it have strategic resources that are of interest to external players? Do regional arrangements determine policy decisions at national level?

⁸ The focus here is on the impact of embedded social and economic structures on prospects for state-building/state fragility not a description for its own sake.

⁹ SAF indicator 11 addresses this

¹⁰ SAF indicator 9 addresses this – is there a legacy of 'vengeance seeking group grievance and paranoia?

¹¹ SAF indicator 6 addresses this.

Do other states affect the country's political, security or economic space?¹² Are there any international unsettled claims on the country's territory?

Geography

The natural environment will of course shape development options more broadly, but here the interest is in geographical features that have a continuing, direct impact on state-building (i.e. rather than tracing their historical, causal effects).

Suggested Questions: Are there geographical features that impede central control over the territory, present physical barriers to communication, or lead to isolation or marginalisation of particular groups or regions? Is competition for scarce resources (water, land), a source of conflict? Does a very small / very large / scattered/ dense population have implications for state building? Do particular patterns of exploitation of natural resources have an impact on state-building?

¹² Think about the long-term presence of foreign military troops or bases.

II. Rules of the Game

This section investigates the factors that shape state-society interaction, and the political processes involved. At early stages of state building the challenge is often to get key domestic political actors to accept state institutions as the principal arena for resolving political differences/other conflicts of interest. At later stages, the challenge is likely to be how to move from highly personalised bargaining between elite groups, to more institutionalised political engagement between state and society that includes a broader range of groups, organised around more public interests.

This section starts with the formal framework, but goes on to consider informal factors, in particular the nature and extent of political competition; the extent to which state, civil society and private sector institutions work according to known rules (in predictable ways); the distribution of power between the political executive and other groups; and relationships between state and society. It also considers key trends that have the potential to change the rules of the game over the medium term; and changes likely to threaten stability and undermine the existing social contract.

In any political system, the rules of the game will be a mixture of formal and informal practices. But in many developing countries there is a big gap between the formal provisions and how public institutions actually work – particularly if the formal arrangements were imposed rather than negotiated between the state and organised social groups. Sometimes the formal framework is itself part of the problem. But more typically problems arise because of the divergence between formal rules and informal practices. Decisions are frequently made, and resources allocated, according to a set of informal ‘rules’ that serve the personal interests of individuals or groups. Highly personalised systems tend to make for arbitrary policy-making; low effectiveness of the public service; poor control of corruption; and often low growth. They also encourage organisation of influential people around narrow, private interests rather than collective action around broader public goods.

Poor people are likely to be particularly disadvantaged. Although they may gain short term benefits from being part of a patronage network, informal systems will often reflect the very unequal power relations within society. Poor people are more likely to benefit from public institutions that follow predictable, transparent practices that provide them with some access, within a system of open, civic competition for power. That is their best chance (short of revolution) to make their numbers count. The good news is that, at least in the medium term, better off groups would also benefit from a more ‘institutionalised’ basis for governance.

This part of the analysis needs to incorporate a historical perspective in so far as it continues to influence both formal and informal practices.

The Formal Framework

Formal constitutional and legal arrangements help shape the informal rules of the game, although the main problem is often divergence between formal rules and actual practice. The interest here is not in a detailed description of the formal legal framework, but in assessing to what extent in practice the formal framework is (or can be) made use of by citizens and the state in order to solve their issues. To that end it is useful to know a) whether a broadly accepted constitutional/legal framework exists (inadequacy of or disagreement about the framework may indicate a weak political settlement)¹³; and b) whether there are aspects of the legal/constitutional framework that make state-building more difficult (e.g. a legal framework that excludes participation in the political process of some particular groups within society).

Suggested Questions: To what extent are the formal rules embedded in the constitution and the legal framework the outcome of a negotiation between state and society? Are they seen as legitimate? Do citizens recur to formal rules to get their rights, and do they (or specific groups like lawyers) mobilise to improve (application of) formal rules? How (in)consistently are they being applied? How often has the constitution been changed, and how easily? To what extent is the political executive constrained by law, constitution? Are human rights violated, and rule of law arbitrarily applied or suspended?¹⁴ . Does the constitution provide for regular, open, inclusive competition for political power? Are there major problem areas (e.g. with the electoral system, or the role of the security sector and its relationship to civilian authorities?) Is there a legal framework for civil society, interest groups, and political parties to operate?

More Informal Factors¹⁵

Political Competition

The nature and extent of political competition is partly determined by the formal legal framework, but social/ economic relationships and informal political processes are also highly significant.¹⁶ How politicians gain and maintain power is central to their own motivation, and influences how political parties and civil society groups organise. Where competition is based on personal identity or personalised patronage networks, politicians may have little incentive to deliver on election promises of broader public goods, and political parties are unlikely to organise around public programmes or specific issues. Open political competition through democratic elections may be problematic at early stages of state building, especially where there are deep ethnic or religious cleavages, and state institutions have limited autonomy and capacity to support the process.

Suggested Questions:

i) Is political competition conducted through non-violent means, and regulated by law, or is there abuse of formal procedure? Are elites factionalised, or do they have national perspectives?¹⁷ How important is political power to those who compete for it? Does personal wealth or security depend on winning? To what

¹³ "Political settlement" is understood as the forging of a common understanding, usually among elites, that their best interests are served through acquiescence to a framework for administering political power.

¹⁴ SAF indicator 3 addresses this.

¹⁵ Due to the informal nature of the factors, brief interviews may be needed to supplement written material.

¹⁶ Informal institutions refer to unwritten rules, norms, expectations, and processes. These institutions are understood locally, but as a general rule, they tend to be somewhat difficult for outsiders to apprehend (or work within).

¹⁷ SAF indicator 4 addresses this.

extent do people use public resources to stay in power? Is there a history of coups or other illicit changes of power?

ii) How exclusive is the political elite? (in terms of its socio-economic or institutional base, rate of turnover of individual members, accessibility / social mobility?) Is there scope for non-state armed actors to transform into political parties)?¹⁸

iii) How far are ordinary people able to vote / join political parties, or access other means to exert political influence? Are particular groups excluded (legally, or in practice?)

iv) What do voters expect their elected representatives to deliver: individual patronage benefits, community-specific benefits, or broader public goods? Are tax and public spending key election issues? How far do political parties organise around programmes rather than personalities?

Institutionalisation¹⁹

This section focuses on the extent to which government, civil society and private sector organisations are 'institutionalised' – i.e. they follow public, transparent, known rules and procedures, so that their behaviour is routinised and predictable. Keep in mind that institutionalisation is not an unambiguously good thing – bad practices can be institutionalised, and a political executive that faces few restraints but is highly institutionalised can abuse its power. But many developing countries tend to suffer from highly personalised government and political systems that are both weak and arbitrary. So greater institutionalisation is likely to contribute to state building because it can increase the legitimacy and effectiveness of:

a) state organisations, by strengthening their capacity to design and implement policy, and to make credible commitments to citizens; and

b) civil society organisations, enabling them to aggregate interests and channel demands.

This in turn can strengthen constructive state-society engagement (see below), which is central to expanding and sustaining the social contract.

Suggested Questions: To what extent do government, civil society and private sector organisations follow public, transparent, known rules so that their behaviour is routinised and predictable? Over time, has the trend been towards greater institutionalisation, or increasing personalisation? Think in particular about the **public bureaucracy** (especially public financial management, recruitment and promotion practices)²⁰; **sub national structures** (are decentralization reforms taking place, through which local government structures are becoming more institutionalised?); the **security sector (especially the judiciary, police and military)**; **policymaking processes** (is there formal provision for public consultation?); **political parties** (is party organisation based on recognised procedures that are independent of individuals;); **civil society organisations** including professional, business and religious groups (are they membership based? Do they have transparent elections for office holders?); the private sector (do businesses organise to press for public goods, or do they seek private deals through personal networks, that benefit them individually and exclusively?).

¹⁸ As fragile societies often emerge from periods of conflict, it would be important to look at the extent rebel movement, for instance, are put in the position to convey their original grievances into the legal, political arena.

¹⁹ Keep in mind that the interest here is not in a detailed institutional analysis (though these can provide useful source material), but in where the system is positioned along a spectrum running from highly personalised to highly institutionalised.

²⁰ A proxy indicator of the extent to which personnel management is 'institutionalised' might be the frequency of, and mechanisms for, staff transfers.

Distribution of Power

This section looks at how power is shared, starting with how the political executive shares power with other groups (whom does it have to take notice of?). There is sometimes a presumption that more power sharing will contribute to better governance. However, this will depend on who is sharing power with whom and how. The political executive may look powerful (the power to control others) if it faces few checks and balances or organised interest groups, but may be quite weak in terms of capacity (the power to act and to design and implement policy). A resilient state and an effective political system depend on achieving a balance between authority and control by the political executive, and accountability to citizens. The latter requires some power sharing, but not too much (which could lead to ungovernability). At early stages of state building, the priority will likely be organisation of a minimal central political authority and securing its acceptance by key domestic power holders; and constructing an integrated military.

If time allows, it may also be useful to look at relationships between groups other than the political executive. You should note any significant shift in relationships, as these may be significant for stability- see section below on identifying key trends. The questions below mainly address informal relationships (for example, which groups have economic power, or social power to mobilise others?). However formal, legal arrangements, as outlined above, will also affect power-sharing.

Suggested Questions: How, and to what extent, does the political executive share power with the:

Security Apparatus. Does the security apparatus operate as a "state within a state", or is a professional military established that is answerable to legitimate civilian control?

Police

Judiciary (does it have constitutional power over / actual power to challenge the executive?)

Legislature (e.g. does it initiate legislation, exercise financial control)?

The Public Bureaucracy

Other Levels of Government (do they serve as de facto substitutes for central government authorities? Do they have elected officials, independent law-making powers, revenue-raising capacity, revenue sharing guarantees?)

Public Enterprises (especially those with large revenues from control of oil, minerals: are they a 'state within a state'?)

Private Sector (relations between holders of political power and holders of economic power are fundamental for state building. Some (large) companies, especially in countries with large natural resources, may have significant policy influence. Business may fund political parties or control the media; or have policy influence through their ability to control movements of private capital. Politicians may use their power to create economic rents as a way of managing potentially violent opposition).

Organised class or caste based groups, or elite groups with social, political and economic power.

Traditional Institutions (there may be formal arrangements for power sharing as well as informal ones.)

Religious Actors (are they integrated into the constitution? or in opposition to state power? Do they have access to transnational organisations or resources? How much ability to mobilise?)

Mass Media (who owns and controls it? Which segments of society are the consumers of the mass media? And what outreach does media have?)

Civil Society Organisations (think about membership organisations (e.g. trade unions, professional associations, groups of service users, grass-roots livelihood organisations) as well as elite, urban policy-oriented NGOs.

Uncivil Society (criminals, terrorists, armed non-state actors)

External Actors (e.g. regional or international actors exerting competitive pressures, or arrangements affecting trade, investment, security. Are there destabilising regional cross-border interventions? Or pressure from international political, criminal and terrorist networks? Are there pressures from donors, especially in highly aid dependent countries? Or from the international community more generally on human rights, democratic elections? Do international financial players and institutions such as big private banks, the IMF, WB, etc. exert policy influence? Has the country any important diaspora groups which have an influence on the situation at home? How big is the influence of NGO's/advocacy groups dealing with the country in the donor countries?

State-Society Relations

This section draws on all four previous sections of the 'Rules of the Game' to reflect on the nature of state-society interaction. A recent OECD paper emphasises that state fragility arises when mutual expectations of states and citizens (embodied in the social contract) are in disequilibrium, and the state lacks capacity to meet expectations of citizens. Conversely, state resilience is built through interaction with citizens that can increase state capacity to negotiate and respond to their demands. In many developing countries there is little effective state-society engagement (especially if government has independent sources of revenue), and access to state resources may be limited to small, elite groups, often as a way of maintaining social stability. Other citizens will have little incentive to organise if they have low expectations that the state is likely to respond. More institutionalisation of both state and societal groups could help to make their interaction both more inclusive (offering entry points to larger numbers of people) and more constructive. An important question for policymakers is whether changes in state behaviour or in the design of public programmes could stimulate collective action by citizens, and trigger more effective engagement with the state (e.g. changes to the tax regime or less arbitrary behaviour by revenue authorities or the police might contribute to more constructive interaction with citizens).

Suggested Questions: How much engagement is there between government and citizens? Are state-society relationships conducted through personalised networks or more public engagement with broader, organised groups of citizens? Is there a social contract (e.g. based around tax, use of public revenue, or the provision of security)? Are there informal political understandings, e.g. informal deals that will alternate power between patronage networks? Are state-society relations highly polarised (e.g. around ethnicity, or ideology)? Do interest groups make demands based on ethnicity or other exclusive criteria, or on the basis of universal rights? How far does the state have the capacity to meet the expectations of citizens (e.g. for security, or basic service delivery)? How far do politicians have an interest in nurturing broadly based growth and development?

Identifying Key Trends²¹

This section will identify the main trends on the nexus of governance, security and development.

²¹ Here the interest is not in current events, but in more medium term factors that could be influencing the rules of the game.

- A. Governance: Thinking about the broad stage of state building, and looking at the four sections of Rules of the Game (formal framework, political competition, institutionalisation, distribution of power), is it possible to discern any broad trends? Which of these trends have the greatest impact on state building? What aspects of state-society relations seem likely to contribute to strengthening and broadening state-society engagement and a social contract, and which seem to risk undermining it? In particular, a) are there signs of movement from elite pacting towards broader state-citizen interaction? b) are there signs of movement towards more rules-based and issues-based behaviour, or significant changes in the way important groups are sharing power?
- B. Socio-economic development: Are there major socio-economic trends or pressures that are contributing to state-building? In particular a) are there movements towards a broader, less exclusive economic deal between rulers and ruled, and b) are internal or external factors changing the interests and incentives of state and societal actors, and their capacity to act?

Suggested Questions: Are major socio-economic trends or pressures – e.g. economic growth, urbanisation, improved communications (roads, technological advances), demographic changes (a youth bulge), education - helping to change the rules of the game? Is a middle class emerging with sufficiently independent interests to claim more rules based governance? Are changes in international demand having an influence? (e.g. an intensification of the resource curse, due to rising international demand for oil/minerals?). Are changes in the regional security environment affecting the extent to which government shares power with the military? Are there increased competitive pressures from regional or global markets that affect the interests of private business, and their relationship with state actors? Is donor behaviour, or interventions by the international community (including international private sector) changing the rules of the game?

Has a succession of relatively fair, peaceful elections helped to embed democratic processes?

- C. Security: Are there major security trends or pressures that are contributing to state-building? Or are there significant developments that could increase the risks of instability and the potential for violent conflict? In particular: a) are there movements towards a less coercive, more rules-based security deal between rulers and ruled, and b) are internal or external factors changing the interests and incentives of either party and their capacity to act? Here assessment of the impact of trends in relevant SAF indicators is relevant, including²²:

- Deterioration in the quality of public service delivery esp. in the domain of security (SAF 2);
- an increase in human rights violations (SAF 3);
- an increase in destabilising regional cross-border interventions (SAF 6);

²² Be aware that it is not the objective here to engage in an exhaustive SAF exercise. The SAF indicators should rather be regarded as thematic references and it should not be the aim of the analysis to deal with them the same way the SAF methodology does.

- massive movements of refugees and IDPs (SAF 8);

III. Here and Now

The 3^d dimension addresses matters that have an imminent impact on state-society relations. It includes two sub-categories: the current context and the main actors / stakeholders. These issues will usually also be covered by the regular reporting from Embassies. Here there will be time to identify only the most significant factors and actors: this can be supplemented at a later date with more conventional stakeholder and institutional analysis. Similar issues are covered in Section 6 of the SAF ('Mapping and Analysing Political Actors'), albeit with a particular focus on actors who might have interests in supporting stability, or alternatively in fomenting instability or conflict.

Context²³

This is about how current events and circumstances influence the objectives and behaviour of key actors / stakeholders (see next section). The broader context is shaped by foundational factors and rules of the game; here the interest is in the current situation and potential developments in the near future.

Suggested Questions: Where does support for the government come from; is it a stable or fragile coalition? Has a recently contested election damaged its legitimacy? What issues will most influence whether it gets re-elected? Does it have sufficient resources – human and financial – or are these a binding constraint on its ability to act? Does it face a financial squeeze or crisis? How well has it responded? Are there major security concerns – internal or external? Are major constitutional changes in prospect? When is the next election? Has there been a recent man-made or natural disaster (e.g. earthquake) that has strongly debilitated (or enhanced) state capacity and legitimacy?

Actors and Stakeholders

This section identifies key actors and stakeholders, taking account of those with institutional capacity to act, and those that share power with the political executive. It covers institutional actors and individuals.

Suggested Questions:²⁴ Taking account of the Fragile States analysis, which groups have the capacity to act, and the power to make their voice heard, and must be taken seriously by the government? Do these groups have interests that overlap – actually or potentially – with those of poor or otherwise marginalised people? Which individual actors might be particularly influential, and what are their interests? What issues are groups organising around: tax, service provision, corruption, environmental concerns, gender issues? Or more local, livelihood concerns? More narrow, personalised interests?

²³ Be selective when discussing this dimension. The emphasis should be on analysis, not detailed description. It may highlight the need for later, detailed analysis (e.g. stakeholder or institutional analysis) to support the design of specific interventions.

²⁴ Think about how the rules of the game shape the basis on which state and society interact.

IV. Operational Implications of the Fragile States Analysis

This section provides a starting point for considering the operational implications of the Fragile States Analysis. The FSA provides a macro level analysis that can help RNEs identify the underlying causes of fragility and weak development; priorities for building state resilience; longer term pressures for or against progressive change; the incentives driving the policy choices of key actors; and the likely impact of external interventions on prospects for state building.

The purpose of this section is to provide the basis for a discussion within the RNE about the implications of the analysis for their operations. This is likely to identify a need for more in-depth analysis of political context and process in particular policy areas (e.g. security sector reform, or service delivery). It may also pinpoint particular state building challenges or sources of fragility that RNEs need to understand better because they have a bearing on all aspects of policy (e.g. state-business relations, or state- military relations).

This section should draw on the Fragile States Analysis to address the following questions:

- 1. What are the main state building challenges, and the reasons for them ?** (What sort of state are we dealing with: collapsed, post-conflict, weakly institutionalised? What stages of state-building apply to the country? What country specific factors contribute to fragility?)
- 2. What does this suggest about strategic priorities for action by partner governments and donors, and the likely feasibility of addressing them?** (Distinguish between very early stages of state building when priorities are likely to be establishing a central authority and basic security, and later stages when a much wider range of interventions might be feasible).
- 3. What local incentives and pressures for reform/positive change already exist? How far do these overlap with donor objectives?** (Foundational factors and rules of the game provide important signals about likely incentives of political actors, including their sources of finance, how they get re-elected, and how they share power. The FSA section on key trends may suggest longer term sources of pressure for progressive change).
- 4. What is the impact of existing RNE/ other donor actions on state building?** (Think about aid dependency, aid modalities, design of security sector reform programmes, range of partners. Think also about the broader impact of OECD countries (diplomatic, trade,

business, financial, military) on the incentives of political elites and other groups).

5. In the light of this, how would you reassess opportunities and threats for external actors? How could they respond more effectively? (Think about the design of short term interventions, but also about longer term, more indirect ways of helping to change incentives of political actors, through:

- i) Getting the integrated approach right, by elaborating the respective contributions of strategies in the domains of governance, security and socio-economic development, their interrelationships, synergies and sequencing.
- ii) Getting the regional integrated approach right
- iii) Changes in OECD market access, anti-corruption measures, EITI.
- iv) Working with a wider range of local partners (religious groups, private business, taxpayer or professional associations, trade unions).
- v) Changes in donor behaviour (to address stove piping, aid dependency, volatility, conditionality, fragmentation).
- vi) Improving tax and public expenditure management (these are central to a social contract).
- vii) Increasing sources of reliable, accessible public information, and encouraging local debate and policy analysis.)

3. The Workshop

Introduction

Taking the Fragile States Analysis as a starting point, a 2-day workshop provides the setting to review strategic priorities for governance and state-building, as an input for the Multi Annual Strategic Plan (MASP)²⁵ and its implementation.

- Day 1 is reserved to discuss and consolidate the findings (optional: including external stakeholders, e.g. like-minded donor countries, experts, government representatives as appropriate etc)²⁶
- Day 2 focuses on discussing the implications for RNE governance and state-building strategies and the MASP (recommended: for Embassy and Ministry staff only)²⁷

DAY 1: Consolidating the Findings

Step 1 – Agree on the Findings

» » » To what extent do you agree with the Fragile States Analysis? What important pieces of information are unclear, missing or incorrect?

Discuss the findings of the Fragile States Analysis. Also take note of the data which is provided in the Track Record, in the most recent MASP and in other reference reports and address the following question²⁸:

- **Do you agree with the conclusions of the analysis?** Note areas of convergence and divergence regarding the Fragile States Analysis, including the section on 'Operational Implications of the Fragile States Analysis' discussion document.

Step 2 – Discuss Implications for Donor Agendas

²⁵ Hand out Fragile States Analysis to all participants beforehand.

²⁶ Day 1: validate findings.

²⁷ Day 2: discuss strategy.

²⁸ Allow points of divergence within the group. It is unlikely that everybody agrees on the findings.

» » » **What are the implications of the Fragile States Analysis for external support, and specifically for governance and state-building interventions?**

At the end of Day 1, there could be an opportunity for donors jointly to take stock of current approaches and strategies in the light of the Fragile States Analysis. Drawing on the "Operational Implications" section, are donors sufficiently alert to the underlying challenges? Are current approaches and time frames realistic? Are there missed opportunities? How do the political and bureaucratic pressures on donors (e.g. to disburse funds) affect local rules of the game? Could changes in aid modalities or donor procedures help (e.g. by reducing transaction costs, or uncertainty; or by helping to reinforce domestic accountability, rather than accountability to donors?²⁹).

DAY 2: Towards State-Building Strategic choices as input for the MASP

On Day 2 of the workshop, participants consider the implications of the Fragile States Analysis for the strategic choices facing the Netherlands in preparing and implementing the MASP. The focus is on the three main dimensions of Netherlands development policy; namely security, governance, and socio-economic development. A cross-sectoral approach is encouraged, so workshop participants need to look at the programme as a whole, not just focusing on one of the three dimensions. At the same time, the participants will have to differentiate between short-term strategies (looking at the basic conditions for development and stability), and long-term strategies (which instead focus on more structural aspects of state fragility). In addition they would also need to concentrate on issues of "timing" and "sequencing" with regard to the implementation of these strategies.

Fragile States Analysis can add value to the MASP by:

- Deepening the context analysis that helps to explain underlying reasons for current **"development trends"**.
- Enriching **stakeholder/actor identification/analysis** by directing attention to underlying rules of the game that shape their interests/behaviour.
- Underlining the need for realism about objectives and timeframes, but also highlighting new opportunities and threats in considering the **Dutch policy framework**
- Highlighting implications for state-building of all aspects of embassy policy, including political, economical, development and security issues.

²⁹ The discussion could be framed in terms of reassessing opportunities and threats presented by the country context.

In one day it will be possible only to kick-start the process of reviewing strategic priorities, by:

- reviewing opportunities/threats at the level of the overall programme, in light of the FSA.
- considering the implications for one or more specific sectors/themes.
- comparing the strategic priorities emerging from the MASP and the implementation of the overall programme, with the strategic indications provided by the FSA.
- Identifying the implications for the implementation of the current MASP, taking account of external opportunities/threats, but also the Dutch policy framework, and internal strengths and weaknesses.

Step 3 – Review Opportunities and Threats

» » » Does the Fragile States Analysis lead you to reassess opportunities and threats to a development agenda arising from the country context ?

Fragile States Analysis can initially be discouraging. It highlights threats, including huge state-building challenges, long timescales for fundamental change, and the limited influence of outsiders on internal political processes. But it also highlights new opportunities for donors, provided they are prepared to take a long-term view, and work in more indirect ways to support change at the level of institutional incentives or rules of the game.

Use the opportunities and threats analysis included in section V of the Fragile States Analysis ("Operational Implications") as a starting point for discussion. Take another close look at this and highlight those opportunities and threats that seem most relevant for the RNE, through a participative process of open discussion and debate.

Step 4 - Reassess Opportunities and Threats for Sectors/themes and Approaches (MASP)

» » » How could RNE approach development in key sectors more effectively?

There will not be time to address this question for all sectors of the programme, or in much detail. Take one or two key programme areas/themes or sector level objectives. Consider how, in the light of the opportunities and threats analysis under step 3 above, you might want to approach things differently. You should draw on section IV of the Fragile States Analysis (Operational Implications), in particular question 2 that suggests how underlying causes can help explain development performance in key sectors. This provides information about the **context** for action. You should also draw

on specialist sector knowledge as appropriate, to provide information about the **content** of proposed reform.

Here are some examples of how you might want to approach things differently:

Anti-Corruption

Donors often approach anti-corruption by establishing or supporting Anti-corruption Commissions, advocating new legislation, and supporting civil society anti-corruption groups. In some cases these approaches may be effective, but, especially where there is little political interest in addressing corruption, more indirect approaches may be appropriate.

i) What is the essential state-building context? (see in particular FSA IV, question 1)

ii) Why does action on anti-corruption matter for state-building? For example:

- it might be central to making a new political settlement credible; ensuring perceived fairness in demobilisation, integration of the military.
- Stronger public financial management is likely to be critical for better management of natural resources' rents, and thus for state-building in the medium to longer term; however informal arrangements for sharing rents with groups able to organise violent opposition might be critical for stability in the shorter term.

iii) What are the local pressures supporting anti-corruption? For example:

- pressure from opposition groups, including faith-based groups? (this could be negative if the government's response is to co-opt them through corrupt practices).
- Government needs tax revenue, and faces (potential) pressure for better public expenditure management from business, taxpayers?
- OECD business / financial institutions/ governments seek to reduce collusion in corruption?
- Service users may have interest/ capacity to organise?
- Pressure from advocacy NGOs, with international support? From the media?
- Investors, new business interests have interests in better public goods?
- Technology reduces direct links between bureaucrats and citizens

iv) What action could donors take?

- Understand how corruption impinges on political settlement, short term stability. Prioritise action that could support state-building.
- Do more to limit access of political elites to rents from untransparent natural resource exports, and corrupt earnings (by support for EITI, OECD anti-corruption measures and compliance with the UN Convention against Corruption). Support CSOs that advocate implementation and review of compliance with the UN Convention against Corruption.

- Change conditions for entry of products to EU markets to provide incentives to fight corruption (e.g. FLEGT). Work with the private sector (e.g. pharmaceutical companies to limit corruption in drugs procurement, banks in order to prevent transfer of illicit funds abroad).
- Provide long-term support to improve public expenditure management and procurement, and link this to support for CSOs that call for increased transparency in government finance.
- Consider how aid modalities affect rules of the game: more predictable funding, and support for more institutionalised budget processes, could provide entry points for MPs and civil society groups to scrutinise the use of public funds.
- Excellent public information about the source and use of funds provided by donors and from taxpayers could encourage more public scrutiny (e.g. the PETS process in Uganda).
- Support national and sectoral business coalitions for change and voluntary codes of business conduct.
- Think about tax relationships. In some cases (e.g. post conflict) the task may be to re-establish a basic capacity to collect tax. In others there could be opportunities to support tax reform in ways that help strengthen governance capability and accountability (e.g. simpler, more transparent, more broadly based tax regimes could reduce opportunities for evasion, and strengthen accountability by stimulating taxpayer mobilisation. More public debate about tax and spending could stimulate action by the Public Account Committee). Even where reform is difficult, small, practical steps could start to change rules of the game.
- Even when opportunities for governance reform at the national level are limited, there may be entry points at the local level. In some settings, the entry point might be bottom-up participatory reform, such as community-driven development, especially when it also supports the development of local government transparency, capacity and accountability.
- Support reforms to empower users like parental participation in schools, water users associations, community conservation groups in order to strengthen the demand for governance

In all these examples, it is important to think about state-society interaction: changes (sometimes quite small ones) in the way public institutions operate could provide entry points and incentives for interest groups to organise; this in turn could increase pressure for greater public accountability, and the ability of politicians to make effective policy responses.

Growth

(The FSA might be used alongside other analysis, e.g. the Rodrik/ Hausmann growth diagnostics)

i) What is the essential state-building context?

- ii) Why does growth matter for state-building? For example:
- in collapsed states, reviving economic activity is essential for survival; can give a new government legitimacy.
 - in more capable states, it provides revenue for basic state functions; could help address structural inequality; could start to change class formation and interests (e.g. aid creation of a middle class, or organised working class).
- iii) What are the local pressures for change? For example:
- Political elites need revenue (if not, they may not be very interested in growth).
 - Investors are organising to press for improved infrastructure, other public goods (though fear of confronting vested interests may inhibit change).
 - New regional or global market arrangements provide incentives for government, business to address constraints.
 - Changes in technology provide new opportunities for investors.
- iv) What action could donors take? For example:
- Action at a global level on subsidies, market access.
 - Act to restrict elite access to rents from corruption, narcotics, untransparent oil revenues.
 - Tackle key constraints (e.g. poor regional infrastructure).
 - Contribute to public debate, good statistics and other information sources
 - Look for opportunities to support more institutionalised, constructive state-business relations.

Service Delivery: primary education

Despite a PRS process, there may be little genuine political commitment to improving delivery of basic services. So, there may be a need for longer-term, more indirect strategies to start changing the rules of the game.

- i) What is the essential state-building context? (Is there basic capacity for service delivery?)
- ii) Why is primary education important for state-building? For example:
- it might help foster broader support for a basic political settlement.
 - it might help to address inequalities between groups and regions.
 - longer term, it is central to economic, social and political development.
- iii) Are there local pressures for improved delivery of primary education? For example:
- from government, seeking to (re)-establish legitimacy?

-- from parents? Teachers? Civil society organisations? Business? Religious authorities?

iv) What action could donors take? For example:

-- try to ensure that funding benefits disadvantaged groups, neglected regions; and that programme design respects linguistic or other cultural differences.

-- employ aid modalities that provide long term, predictable funding for basic services (e.g. through sector support). This could encourage government officials to invest in better, more rules-based planning and budgeting systems, which in turn could provide entry points for political activists and elected representatives to engage in the policy process, and make it worthwhile for user groups to invest time and effort to organise to demand better services.

-- design programmes to provide better, more accessible information about objectives and progress to facilitate informed public debate about education services, and engagement by the media, politicians, and other interested stakeholders. This might include information about how public funds are allocated and used; data about the extent and quality of education provision ; comparisons between regions of a country and different countries in a region; and long term support for national statistical services.

-- engage with teachers' unions to gain support or minimise opposition.

-- engage with parts of the private sector which do not directly share a poverty agenda but may share an interest in a range of public goods, including primary education.

-- if there are local schemes that are working well (e.g. schemes to counteract teacher absenteeism), they could provide a starting point to build on.

Step 5 - Linking FSAM and MASP: Strategic Choices for the Netherlands

If time allows, the workshop should aim to kick-start the process of reviewing opportunities and threats identified in steps 2-4, in light of Dutch policy priorities, the MASP and an assessment of the internal strengths and weakness of the RNE.

The review of opportunities and threats under steps 3 and 4 above may suggest the need for changes to the current strategy. It could point to new priorities within the strategic objectives, or to risks that suggest suspending current activity. But it is more likely that it will prompt you to revise expectations, objectives, timescales, partners and approaches within existing sectors. It is also likely to inform key judgments that the embassy makes, e.g. about conditionality, or budget support; and the way to approach political dialogue. It may highlight the need to give greater priority to existing interventions (e.g. the Paris agenda, or action at the level of the OECD or EU). It may also highlight the need to develop new skills and ways of working.

Discussion at the workshop should aim to identify key points that will require further elaboration at a later date. It should cover:

- A review of the current country strategy as set out in the Multi Annual Strategic Plan. In the light of the FSA and the review of opportunities and threats, do you need to re-assess priorities, risks, realism of timeframes and objectives, alignment with local priorities, harmonization with other donors? What is working well, what is not working, and why?
- Looking ahead, a review of strategic choices facing the Netherlands, taking account of the Dutch policy framework as set by Ministers, and RNE/Ministry strengths and weaknesses. The latter will include:
 - **internal strengths and weaknesses** (policy guidelines from The Hague, current embassy strategy, level of staffing, skills mix, level of sector expertise and knowledge etc). The review will also need to take account of headquarters level pressures from parliamentarians, lobby groups etc.

The internal strengths and weaknesses of the embassy can be found by analysing the following questions:

1. What do we do well? What relevant resources do we have access to?
2. What are the areas where staff thinks the functioning of the embassy could be improved?
3. What do other people consider as our strengths and weaknesses?
4. What are our strengths and weaknesses in terms of historical or other ties with the hosting country?

While answering these questions, keep in mind the following categories: capacity, competencies, resources, management/organisation, processes, culture and relationships/networks with partners. Let participants first think individually about the questions in relation to the categories. The contributions can then be written on post-its by individual participants and put on the wall (prepare paper sheets with categories in advance). Given the possible sensitive nature of some contributions, facilitators will have to guarantee anonymity. A plenary discussion subsequently will allow discussing outcomes, including contradictions and main conclusions.

Workshop participants might find it useful at this point to employ the below reported SWOT diagram, to map out the options (in addition to the reassessment of Opportunities and Threats as suggested by Step 3 of the Workshop).

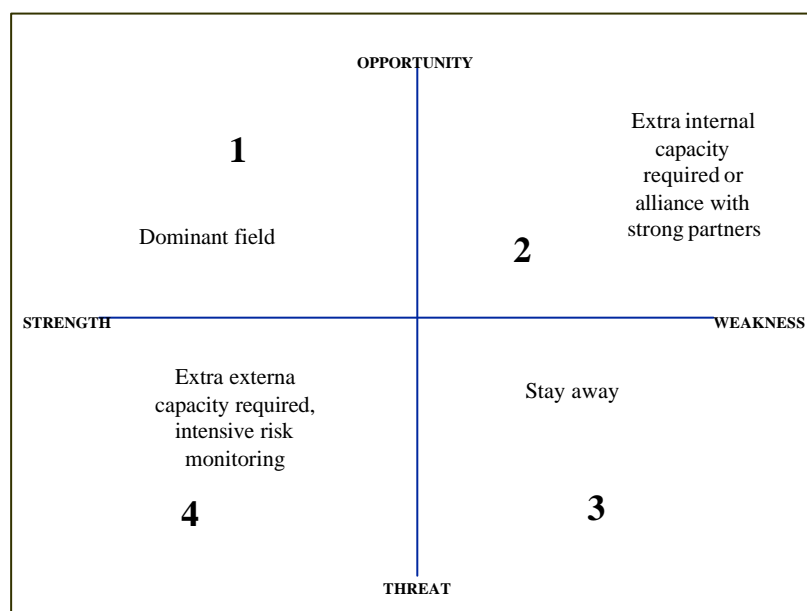
The purpose of the SWOT analysis is to allow the embassy to map out the strengths, weaknesses, opportunities and threats, and subsequently to make strategic choices about the focus for the coming years. Strategic choices will be elaborated in step 6 into strategic goals and results, as well as possible consequences for operational management.

Completing the SWOT-diagram

A SWOT-diagram can be used to reassess strategic choices. In a SWOT-diagram, opportunities and threats are positioned on the y-axis and strengths and weaknesses on the x-axis.

The starting point is the opportunities and threats, which are each plotted individually on the y-axis to fit the extent to which they represent an opportunity or threat. These derive from step 3. Subsequently, each of the opportunities/threats is taken to position on the x-axis according to the extent to which they correspond to strong or weak points of the embassy³⁰.

It is of crucial importance to provide for thorough discussions on the exact positioning of the issues on the SW and OT axis of the diagram, since this constitutes the basis for making strategic choices and for subsequently formulating strategic results. The use of a SWOT-diagram is illustrated below.



The numbers in the example each reflect the outcome of a process of positioning an opportunity or threat on the y-axis, and coupling this with a position on the x-axis of strengths and weaknesses. Number 1, for instance, is positioned in the quadrant that combines opportunities and strengths. Obviously, there are strong reasons to select this opportunity and to formulate strategic goals and results around it. Number 3, on the contrary, is situated in the threat x weaknesses quadrant. This forms a likely basis for dropping this particular threat and not formulate strategic goals and results. An embassy likely needs specific strong points to be able to contribute to counteract a threat (which would in that case be situated in the strengths x threat quadrant). Number 2, finally, represents an

³⁰ **Tips:** A SWOT diagram can be done for the different policy areas together, in order to create an overall picture of the embassy's portfolio

- Use the opportunities and threats as previously formulated
- It is important to get the consent of all participants for the selected choices.

opportunity but is positioned on the weaknesses part of the x-axis. A decision to formulate a strategic goals and results may still be formulated, keeping in mind, however, the need for internal operational measures and the usefulness of an alliance with strong partners.

Looking at the SWOT diagram, you will typically see that the strategic choices derive from Number 1. However, it might be possible that Number 2 and/ or 4 also allow for possibilities for (further) engagement.