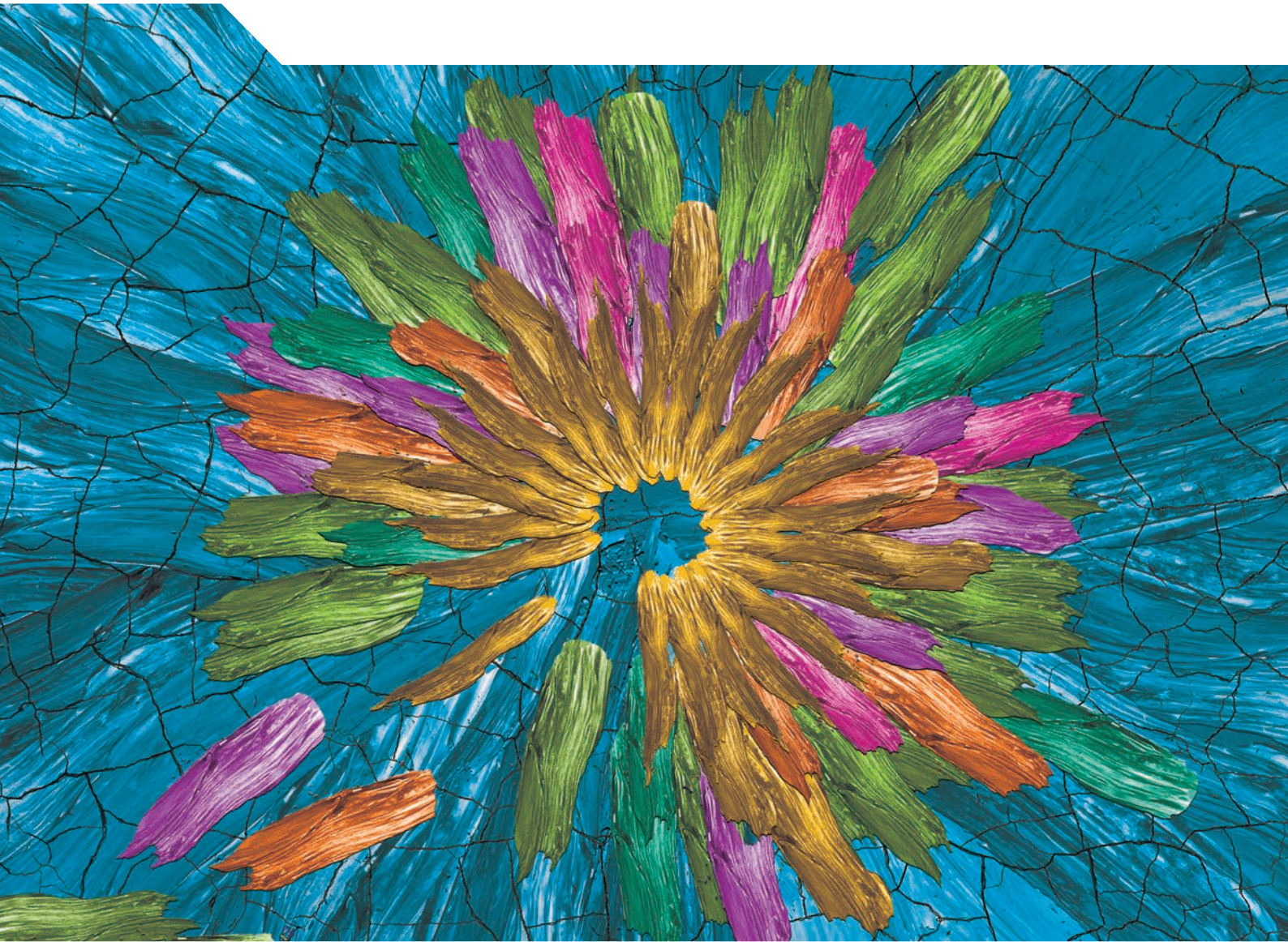




States of Fragility 2022



STATES OF FRAGILITY 2022

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Foreword

The OECD Development Co-operation Directorate (DCD) has produced Fragile States publications since 2005. These explore trends and financial resource flows in fragile and conflict-affected countries and economies (referred to hereafter as contexts). Balancing a global perspective on fragility with a focus on the most fragile contexts, the reports respond to growing concerns about the implications of fragility for stability and development, especially in the context of the 2030 Agenda and the international promise to leave no one behind. The OECD is one of only a handful of sources of aggregate data and analysis for fragile contexts as a group.

The purpose of the States of Fragility report series, now in its fifth edition, is to provide compelling evidence and perspectives that can inform development partners' policies and underpin international debates. *States of Fragility 2022* marks the introduction of a new version of the OECD's multidimensional fragility framework. This report is supported by an online platform and three core working papers that provide the substantive content underpinning the findings set forth in this document. This approach is tailored to meet the needs of the audience of political decision makers, policy makers and practitioners to 1)

monitor levels and compositions of resource flows to fragile contexts, 2) understand qualitative trends related to these flows, and 3) offer an outlook on the key issues and contexts to watch in the coming years.

This report is organised into three chapters. Chapter 1 identifies the most fragile contexts based on the most recently available data, considers their progress towards the Sustainable Development Goals and highlights prominent trends in and affecting fragile contexts. Chapter 2 provides a comprehensive overview of the state of responses to fragility, including trends in both official development assistance and other financial resources as well as in policies to address the drivers of multidimensional fragility and the complex ways it manifests in fragile contexts. Chapter 3 proposes options for navigating an environment characterised by multiple shocks and crises.

The 2021 data captured by the framework do not reflect the global repercussions of Russia's large-scale aggression against Ukraine or the full extent of the ongoing impact of the COVID-19 pandemic. However, given the magnitude and significance of these shocks, data are referenced when available to add detail and context to recent trends in fragility.

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Editorial

In *States of Fragility 2020*, the OECD cautioned that fragile contexts were at a critical juncture if they were to deliver the 2030 Agenda for Sustainable Development. Decisive action was needed to manage the impact of the COVID-19 pandemic on the people, communities and states that were furthest behind. That moment has passed. The world has fallen short on the promise of an equitable and inclusive recovery. By the end of June 2022, only one in three people in fragile contexts had received a dose of a COVID-19 vaccine, compared to three in four people in OECD countries. The pandemic has disproportionately affected women and girls' health, education and well-being – particularly so in fragile contexts. This is also true for the protection of rights of refugees and those seeking asylum. The impact of climate change, biodiversity loss and the consequences of Russia's war of aggression against Ukraine are contributing to a further deterioration of the global fragility landscape. We are in an era defined by multiple crises, shocks and uncertainty. Development co-operation needs to adapt because the scale and complexity of fragility are overtaking response. Fresh thinking and new approaches are urgently required.

Fragility is a global problem that hits hardest those who are least able to cope with it. *States of Fragility 2022* identifies 60 fragile contexts, the largest number since the States of Fragility multidimensional framework was introduced. Of these, 15 are extremely fragile. Today, 24% of the world's population and 73% of the world's extreme poor live in fragile places. By 2030, these alarming numbers

will have risen to at least 26% of the world's population and 86% of the world's extreme poor.

People's experience of fragility varies. It often means violent conflict and poverty, and yet neither physical security nor economic growth is sufficient to guarantee a transition out of fragility. Indeed, there are now more middle-income than low-income fragile contexts considered fragile. And of the 60 contexts identified as fragile, 51 were not in a state of war in 2021.

Climate change, biodiversity loss and environmental degradation are increasingly exacerbating fragility. Fragile contexts account for only 4% of global CO₂ emissions, but they are feeling the brunt of climate-related natural disasters. Even before the Russian war of aggression against Ukraine, food insecurity was forecast to increase to record levels because of drought, pandemic and conflict-related economic dislocation. Of the 26 hunger hotspots identified by the Food and Agriculture Organization in 2022, 22 are fragile. There can be no doubt that focusing on fragility helps to draw attention to the root causes of hunger and vulnerability. There is growing evidence to show how sector-specific and individual project-based responses often fall short of their objectives. To redress this, we need to concentrate on the multidimensionality of fragility and put it at the core of development partners' strategies.

Members of the OECD Development Assistance Committee (DAC) are the most generous donors to fragile contexts and are committed to mitigating the consequences of fragility for women and men living in

poverty. Total DAC official development assistance (ODA) reached a record high of USD 179 billion in 2021. In 2020, DAC members' assistance to fragile contexts reached its highest volume since 2006, at USD 61.9 billion.

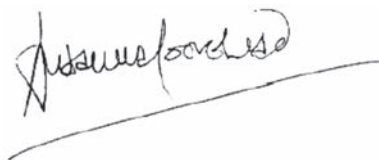
DAC members are facing a cost-of-living crisis and rising defence budgets. It is more and more difficult to identify resources for ODA. Many DAC members have shown remarkable generosity during recent crises, but even though ODA is stable, demand is rising exponentially, especially in fragile places.

This report shows how important it is to sustain international support for building peace and stability. We know that conflict throws development gains into reverse. Only by tackling the causes of fragility head-on will the international community achieve resilient and peaceful futures.

We need to take a long-term perspective and sustain political commitment over years and decades. We must avoid being trapped in a cycle of short-term responses to

chronic needs and protect resources aimed at addressing deep-rooted fragility and development challenges. We must also avoid despair. Early investment to prevent conflict is much cheaper – financially and in terms of human suffering – than paying later to deal with its consequences.

This report and the OECD DAC's multidimensional fragility framework are a sound starting point for stronger multidimensional approaches to tackling crises and fragility and will help development partners navigate this complex landscape – and do better for women, children and men living in and with fragility.

A handwritten signature in black ink, appearing to read 'Susanna Moorehead', is written over a thin horizontal line.

Susanna Moorehead
Chair, OECD Development Assistance
Committee (DAC)

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Abbreviations and acronyms

DAC	Development Assistance Committee (OECD)
DRC	Democratic Republic of the Congo
EU	European Union
FDI	Foreign direct investment
GDP	Gross domestic product
GEWE	Gender equality and women's empowerment
HDP	Humanitarian-development-peace
HIPC	Heavily indebted poor countries
IDP	Internally displaced person
IMF	International Monetary Fund
INCAF	International Network on Conflict and Fragility
MENA	Middle East and North Africa
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goal
SDR	Special drawing right
SGBV	Sexual and gender-based violence
UN	United Nations
USD	United States dollar



EXECUTIVE SUMMARY

States of Fragility 2022 arrives as the world is grappling with a series of crises – chief among them COVID-19, climate change and Russia’s unprovoked, illegal and unjustified war of aggression against Ukraine – that threaten collective prospects for prosperity and peace. Such prospects are especially dire in the 60 fragile contexts on this year’s edition of the OECD’s multidimensional fragility framework. In 2022, these contexts account for a quarter (24%) of the world’s population but three-quarters (73%) of people living in extreme poverty worldwide. By 2030, the latter share is projected to increase to 86% of the world’s extreme poor, even before fully accounting for the unfolding impact of Russia’s invasion of Ukraine on livelihoods and stability in fragile contexts.

Fragility, according to the OECD, is the combination of exposure to risk and insufficient coping capacities of the state, system and/or communities to manage, absorb or mitigate those risks. It occurs in a spectrum of intensity across six dimensions: economic, environmental, political, security,

societal and human. The sixth dimension of fragility – the human dimension – was added this year to reflect the importance of investing in people’s well-being and livelihoods.

The multidimensional fragility framework, through its depiction of the balance of risks and coping capacities across six dimensions, helps inform an understanding of the drivers and consequences of fragility, including responses to it in fragile contexts. It provides an analytical foundation for the States of Fragility report series.

The intended audience for this report is the OECD Development Assistance Committee (DAC) as well as a broader community of national and international policy makers and practitioners working to develop better policies for better lives in fragile contexts. The report aims to help these actors navigate the complexity and multidimensionality of fragility. As such, it reviews the current state of global fragility, ongoing responses to it and opportunities for better ways and means of engaging in fragile contexts.

CHARTING A PATH THROUGH CRISES IN FRAGILE CONTEXTS

This report outlines three ambitions for improving the effectiveness of development co-operation in fragile contexts. While not exhaustive, these offer a pragmatic way forward in light of the core findings of the States of Fragility report series, now in its fifth edition, regarding the multidimensionality of fragility. The ambitions involve 1) embracing a multidimensional approach for better-informed decision making, 2) promoting collective action to address multiple concurrent crises, and 3) bridging the development-peace divide.

Ambition 1: Embracing a multidimensional approach

A multidimensional approach to addressing the root causes of fragility is a starting point for better policy, financing and strategy in fragile contexts. Implementing such an approach remains a challenge for development partners, especially as doing so requires adaptive, flexible and collaborative ways of working. Partners can realise the potential of a multidimensional approach in two ways:

- place a premium on data and analysis as prerequisites to effective engagement
- pursue holistic, context-wide engagement as an end in itself and also as a means of strengthening the effectiveness of existing sector-specific approaches.

Despite the difficulty of this endeavour, development partners ought not to make the perfect the enemy of the good. Even

incremental progress towards achieving a multidimensional approach can yield important and lasting dividends.

Ambition 2: Promoting collective action in financing, policy and programming

Official development assistance (ODA) is a vital and stable resource for fragile contexts that has been resilient to crises. However, Russia's war of aggression against Ukraine is likely to challenge the role of ODA and alter its composition. Given pressures on ODA budgets in provider countries, it is vital that development partners strive to protect much-needed assistance to fragile contexts, such as the USD 61.9 billion that DAC members gave in 2020. At the same time, sustaining funding levels is not enough: It is important that every dollar work harder and better as called for in the development effectiveness principles to which development partners have committed.

Here, collective action across the humanitarian-development-peace (HDP) nexus, as outlined in the 2019 DAC Recommendation, can help partners achieve desired ends. Particularly, it can help actors better prioritise their policy and programming, especially in complex situations where everything seems to be a priority. The recent Humanitarian-Development-Peace Nexus Interim Progress Review demonstrated that, while various tools and processes exist to facilitate collective action, partners to date have not linked them to a sound theory of change. Country platforms and financing strategies are two existing mechanisms that can help facilitate such links and enable partners to capitalise on the potential for collective action.

Ambition 3: Bridging the divide between development and peace including through conflict-sensitive engagement on issues of economic fragility

The lack of interaction and communication between the development and peace pillars of the HDP nexus is a critical obstacle to development effectiveness in fragile and conflict-affected contexts. Nowhere is this divide more apparent than in recent external interventions in Afghanistan and the Sahel. In these and other such cases, an imbalance between development and peace, alongside a lack of adequate resourcing, contributed to the securitisation of development and the disjointed management of peace processes.

For development and peace actors, resolving these persistent issues will require a leap of faith, mutual trust, leadership and a willingness to take risks. A dialogue between these actors, for example in multilateral fora such as the DAC, could be a practical step forward in resolving the communications deficit and contributing to more politically aware and informed ways of engagement. Specific issues, such as the renewal of fraying peace agreements in fragile contexts or the strengthening of security sector reform and assistance, provide an ideal entry point for such dialogue, given their relevance to peace processes and longer-term development objectives. The OECD will look to promote such development and peace dialogues in the coming year.

REACTING TO THE EVIDENCE ON FRAGILITY IN AN AGE OF CRISES AS WELL AS ON THE STATE OF RESPONSES TO CRISES AND FRAGILITY

These three ambitions are a reaction to a range of data, evidence and analyses on the nature of fragility in today's age of crises (Chapter 1) and on the state of current responses to crises and fragility (Chapter 2). No context exited the framework since States of Fragility 2020, the previous edition of the report, and three contexts entered it: Benin, Timor-Leste and Turkmenistan. Additionally, two formerly fragile contexts – Equatorial Guinea and Eritrea – became extremely fragile, leading to a total on this latest framework of 15 extremely fragile contexts. These movements reflect broader trends in the nature and composition of fragility. Overall fragility increased worldwide from 2020 to 2021, the latest year for which data are available, likely due to the systematic and multidimensional impact of the COVID-19 crisis. This increase in overall fragility reversed a declining trend from 2019 to 2020. At the same time, on average among all 60 fragile contexts, fragility in each of the six dimensions increased from 2019 to 2021, albeit to varying degrees, which underscores the severity and scale of today's states of fragility.

Fragility spans diverse and complex contexts

The 60 fragile contexts presented in this report reflect the diversity and complexity of fragility across its six dimensions (Infographic 1). These findings push back on broadly held assumptions about where fragility is concentrated, whom it affects and how. For example, despite the strong links between fragility and economic development, there are currently more middle-income fragile contexts (33) than low-income fragile contexts (26). This finding presents new challenges in financing sustainable transitions out of fragility. Middle-income fragile contexts may have more difficulty than their low-income counterparts in accessing concessional finance, for example. Fragility is not restricted to sub-Saharan Africa; rather, two of the largest increases in political and societal fragility from 2019 to 2021 were in Afghanistan and Myanmar. These and other findings elaborated in this report illustrate the need for development partners to address fragility in a multidimensional way that is tailored to the individual context.

Major trends in fragile contexts illustrate the channels through which the root causes of multidimensional fragility affect livelihoods

The need for multidimensional approaches is especially apparent when analysing major trends in fragile contexts such as violence, conflict, inequality, food insecurity and forced displacement. For example, though clearly related, fragility and conflict are not synonymous: 51 of the 60 fragile contexts were not in a state of war in 2021. This reality is a call for donors to move beyond a narrow focus on conflict towards a consideration of other drivers of fragility – including the

economy, environment, politics, society and additional factors related to human development – when engaging in fragile contexts. This finding is also a call to consider other forms of violence, such as the recent spike in coup events, and protest events as reflections of underlying fragilities within contexts. Another example of the relevance of these trends is inequality: Various drivers such as poverty, digitalisation and access to justice have contributed to rising inequality within and across fragile contexts and between fragile contexts and the rest of the world.

Fragile contexts generate the majority of the world's refugees and internally displaced persons, while three-quarters of the global refugee population have fled from fragile contexts. This is just the tip of the iceberg of the exodus from fragile contexts, not accounting for economic migrants seeking better lives elsewhere. Fragile contexts also host 64% of all forcibly displaced populations, mainly because most people fleeing a crisis or persecution do not have the opportunity to go far. Socioeconomic integration as a solution to forced displacement, in the absence of formal “durable solutions” (return, local integration or resettlement), is hindered by the “capability trap” in many fragile contexts, due to limited institutional and economic capacity. Finally, the top ten places with the largest number of people facing food insecurity are all on the fragility framework, putting fragile contexts at the centre of the food crisis. The diversity of these drivers demands a multidimensional response.

Complex fragility and crises are reshaping responses to fragility

Donors responded to the recent global shocks with increased volumes of ODA. The volume of aid from all donors to fragile

contexts peaked in 2020 at USD 91.4 billion, the highest volume historically. Within this, DAC members' net aid to fragile contexts amounted to USD 61.9 billion, a 5% increase from 2019 and 60% of their country allocable aid. Nonetheless, the share of total ODA going to fragile contexts is the lowest since 2016.

It will be critical for DAC members to strive to protect their aid to fragile contexts, particularly in areas important for recovery such as social sectors, food security, peace and prevention. In 2020, social infrastructure and services received the most ODA at USD 20.8 billion or 42.6% of the total volume from DAC members, followed by humanitarian ODA at USD 12.0 billion or 24.6%. In extremely fragile contexts, humanitarian aid has increased greatly in recent years, outweighing development financing despite significant development needs. Across all fragile contexts in 2020, humanitarian aid amounted to 25% of total ODA from DAC members; 63% went to development and 12% to peace. Four percent of total ODA went towards conflict prevention, a subset of peace ODA.

Inclusive, legitimate institutions remain central to exiting fragility. This is reflected in the strong link between all dimensions of fragility and the ability to generate tax revenue. Tax revenue matters not only for the money itself but for the role it plays in developing the legitimacy of the state and its fiscal institutions, increasing taxpayers' expectations of public services provided by the state, and strengthening the social contract. Only a third of 43 fragile contexts analysed have achieved a ratio of tax to gross domestic product of 15%, widely considered a benchmark for effective state functioning

and economic development, and 39 of the 60 fragile contexts on the current fragility framework received ODA to help enhance tax policy and administration capacity.

Fragile contexts' economic prospects are highly heterogeneous but with risks coalescing around food price affordability and debt sustainability. Among low-income economies, where 60% or more of the population cannot afford a healthy diet, nine out of ten are fragile contexts and half are both fragile and either facing or already in debt distress.

Policy responses need to span the dimensions of fragility

As economic channels can transmit shocks and fuel conflict, building economic resilience will remain a policy focus. Fragile contexts continue to attract less private investment than do other developing countries, they find it harder to develop the domestic private sector, and many remain heavily reliant on remittances as a coping capacity. Further exploration of development co-operation is needed as an agent for change in the economic dimension of fragility. The adoption of fragility strategies in international finance institutions is an encouraging recent trend. Similarly, some peace processes, for example in Yemen, are now developing an economic track.

Climate change and environmental fragility will be a permanent feature of operating in fragile contexts in terms of the impact of environmental conditions on humans and the human activities that benefit from and/or exploit the environment. It is important to not just increase but also to better tailor

climate and environment-related action in fragile contexts in terms of programming, instruments, preparedness for shocks and losses, and links to policy. Similarly, it is important to foster better dialogue between development, peace and security actors. The delivery of security is an essential regional and global public good. Awareness of the interconnectedness of development

and peace activities in fragile contexts can drive more complementary approaches in fragile contexts, especially on issues such as peacebuilding or security sector governance that often struggle for funding. In 2020, ODA to security system management and reform amounted to only 0.6% of DAC members' total ODA to fragile contexts.

Infographic 1. Key characteristics of fragile contexts

Population

1.9 billion people, or 24% of the world's population, are living in fragile contexts in 2022. This figure is projected to grow to 2.2 billion people by 2030 and 3.1 billion people by 2050, which will represent 26% and 32%, respectively, of the total world population.

24% of the world's population live in fragile contexts



Source: UNDESA World Population Prospects, 2019

Poverty

An estimated 501 million people were living in extreme poverty in fragile contexts at the start of 2022, accounting for 73% of the world's extreme poor. By 2030, this share is expected to increase to 86%.

73% of the world's extreme poor live in fragile contexts



This is expected to increase to **86%** by 2030

Source: World Bank

Economic growth

Thirty-three of 60 fragile contexts are middle-income economies, with five of them being upper-middle income.

55% of fragile contexts are middle-income economies



Source: World Bank

Food insecurity

Of the 53 contexts worldwide with acutely food insecure people in 2021, 48 are fragile, including the top 10 contexts with the largest number of people in food crisis or worse conditions.



Source: Food Security Information Network

Climate and environment

Fragile contexts have accounted for only 4% of cumulative CO₂ emissions, but they are home to 29% of disaster events and 46% of deaths from disasters globally from 2019 to 2021.

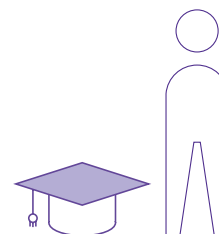
Fragile contexts are home to **29%** of disaster events



Source: IPCC and EM-DAT

Youth

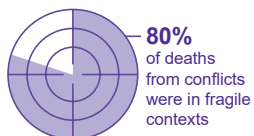
Youth (ages 15-24) account for one out of every five people in fragile contexts. On average, 26% of the youth population in fragile contexts are not in employment, education, or training.



Source: World Bank

Violence

Fifty-one of the 60 fragile contexts did not experience war in 2021, and from 2010 to 2020, twenty-three fragile contexts did not experience any forms of violent conflict. Yet, 80% of deaths from conflict were concentrated in fragile contexts in 2021.



Source: UCDP

Governance

Fragile contexts account for 38 of the world's 59 authoritarian regimes. Nineteen fragile contexts are either hybrid regimes or flawed democracies.



Source: Economist Intelligence Unit

Gender

In fragile contexts, one out of every three women reported having suffered physical and/or sexual intimate partner violence in 2018, compared to one in four worldwide.

1 in 3 women suffered physical violence in fragile contexts

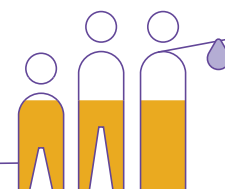


Source: WHO

Forced displacement

Fragile contexts host 64% of the world's forcibly displaced population, including 80% of all internally displaced persons. 78% of all forcibly displaced persons world-wide have fled from fragile contexts.

Fragile contexts host **64%** of the forcibly displaced population



Source: IDMC and UNHCR



FRAGILITY IN AN AGE OF CRISES



ABSTRACT

This chapter presents the main findings from the 2022 edition of the OECD's multidimensional fragility framework, including the state of global fragility today and the key characteristics of the 60 fragile contexts in terms of their income levels, geography, political natures and conflict status. It concludes with an analysis of illustrative trends in fragile contexts related to violence, inequality, food insecurity and forced displacement. These trends demonstrate the severity and scale of the fragility that is overwhelming the progress made on the 2030 Agenda for Sustainable Development in fragile contexts, in addition to posing new questions about the future of development co-operation in an age of crises.

FRAGILITY IN AN AGE OF CRISES

- **Fragility is complex and multidimensional, and it occurs in a spectrum of intensity across six dimensions.** This report focuses on the 60 fragile contexts in this year's multidimensional fragility framework, 15 of which are extremely fragile. The total number of fragile contexts is the highest out of any States of Fragility report, now in its fifth edition.
- **The scale and severity of today's crises are putting the achievement of the 2030 Agenda for Sustainable Development at risk at its halfway point.** Fragility increased worldwide from 2020 to 2021, highlighting the systemic and multidimensional impact of the COVID-19 crisis. This increase reversed a declining trend from 2019 to 2020. No fragile context is on track to achieve critical Sustainable Development Goals related to hunger, health and gender equality – all of which are expected to be affected negatively by the downstream impacts of Russia's invasion of Ukraine.
- **Trends related to violence, inequality, food insecurity and forced displacement illustrate the channels through which the root causes of multidimensional fragility affect livelihoods and prosperity in fragile contexts.** Addressing these challenges requires multidimensional approaches.
- ▶ **Fragility is incentivising violent conflict and other forms of political violence such as civil unrest and military coups.** These forms of violence in fragile contexts increased in 2020 and 2021. At the same time, 51 of the 60 fragile contexts were not in a state of war in 2021. These findings reflect the nuanced and diverse relationship between fragility and conflict.
- ▶ **An intensification and diversification of drivers – among others, poverty, digitalisation and access to justice – have contributed to growing inequality between fragile contexts and the rest of the world.** For example, fragile contexts account for 24% of the world's population but 73% of the world's extreme poor in 2022, a share that is projected to increase to 86% of the world's extreme poor by 2030.
- ▶ **Fragile contexts are at the centre of the current global food security crisis.** Of the 26 hunger hotspots in June 2022, 22 were in fragile contexts, and the 10 contexts with the largest number of people facing acute food insecurity were all fragile.
- ▶ **Fragile contexts generate and host the majority of the world's forcibly displaced.** More than three out of four refugees and internally displaced people originated from fragile contexts in 2021, and more than three out of five of them were hosted in fragile contexts.

Three systemic shocks – COVID-19, climate change and Russia’s unprovoked, illegal and unjustified war of aggression against Ukraine – are the predominant forces moulding today’s states of fragility. The resulting crises affect the entire world and also shape collective prospects for prosperity and peace, especially in the 60 fragile contexts on the 2022 edition of the OECD multidimensional fragility framework. These fragile contexts are home to 24% of the world’s population – 1.9 billion people – but 73% of the world’s extreme poor in 2022. Fragile contexts’ share of the world’s extreme poor could surge to 86% by 2030, according to calculations for this report (Gerszon Mahler et al., 2021^[11]; UN DESA, 2019^[12]). The impacts of Russia’s invasion of Ukraine are still unfolding (Box 1.1). But, like other global crises, the conflict is expected to take a disproportionate toll on fragile contexts.

In *States of Fragility 2020*, under the shadow of the COVID-19 pandemic, the OECD warned that fragile contexts were at a critical juncture in delivering on the 2030 Agenda for Sustainable Development. With support from their development partners, they could build forward better from COVID-19 and be at the heart of a renewed agenda for a sustainable and peaceful future. Or, alternatively, they could fall even further behind in their aspirations to achieve the Sustainable Development Goals (SDGs), especially without sufficient resources mobilised by the international community. This critical juncture has since become an age of crises, with the possibility of an equitable and inclusive recovery receding across a dramatically shifting landscape. The pandemic, prolonged with multiple variants and waves, was just one of a number of concurrent challenges facing fragile contexts. By the end of June 2022, only one in three people in fragile contexts had received a dose of a COVID-19 vaccine compared to three in four people in OECD countries (Ritchie et al., 2022^[13]). In another example, the pandemic has caused unprecedented reversals in poverty reduction that are further exacerbated by rising

inflation and the effects of the war in Ukraine: an additional 33 million people are expected to be living in extreme poverty in fragile contexts, 1.8 percentage points higher than was otherwise expected¹ (Gerszon Mahler et al., 2022^[14]). This increase is two and a half times greater than the expected increase in the rest of the world.

Each edition of the States of Fragility report series since its inception in 2015 is built around a theme. This year’s theme, fragility in an age of crises, refers both to the alarming state of fragility amid today’s crises and to the implications of these crises for how the international community understands and analyses the concept of fragility. As they grapple with the increasing frequency, severity and scale of challenges, a central question for development partners is how to prioritise when everything is a priority. This report argues that a multidimensional approach to addressing fragility is the answer. It frames this approach by 1) exploring the key attributes of fragility in 2022 and the main trends in fragile contexts, 2) assessing the state of financing to address fragility as well as development co-operation providers’ policy and programming in fragile contexts, and 3) outlining the options and ambitions for effective responses to crises and fragility.

The state of fragility in a world of dramatically shifting risks and global crises

The core message of every States of Fragility report is that fragility is a global phenomenon, felt across multiple dimensions to varying degrees in all contexts. This widespread sense of fragility has never been more acutely felt than it is today, when multiple crises and uncertainty abound. From 2020 to 2021, fragility increased on average worldwide, reversing a declining trend in fragility from 2019 to 2020, and reached record highs in extremely fragile contexts² (Figure 1.1). The OECD’s multidimensional fragility framework

BOX 1.1. THE MULTIDIMENSIONAL IMPACT OF RUSSIA'S WAR OF AGGRESSION AGAINST UKRAINE ON FRAGILE CONTEXTS

Russia's invasion of Ukraine will have a significant and disproportionate effect on fragile contexts, according to OECD estimates based on the latest data available from the United Nations (UN), International Monetary Fund (IMF), World Bank and other organisations. While estimates are very preliminary and subject to change as more evidence becomes available, the direct and indirect impacts of Russia's war against Ukraine can be summarised as follows:

- **Socioeconomic development.** Based on estimates produced by the IMF (2022^[5]) in April 2022, growth in extremely fragile contexts is projected to be 0.45 percentage points lower for 2023 than was projected in October 2021; by comparison, growth in other developing countries and territories is projected to be 0.08 percentage points lower for 2023 than the earlier estimate. Additionally, the combined effects of COVID-19 and Russia's war of aggression against Ukraine are likely to have ramifications on economic and human development over the short and long term, for example through impacts on learning from COVID-related restrictions and the developmental implications of food shortages.
- **Extreme poverty and cost of living.** Of the 52 countries and territories facing a high impact on extreme poverty, 35 are on the multidimensional fragility framework, according to recent estimates published by the UN Development Programme. Haiti and Sudan, both extremely fragile contexts, are expected to face significant impacts along all three international poverty lines of USD 1.90 per day, USD 3.20 per day and USD 5.50 per day (Gray Molina, Montoya-Aguirre and Ortiz-Juarez, 2022^[6]).
- **Humanitarian assistance.** According to information from the Financial Tracking Service of the UN Office for the Coordination of Humanitarian Affairs, 86% of humanitarian funding requirements for the Ukraine Flash Appeal were met as of mid-July 2022. This is in sharp contrast to the 2022 Humanitarian Response Plans of Chad, the Democratic Republic of the Congo (DRC) and Haiti, all extremely fragile contexts: Only 22%, 21% and 11% of their funding requirements, respectively, have been met. It is imperative that the response to the impact of Russia's war of aggression against Ukraine is supplemental to other humanitarian funding and that it does not divert attention and resources from other pressing crises, especially amid budget constraints in donor countries (Ahmad and Carey, 2022^[7]).
- **Food imports.** Of the 77 net food-importing developing countries, as defined by the World Trade Organization, 44 are on the fragility framework. People living in these contexts are particularly at risk from the war's effects on food systems worldwide, given the prominence of Russia and Ukraine as producers and exporters of wheat and other staple crops.

Beyond its direct effects, Russia's ongoing war against Ukraine is an illustration of what Marc and Jones (2021^[8]) call the "new geopolitics of fragility", reflected not only in the increased Russian footprint in developing countries but especially in fragile contexts. This can also be seen in the more autonomous and non-aligned positioning of Global South countries as "geopolitical tensions rise between the West and Russia (and China)" (Sidiropoulos, 2022^[9]). Several factors contribute to this dynamic: the evolution of historical ties with global powers, recent arms trade, security sector assistance and agreements on natural resource extraction. In the case of Russia, these connections belie its disruptive approach in fragile contexts such as the Central African Republic and Mali, where its promotion of patronage networks that benefit local and Russian elites is often in conflict with bilateral and multilateral agendas (Thompson, Doxsee and Bermudez, 2022^[10]; Marley, Stasieluk and Hesemann, 2022^[11]; Marc and Jones, 2021^[8]). Though it is too early to say how these connections will evolve over time, Russia has established a significant presence in many fragile contexts that will require careful monitoring for its impact on fragility as well as its geopolitical significance.

Sources: IMF (2022^[5]), *World Economic Outlook, April 2022: War Sets Back The Global Recovery*, <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>; Gray Molina, Montoya-Aguirre and Ortiz-Juarez (2022^[6]),

BOX 1.1. (CONTINUED)

Addressing the Cost of Living Crisis in Vulnerable Countries, <https://www.undp.org/publications/addressing-cost-living-crisis-developing-countries-poverty-and-vulnerability-projections-and-policy-responses>; Marc and Jones (2021_[8]), *The New Geopolitics of State Fragility: Russia, China, and the Mounting Challenge for Peacebuilding*, https://www.brookings.edu/wp-content/uploads/2021/10/FP_20211015_new_geopolitics_fragility_marc_jones_v2.pdf; Thompson, Doxsee and Bermudez (2022_[10]), *Tracking the Arrival of Russia's Wagner Group in Mali*, <https://www.csis.org/analysis/tracking-arrival-russias-wagner-group-mali>; Marley, Stasieluk and Hesemann (2022_[11]), "Fragility in focus: Half way on Agenda 2030".

provides a rigorous, analytical tool that allows policy makers and practitioners to analyse the multidimensionality, complexity and universality of fragility (Box 1.2). This year, the framework identifies a record number of fragile contexts: 60 of the 176 contexts analysed. Since the last edition, there have been systematic increases in fragility across all dimensions of varying degrees of intensity. Fragile contexts also are diverse in terms of income, region and governance, underscoring the futility of one-size-fits-all approaches to address the root causes and drivers of multidimensional fragility. This section elaborates on the findings of the analysis in detail.

The findings from the analysis undertaken for this report (Figure 1.1) substantiate early estimates in *States of Fragility 2020* of the impact of COVID-19 that were based on data available at that time. The findings also serve as a warning of the anticipated effects of Russia's war of aggression against Ukraine and call for a redoubled effort from the international community and fragile contexts themselves to effectively address the root causes of fragility, particularly in extremely fragile contexts that are the furthest behind in achieving sustainable development and peace.

Fragility is severe, reflecting complex and overlapping risks and shocks

The increasing fragility reflects, in large part, the impact of what this report calls the "3 Cs" – COVID-19, conflict in the form of Russia's large-scale aggression against Ukraine and climate change. These shocks

will continue to be felt most acutely in fragile contexts, where they are layered onto risks and shocks that are becoming more severe, frequent and complex. A record 274 million people need humanitarian assistance and protection in 2022, according to the latest UN Global Humanitarian Overview (UN OCHA, 2022_[13]), and an astounding 95% of them, or 260.2 million people, live in fragile contexts. The scale of the challenge is indicated by the UN's appeal for USD 4.4 billion for the 2022 Humanitarian Response Plan for Afghanistan – the largest-ever (humanitarian) appeal for a single country (UN, 2022_[14]). Other measures paint an equally troubling picture of the state of fragility. The Horn of Africa – home to four fragile contexts including Somalia, the most fragile context in this report – is facing its worst drought in more than four decades (UN OCHA, 2022_[15]). In Yemen, also one of the most fragile contexts, 19 million people, or 63% of the population, is projected to be food insecure by December 2022 (World Food Programme, 2022_[16]). The anticipated impact of Russia's invasion of Ukraine on food availability could deepen Yemen's food insecurity, with real incomes in the country expected to decline on average by 3.1% due to increased corn and wheat prices versus a global average decline of 1.6% in real incomes (Government of Yemen/UNICEF, 2022_[17]; Artuc et al., 2022_[18]).

At the same time, peacefulness has declined globally to its lowest level in 15 years (Institute for Economics and Peace, 2022_[19]), while deaths from organised violence increased from 2020 to 2021, driven by conflicts in Afghanistan, Ethiopia and

BOX 1.2. EXPLAINING THE FIFTH EDITION OF THE OECD'S MULTIDIMENSIONAL FRAGILITY FRAMEWORK

An overview of fragility

Fragility is the combination of exposure to risk and insufficient coping capacities of the state, system and/or communities to manage, absorb and mitigate those risks (OECD, 2016_[12]). The OECD assesses fragility worldwide through its multidimensional fragility framework, first introduced in *States of Fragility 2016* and now in its fifth edition. The framework is an independent, data-driven resource that assesses fragility in a spectrum of intensity across six dimensions: economic, environmental, human, political, security and societal. Using 8 to 10 quantitative indicators in each dimension and 57 in total for all six dimensions, the framework analyses risks and capacities to cope with fragility across the 176 contexts for which sufficient data are available. Based on the assessment of the respective balance between risk and coping capacities, contexts are categorised as extremely fragile, fragile or in the rest of the world. This classification acknowledges that, while every context experiences fragility, not every context can be reasonably classified as fragile. It also reflects the intention that the States of Fragility reports and therefore development partners should focus on the contexts that are the most fragile.

An updated framework: Introducing the human dimension and upgrading existing dimensions

After *States of Fragility 2020*, the OECD undertook a formal review of the methodology for its fragility framework. The objective was to ensure that the concepts, indicators and measures in the framework kept pace with the latest innovations emerging in the literature and in terms of data availability. This review led to several notable improvements. First, the OECD added a sixth dimension of fragility to the framework, the human dimension, to assess risks and coping capacities that affect people's well-being and their ability to live long, healthy and prosperous lives – a significant step forward in making the framework more people-centred. The human dimension monitors global progress on the provision of basic services and links such progress to existing assessments of fragility. Its addition is the culmination of a years-long process, informed by a range of consultations and workshops with OECD partners, to strengthen the framework's ability to guide better policies for better lives in anticipation of and in response to current challenges.

Second, the OECD updated the concepts and measures in the other five dimensions. The result is a framework that analyses 176 contexts, the most ever analysed. For the first time, it also features a gender-focused indicator in each dimension, and it incorporates a greater number of official SDG indicators, underscoring the interlinkages between fragility and the 2030 Agenda.

Further information on the methodology of the multidimensional fragility framework, including the indicators and measures, is available on the OECD States of Fragility data platform, a one-stop shop for evidence and analysis on multidimensional fragility and resource flows to fragile contexts at oe.cd/states-of-fragility-platform.

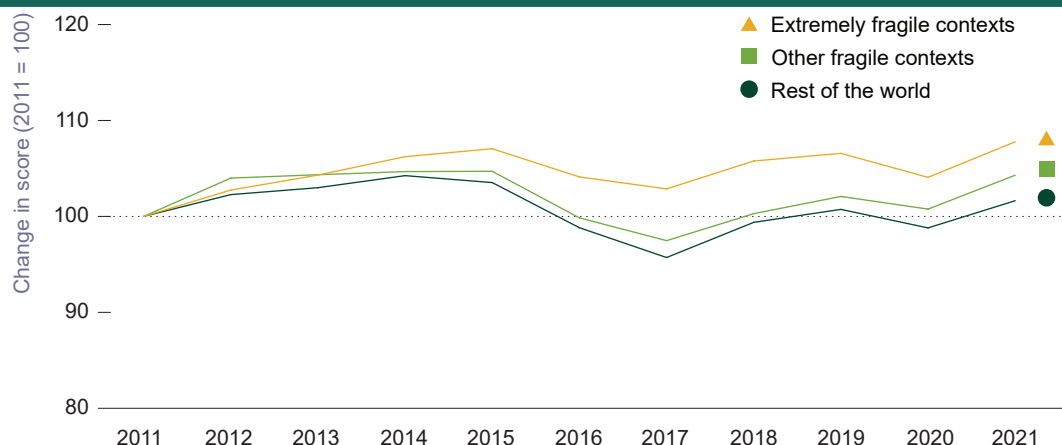
Source: OECD (2016_[12]), *States of Fragility 2016: Understanding Violence*, <https://doi.org/10.1787/9789264267213-en>.

Yemen, all of which are on the OECD's fragility framework. This trend in fatalities marked a reversal of the decline observed from 2014 to 2019. In fragile contexts, the number of fatalities from armed conflict increased by 104% from 2020 to 2021 (Figure 1.2) (Davies, Pettersson and Öberg, 2022_[20]).

The prevalence of political violence against women is also increasing and was at a historic high in 2020 in West Africa, a subregion that is home to 13 fragile contexts (Kishi, 2022_[21]).

Fragile contexts face relatively higher levels of risks across all six dimensions of fragility and lack the necessary coping

Figure 1.1. Fragility increased worldwide from 2020 to 2021, reaching a ten-year high in extremely fragile contexts



Note: Each coloured line represents a population-weighted mean of the fragility score of the contexts within each group. There are 15 contexts in the extremely fragile group, 45 in the other fragile contexts group and 82 in the rest of the world (denoting the 82 contexts that are on the DAC List of ODA Recipients for reporting on aid in 2021 and for which there are data available for an assessment of fragility).

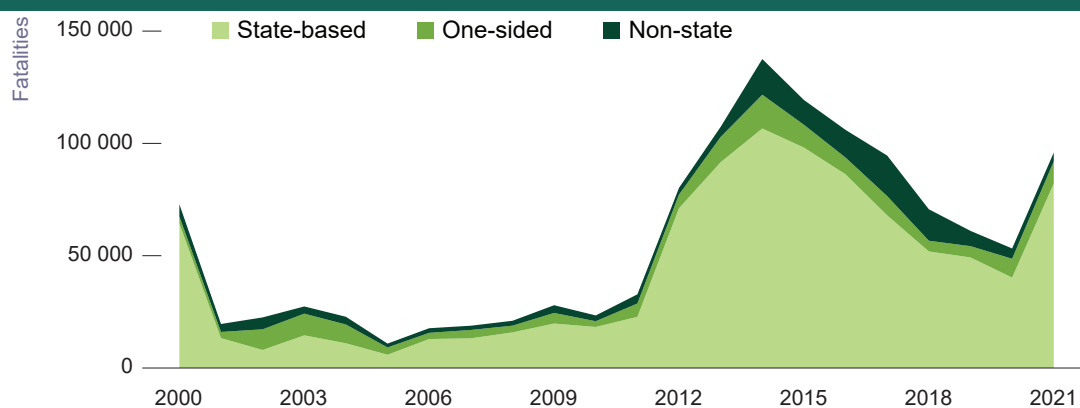
Source: UN DESA (2019₍₂₎), *2019 Revision of World Population Prospects* (database), <https://population.un.org/wpp/>.

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capacities to address these risks relative to their counterparts in the rest of the world (Figure 1.3). From 2019 to 2021, coinciding with the period between *States of Fragility 2020* and this report, fragility increased systematically on average across the dimensions in both the 15 extremely fragile and the 45 other fragile contexts (Figure 1.4).

The relatively small magnitude of change in certain dimensions, most notably the human dimension, is partly an artefact of data availability. But the findings overall suggest that the crises of the past two years have had multidimensional impacts on fragility, with significant consequences especially for the economic dimension.

Figure 1.2. Deaths from violent conflict increased sharply from 2020 to 2021 in fragile contexts, reversing a declining trend

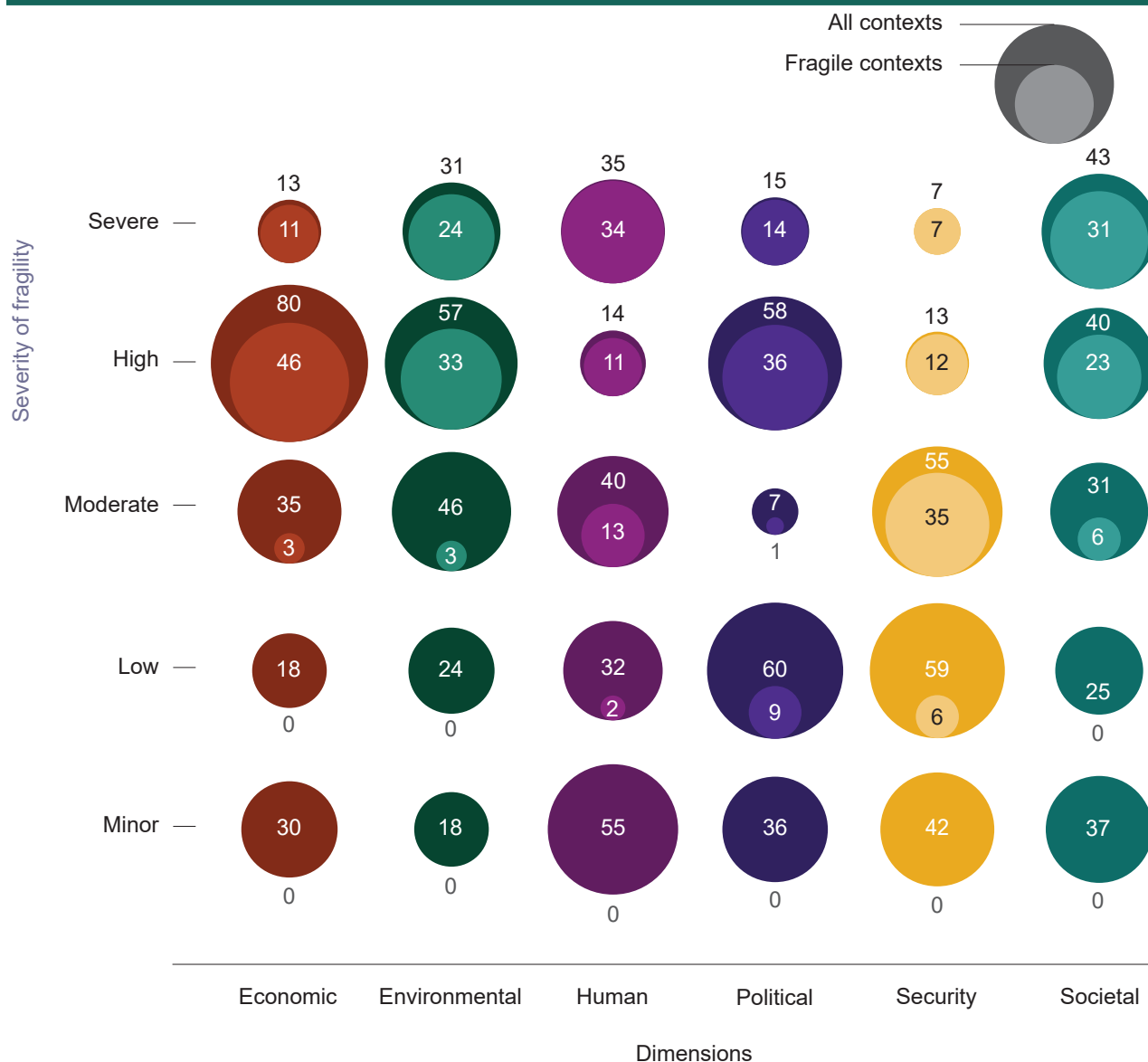


Note: The Uppsala Conflict Data Program definitions of state-based, one-sided and non-state violent conflict are available at <https://www.pcr.uu.se/research/ucdp/definitions/>.

Sources: Davies, Petterson and Öberg (2022₍₂₀₎), "Organized violence 1989-2021 and drone warfare", <https://doi.org/10.1177/00223433221108428>; Sundberg and Melander (2013₍₂₂₎), "Introducing the UCDP Georeferenced Event Dataset", <https://doi.org/10.1177%2F0022343313484347>.

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Figure 1.3. Though fragility is global, it is concentrated in the 60 fragile contexts across its six dimensions

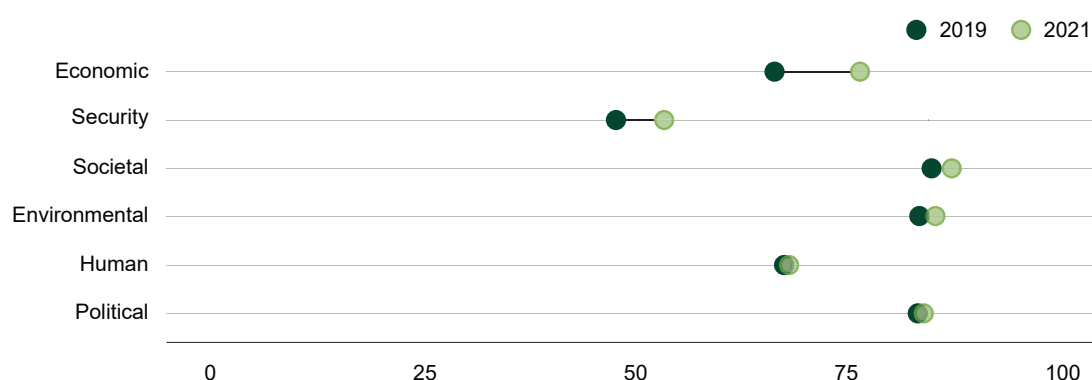


Note: For further information on the methodology for clustering countries and contexts according to their degree of fragility, see oe.cd/states-of-fragility-platform.

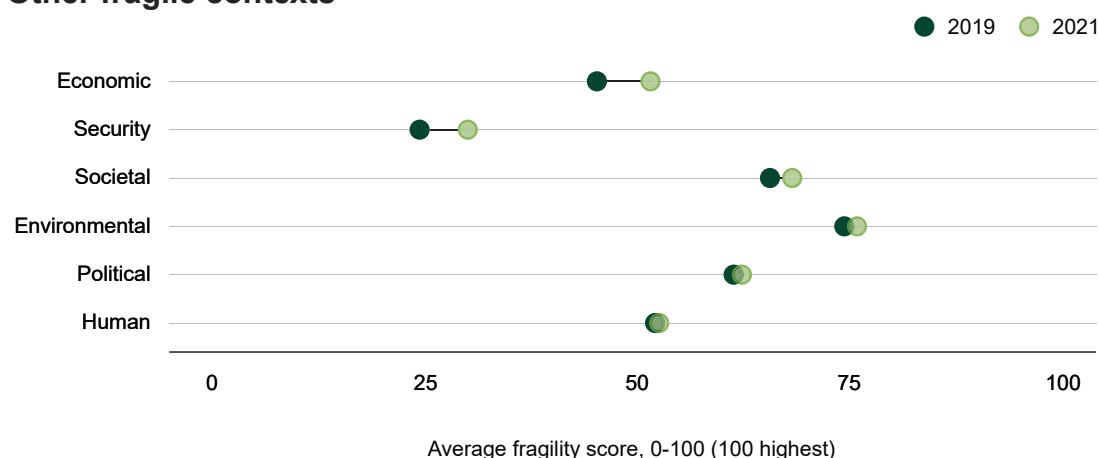
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Figure 1.4. Fragility increased systematically in fragile contexts from 2019 to 2021 across all six dimensions

Extremely fragile contexts



Other fragile contexts



Average fragility score, 0-100 (100 highest)

Note: The fragility score for each dimension is calculated using a weighted average (by population) of the fragility scores of the countries and territories in each grouping. Dimensions are ordered by the magnitude of change within each grouping of fragile contexts, by descending order.
Source: UN DESA (2019^[22]), 2019 Revision of World Population Prospects (database), <https://population.un.org/wpp/>.

StatLink <https://stat.link/yjhigd>

While the severity of fragility has shifted across dimensions, no context exited fragility in the past two years

Moving beyond a broad overview of fragility, this subsection identifies and examines shifts in the degree of fragility at the context level as well as movements onto and off the fragility framework since the 2020 edition. For the first time since the States of Fragility report series began, no context exited the framework. Three contexts – Benin, Timor-Leste and

Turkmenistan – moved onto it, and Equatorial Guinea and Eritrea became extremely fragile. Box 1.3 reviews the analytical findings of the framework, further discussed in Desai and Yabe (2022^[23]), to outline the reasons for these movements.

While fragility increased on average across the 15 extremely fragile contexts between 2019 and 2021, the context-by-context shifts in fragility across dimensions varied meaningfully (Figure 1.5). For example, political and societal fragility in Afghanistan

BOX 1.3. MOVEMENTS ONTO AND OFF THE 2022 EDITION OF THE OECD'S MULTIDIMENSIONAL FRAGILITY FRAMEWORK

No context exited the framework since the last edition in 2020, and three contexts entered the framework: Benin, Timor-Leste and Turkmenistan. Additionally, two formerly fragile contexts – Equatorial Guinea and Eritrea – became extremely fragile. Further analysis of each of these contexts can be found in Desai and Yabe (2022_[23]), a background paper to this report.

Contexts that moved onto the fragility framework in 2022

Different factors across the dimensions of fragility contributed to the movement of the three contexts onto the fragility framework in the 2022 edition.

- **Benin:** Increased fragility across all six dimensions from 2019 to 2021, and especially its poor performance in the human dimension, explain Benin's entrance.
- **Timor-Leste:** An increase in fragility in the economic, environmental and security dimensions is the main reason Timor-Leste moved back onto the fragility framework after its notable exit in *States of Fragility 2020*.
- **Turkmenistan:** High levels of political and societal fragility contributed to the inclusion of Turkmenistan on the fragility framework for the first time.

Contexts that became extremely fragile in 2022

No context that was extremely fragile in the 2020 edition moved out of this category in 2022. Equatorial Guinea and Eritrea became newly classified as extremely fragile, reflecting deteriorating fragility across multiple dimensions.

- **Equatorial Guinea:** Severe fragility in its economic, human, political and societal dimensions explain Equatorial Guinea's movement into the category of extremely fragile contexts.
- **Eritrea:** Its poor performance across all dimensions and the deterioration particularly in the security dimension shifted Eritrea to the category of extremely fragile contexts.

Fragility trends in the rest of the world

Fragility is not exclusive to the 60 fragile contexts on the fragility framework. The analysis of risks and coping capacities reveals contexts that are not on the fragility framework but display warning signs that merit closer attention to prevent their fall into deeper fragility.

- **Lebanon:** While it is not on the fragility framework, Lebanon has been grappling with compounding crises (International Crisis Group, 2021_[24]), and its fragility increased in five of the six dimensions between 2019 and 2021, most markedly in the economic and political dimensions. Lebanon is not categorised as fragile in the 2022 edition due to its still-relatively strong performance in the environmental, human and societal dimensions.
- **Sri Lanka:** Sri Lanka is dealing with an economic crisis and political turmoil (UN, 2022_[25]). Though the results of the fragility framework do not yet reflect the extent of these challenges due to time lags, various indicators show warning signs of today's crises such as the country's high ratio of debt to gross domestic product (GDP), exchange rate volatility and low tax revenue.
- **Northern Triangle of Central America (NTCA):** Trends in the NTCA, comprised of El Salvador (which is not on the fragility framework), Guatemala and Honduras show that subregional fragility can have transnational impacts. In the case of the NTCA, rising gang violence, sexual and gender-based violence, and conflict-related displacement contribute to rising fragility, which increased in 2021 to its highest level since 2011. These findings suggest the potential for El Salvador to be on the fragility framework in the future.

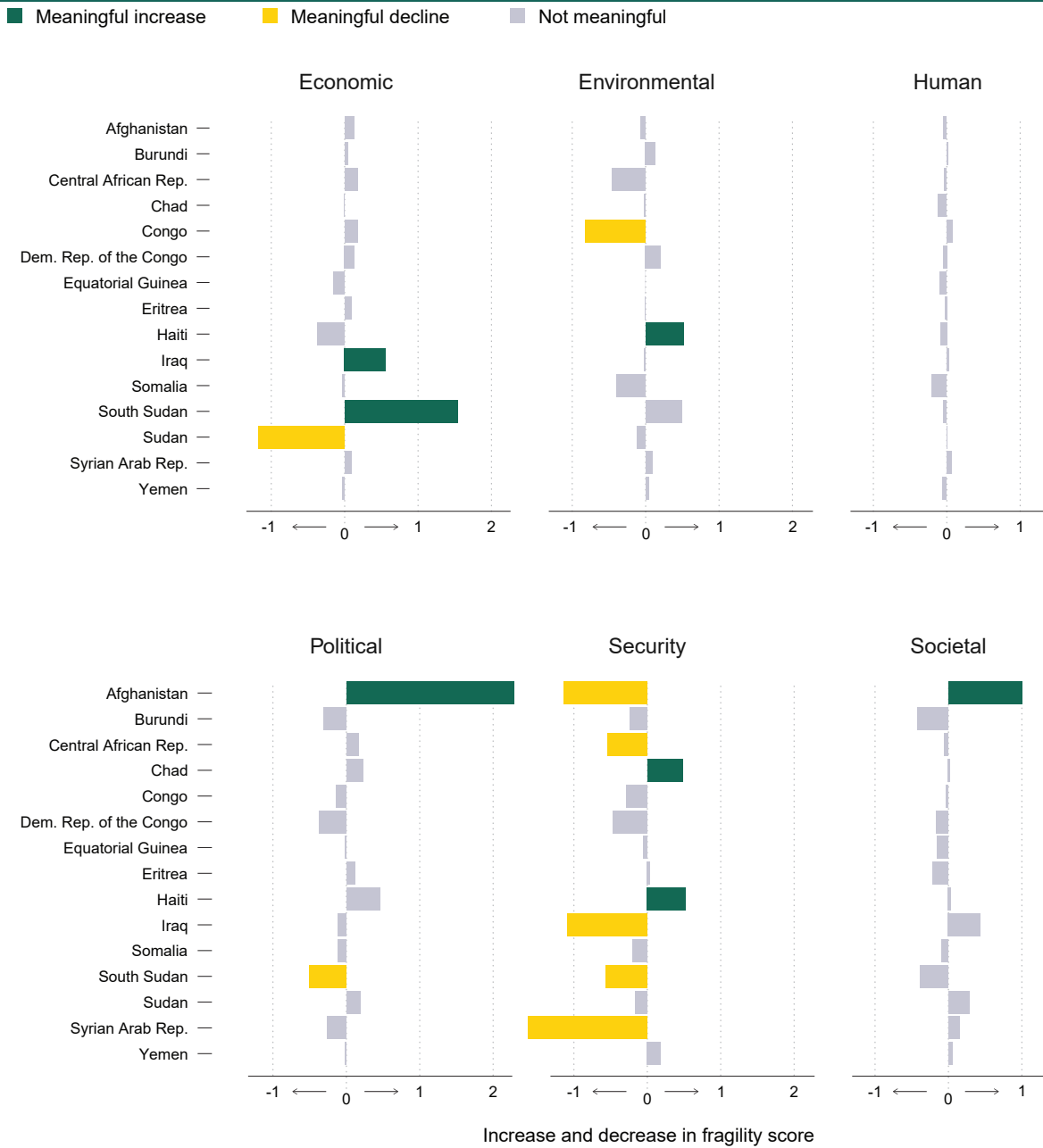
BOX 1.3. (CONTINUED)

Sources: International Crisis Group (2021^[24]), *Managing Lebanon's Compounding Crises*, <https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena/lebanon/228-managing-lebanons-compounding-crises>; UN (2022^[25]), "Sri Lanka: UN experts sound alarm on economic crisis", <https://www.ohchr.org/en/press-releases/2022/07/sri-lanka-un-experts-sound-alarm-economic-crisis>.

increased significantly in this period, and economic fragility increased substantially in South Sudan and Iraq. Haiti, meanwhile, experienced an increase in its environmental fragility in this period. At the same time, political fragility declined meaningfully in South Sudan, whereas environmental fragility declined in the Republic of Congo. In addition to illustrating important trends within contexts, context-level analysis

shows the potential of the fragility framework to offer a nuanced and disaggregated perspective on fragility to guide differentiated action. The OECD's States of Fragility data and visualisation platform elaborates on these findings and offers a more granular perspective that can inform specific avenues for intervention in these fragile contexts.

Figure 1.5. Across dimensions at the context level, there were significant oscillations in fragility from 2019 to 2021 even as fragility increased on average in extremely fragile contexts



Note: This figure depicts the change in the fragility score across all dimensions of the 15 extremely fragile contexts on the 2022 edition of the OECD's multidimensional fragility framework. A meaningful increase/decline represents an increase/decline in the fragility score from 2019 to 2021 of 0.5 points or more.

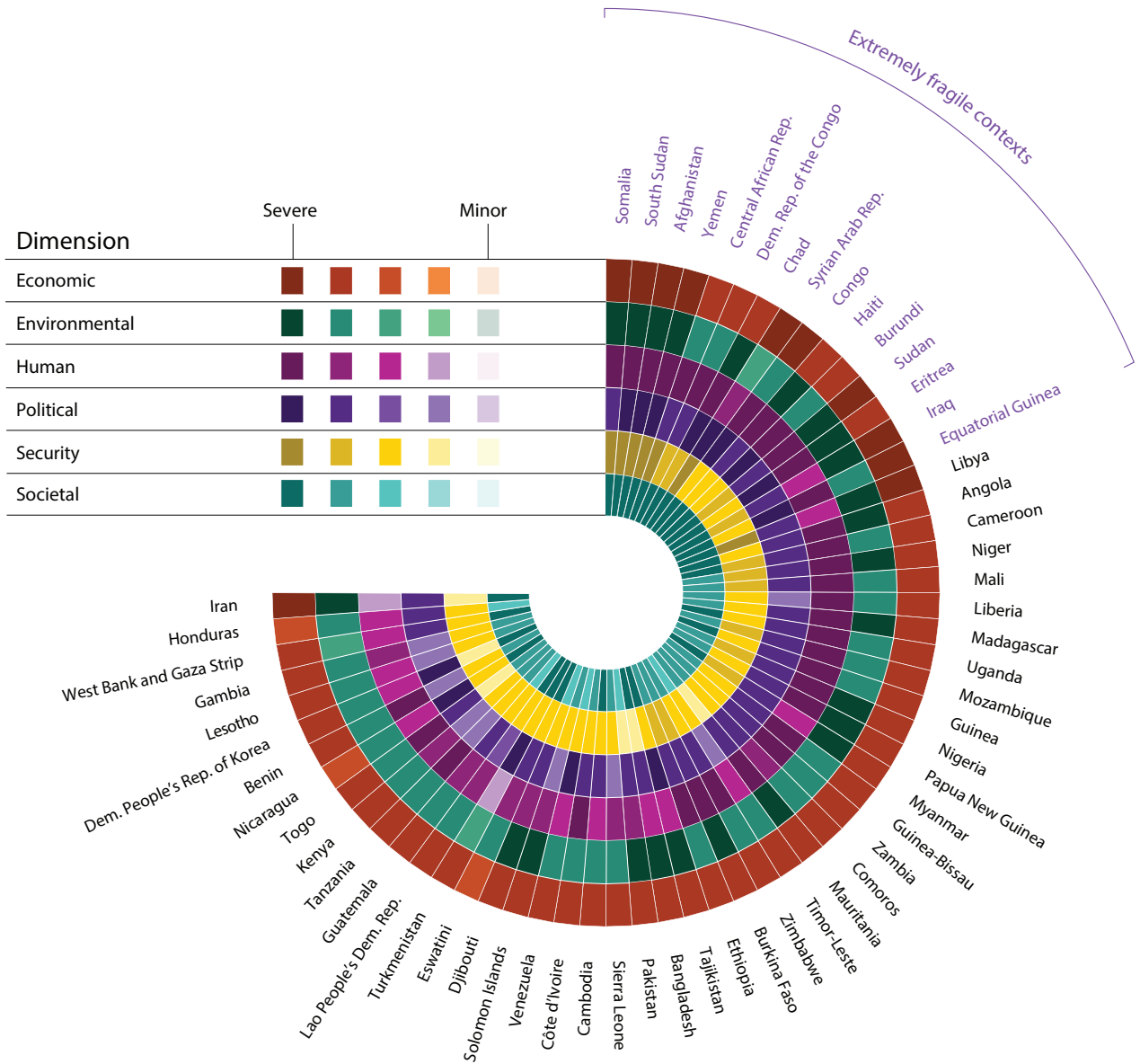
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Fragility spans contexts of differing incomes, levels of violence and political natures

The OECD's multidimensional fragility framework, depicted in Infographic 1.1,

offers unique insight into the diversity of characteristics among the 60 fragile contexts across the dimensions of fragility. The different shadings of the colours used for dimensions represent various degrees of severity of fragility experienced by

Infographic 1.1. The OECD's multidimensional fragility framework



New contexts since States of Fragility 2020

Timor-Leste

Benin

Turkmenistan



Removed contexts since States of Fragility 2020

None

Note: For more information on the methodology for the OECD's multidimensional fragility framework, please see the methodological notes found in Annex A.

StatLink <https://stat.link/jaxn4r>

each context in a particular dimension. By showcasing this diversity, the framework helps reconcile the complexity of fragility with the simplicity needed to guide effective and differentiated action in fragile contexts. Such effective action involves challenging long-standing assumptions about the nature of fragility and its role in shaping prospects for prosperity and peace. One of these assumptions is that fragile contexts are homogenous. Another is that they are synonymous with under-developed or conflict-affected settings, which is an assumption that tends to confuse the symptoms of fragility with its root causes. The States of Fragility report series has continued to challenge these generalisations about fragile contexts by highlighting the multidimensionality and complexity of fragility, which are two of its most important attributes. Another key attribute is its interconnectedness, with fragility manifesting across different geographic levels and altering over time.

The findings of the OECD's fragility framework push back on broadly held assumptions on where fragility is concentrated, whom it affects and how. Fragile contexts are highly diverse in their geography, their incomes, their political natures, and the presence and intensity of conflicts. While 36 of the 48 contexts in sub-Saharan Africa are on the OECD's multidimensional fragility framework, fragility is hardly exclusive to the African sub-continent (Desai and Yabe, 2022^[23]). Clear examples are Afghanistan and Myanmar: From 2019 to 2021, the two fragile contexts experienced the largest intensification in political fragility of any context, worldwide. Similarly, while fragility and economic development are strongly linked, there are currently more middle-income (33) than low-income (26) fragile contexts.³ The diversity that characterises fragile contexts is also visible in the nature of the state: 38 of the 60 fragile contexts are considered authoritarian, 3 flawed democracies, and

16 hybrid regimes. Roughly half of the total population of fragile contexts, or 900 million people, are currently living in an authoritarian fragile context (Economist Intelligence Unit, 2021^[26]; UN DESA, 2019^[2]).⁴ Another example of how fragile contexts challenge familiar generalisations about fragility is that 51 of the 60 fragile contexts were not in a state of war in 2021. Indeed, from 2010 to 2020, 23 fragile contexts did not experience any forms of violent conflict recorded by the Uppsala Conflict Data Project (Davies, Pettersson and Öberg, 2022^[20]; Sundberg and Melander, 2013^[22]). These trends illustrate the need for development partners to address fragility in a multidimensional way that is tailored to the individual context. This report explores further trends in fragility and what they mean for responses to fragility and the role of development co-operation.

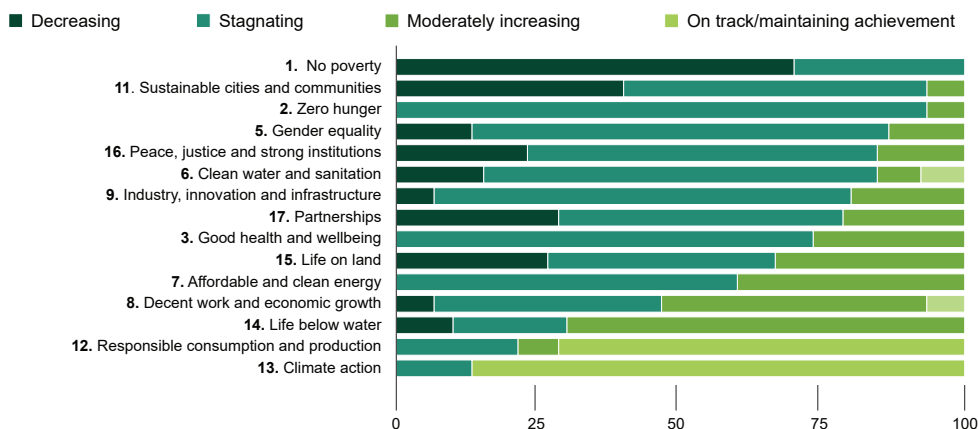
What are the main trends in fragile contexts?

The shocks of the COVID-19 pandemic, climate change and conflict (in the form of Russia's large-scale aggression against Ukraine) have been increasing pressures on the coping capacities of fragile contexts. Interacting with existing fragilities and crises, these shocks are also undermining the contexts' progress on sustainable development and peace. This section examines five major trends in fragile contexts that are affecting their prospects for prosperity. While these trends are by no means the only pressures on fragile contexts, they exemplify how multidimensionality fragility impacts communities, states and systems and undermine progress on sustainable development and peace in the 60 fragile contexts on the OECD's multidimensional fragility framework. They further show the link between fragility and the global challenges affecting people, planet, prosperity and peace.

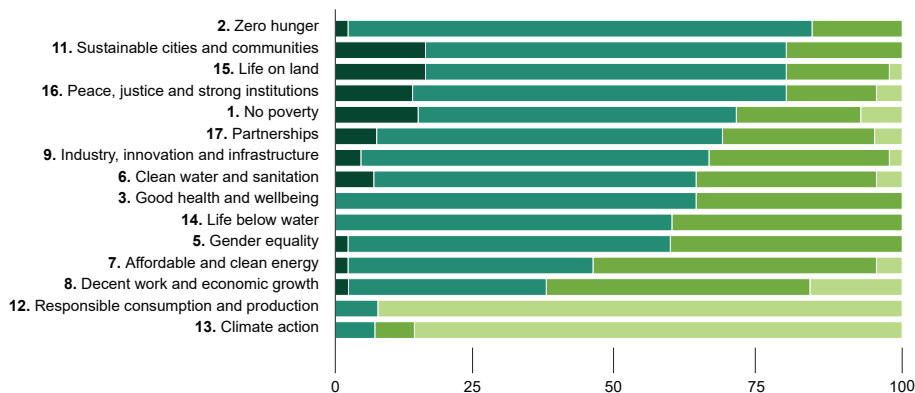
Amid these challenges, the UN Secretary-General and others have issued calls to action to rejuvenate a fragmented multilateral

Figure 1.6. Progress towards the Sustainable Development Goals varies considerably, but fragile contexts overall are at risk of being left behind

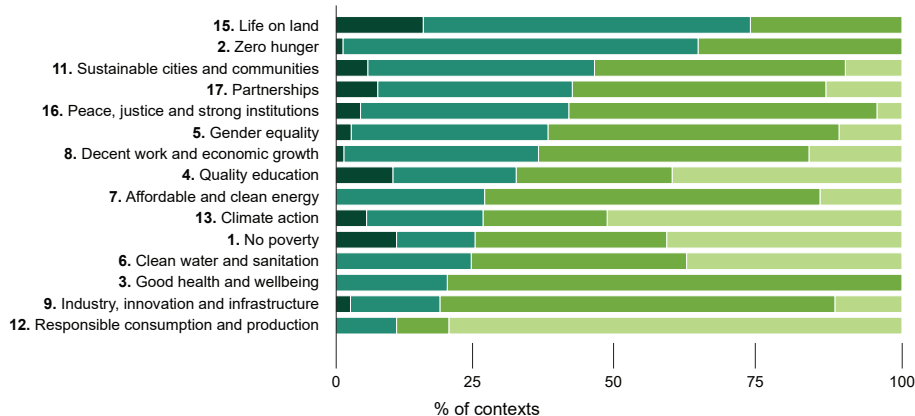
Extremely fragile contexts



Other fragile contexts



Rest of the world



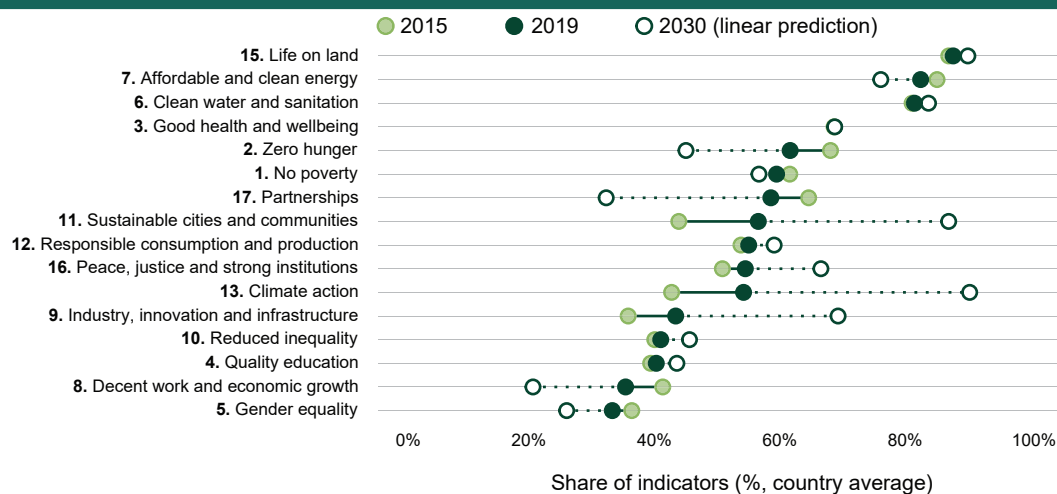
Notes: Only SDGs for which sufficient data are available (i.e. with country coverage of more than half in each group) are included. Bars are in descending order, starting with the SDGs where progress is decreasing or stagnating among the highest proportion of contexts. 'Rest of the world' refers to countries and territories that are on the DAC List of ODA Recipients for reporting on aid in 2021.

Source: Authors' calculations based on data in Sachs et al. (2022_[30]), *Sustainable Development Report 2022*, <https://s3.amazonaws.com/sustainabledevelopment-report/2022/2022-sustainable-development-report.pdf>.

BOX 1.4. THE STATE OF DATA TO TRACK SUSTAINABLE DEVELOPMENT GOAL PROGRESS IN FRAGILE CONTEXTS

There are well-known gaps in the availability, timeliness and quality of data to track progress on the SDGs worldwide (Kitzmueller, Stacy and Gerszon Mahler, 2021^[31]). For example, only 48% of the data needed to monitor targets for SDG 5 (gender equality) are available (UN, 2022^[32]). The gaps are more pronounced in fragile contexts, where statistical systems are comparatively weaker than in the rest of the world due in part to a lack of capacity and funding for data and statistics (PARIS21, 2016^[33]). Based on the World Bank's Statistical Performance Indicators, fragile contexts on average improved their reporting on SDG indicators in 10 of 16 goals from 2015 to 2019, in line with the global trend noted by Kitzmueller, Stacy and Gerszon Mahler (2021^[31]). However, only a third of the indicators had available data for SDG 5 in fragile contexts in 2019, and the rate of reporting has declined for critical goals such as SDGs 1 (no poverty) and 2 (zero hunger) (Figure 1.7). These gaps not only affect reporting on national progress towards the SDGs. They also impact the poorest and most vulnerable in society, thereby exacerbating inequalities in the provision of basic services (World Bank, 2021^[34]).

Figure 1.7. Data are missing in fragile contexts for more than 50% of Sustainable Development Goal indicators across nine goals



Notes: The formal review of the OECD's fragility framework, discussed in Box 1.2, also highlighted gaps in data availability that are relevant to the assessment of risks and capacities to cope with multidimensional fragility. For example, data are particularly scarce for key indicators for small island developing states, especially in the security and societal dimensions of fragility. As a result, only 3 of the 11 Pacific Island small states were among the 176 contexts analysed in this edition. Additionally, up-to-date and global indicators were relatively unavailable on informality, access to financial services, the climate-gender nexus and the strength of security sector institutions, to name just a few thematic issues across various dimensions. This imposed a constraint to the analysis of fragility worldwide. Moving forward, the OECD will build on the lessons from its formal review to continue identifying and developing measures to correct blind spots in the assessment of global fragility.

Sources: Kitzmueller, Stacy and Gerszon Mahler (2021^[31]), "Are we there yet? Many countries don't report progress on all SDGs according to the World Bank's new Statistical Performance Indicators", <https://blogs.worldbank.org/opendata/are-we-there-yet-many-countries-dont-report-progress-all-sdgs-according-world-banks-new>; PARIS21 (2016^[33]), *Statistical Capacity Building in Fragile and Conflict-affected States*, <https://www.paris21.org/sites/default/files/Fragile%20States%20Strategy-March2016-final.pdf>; World Bank (2021^[34]), *World Development Report 2021: Data for Better Lives*, <https://openknowledge.worldbank.org/handle/10986/35218>.

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system, especially in the wake of Russia's war against Ukraine. *Our Common Agenda*, the Secretary-General's recent report, includes commitments ranging from leaving no one behind to ensuring that the world is prepared for future crises (UN, 2022^[27]). It provides an important frame of reference

for the discussion in this section around trends that demand a concerted, coherent and multidimensional approach in fragile contexts by the international community. To help address these trends and their disproportionate impact on fragile contexts, it is important for development partners

to move beyond siloed and sector-specific interventions (Chapter 2) and towards approaches based on a whole-of-context understanding (Chapter 3).

Prospects for achieving the 2030 Agenda in fragile contexts are particularly grim

The SDGs are the unifying framework for sustainable development (Ingram and Pipa, 2022_[28]). Achieving them is a core priority of OECD Development Assistance Committee (DAC) members and their partners in fragile contexts. As of July 2022, 56 of the 60 fragile contexts had presented a voluntary national review at the UN High-Level Political Forum, 11 of them in 2021 for the first time and 6 in 2022 for the first time. The COVID-19 pandemic provided an opportunity to use the SDGs as a shared roadmap for recovery (OECD, 2021_[29]).

Despite this engagement in the voluntary national review process, progress in achieving the SDGs has been stagnating or declining in more than half of fragile contexts on 11 of 15 goals⁵ (Sachs et al., 2022_[30]). Additionally, there are still persistent gaps in the availability of data and evidence to track progress on the SDGs (Box 1.4). Such gaps raise questions about the extent to which it is possible to track progress accurately and comprehensively on the goals. With this caveat in mind, this report provides preliminary reflections using existing sources (Sachs et al., 2022_[30]). No fragile contexts are on track to achieve SDGs related to hunger, good health or gender equality – all of which have been critically affected by the COVID-19 pandemic, climate crisis and Russia's war of aggression against Ukraine. On the other hand, more than 85% of fragile contexts for which data are available are on track to achieve SDGs 12 (responsible consumption and production) and 13 (climate action). This likely reflects their low levels of economic growth and consumption and their low climate emissions. In the rest of the world, progress is accelerating or on track to achieve 13 of the 17 SDGs, further underscoring

that fragile contexts are the ones being left behind in today's international landscape. This is especially the case for extremely fragile contexts: The 15 extremely fragile contexts are on track to achieve only four of the goals (Sachs et al., 2022_[30]), though none are on track to meet SDG 1 (no poverty). Figure 1.6 illustrates the varied progress on the SDGs of the three groups of contexts.

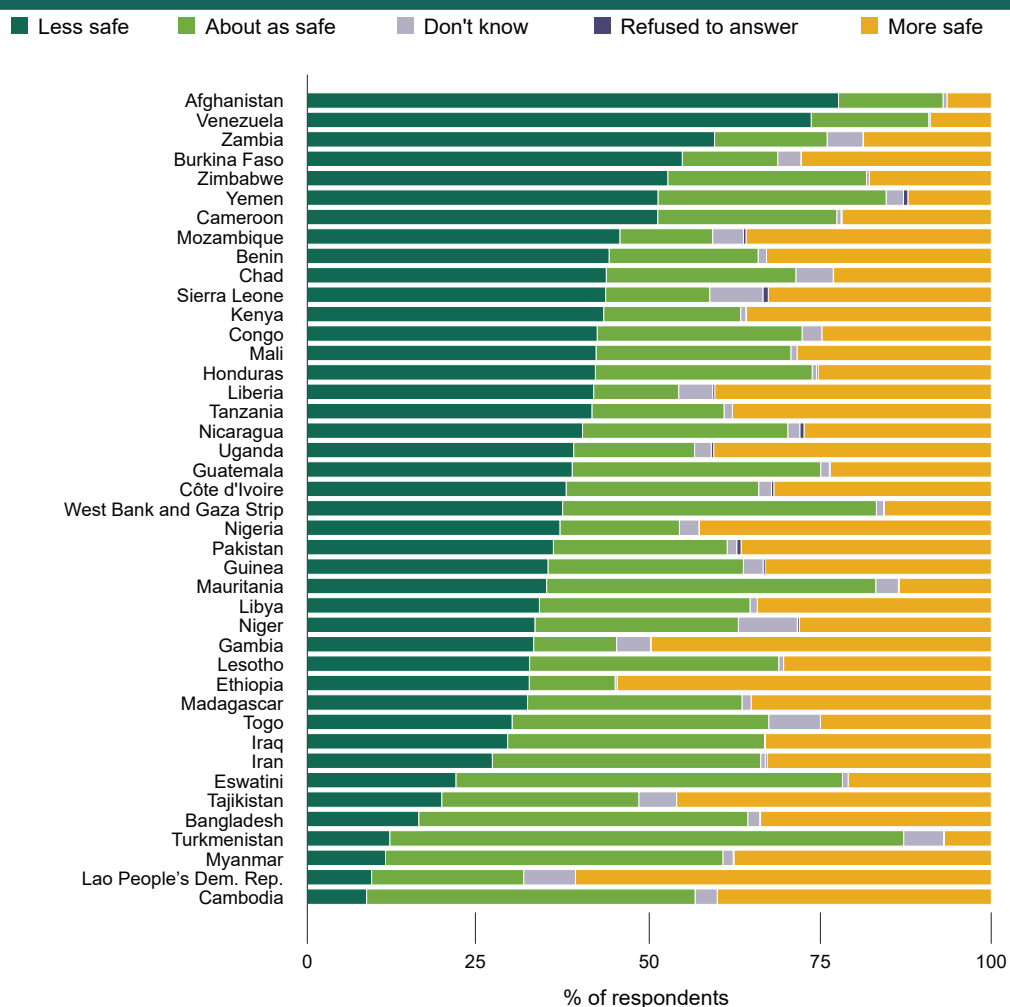
The next subsections focus on trends that impact the progress of fragile contexts towards specific SDGs and targets. These trends were selected to highlight the interconnected dynamics of the different dimensions of fragility and the cross-cutting nature of the 2030 Agenda. The four trends analysed relate to conflict and violence, inequality, food insecurity, and forced displacement.

Multidimensional fragility is driving increased violence and civil unrest

Analysis shows that the relationship between fragility and conflict is bidirectional (Infographic 1.2). How people in fragile contexts perceive their insecurity and security is another piece of this nuanced picture. As shown in Figure 1.8, a majority of people surveyed in Afghanistan, the Bolivarian Republic of Venezuela (Venezuela) and Zambia, for instance, reported they felt less safe in 2019 than they did in 2014 (Lloyd's Register Foundation, 2019_[35]), attitudes that mirror underlying trends in fragility in the political, security and societal dimensions in all three contexts. At the other end of the spectrum, most respondents to the 2019 World Risk Poll in the fragile contexts of Cambodia, Lao People's Democratic Republic and Tajikistan said they feel safer than they did five years ago, confirming that fragility and perceptions of insecurity, while related, are not synonymous.

A sample of four developments further shows the relationship between violence and fragility: the increase in non-state violence and violence perpetrated by the state against its citizens; the increased prevalence of

Figure 1.8. The percentage of people who felt less safe in 2019 than they did in 2014 varies across fragile contexts, underscoring that fragility and conflict, while related, are not synonymous



Notes: Estimates are based on the Lloyd's Register Foundation survey of over 150 000 people across 142 countries in 2019. The figure only shows fragile contexts for which sufficient data were available for analysis.
 Source: Lloyd's Register Foundation (2019_[35]), *The Lloyd's Register Foundation World Risk Poll: Full report and analysis of the 2019 poll*, <https://wrf.lrfoundation.org.uk/data-resources/>.

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protest movements; the significant rise in the number of coups events in 2021; and the scale and severity of violence against women and girls in fragile contexts.

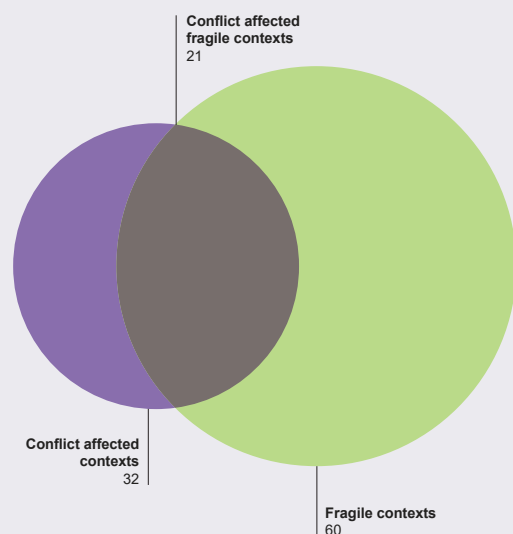
Episodes of non-state violence increased by 48% from 2011 to 2021, peaking in 2017. Fatalities from this category of violence increased every year from 2018 to 2021, and fatalities from non-state violence in 2021 were the highest since 2015. At the same time, episodes of government repression and targeting of citizens were

at a historical high in the two-year period of 2020 and 2021 (Davies, Pettersson and Öberg, 2022_[36]; Sundberg and Melander, 2013_[22]). These trends in violence correlate with the intensification of economic, political and societal fragility over time (Desai and Yabe, 2022_[23]). Especially in the case of political fragility, the growing trend towards autocratisation in recent years – including the uptick in dictatorships from 25 to 30 closed autocracies between 2020 and 2021 – has been accompanied by increased government

Infographic 1.2. Conflict and fragility

Conflict affected contexts and fragile contexts

Conflict and fragility are related but not synonymous. In 2021, 21 out of the 60 fragile contexts were affected by violent conflict. Fifty-one of them were not in a state of war.

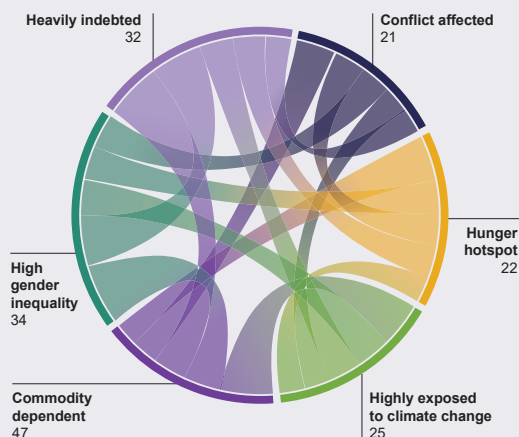


Multidimensional risks in conflict affected contexts

Violent conflict does not happen in a vacuum but rather compounds with other dynamics, contributing to multidimensional risks.

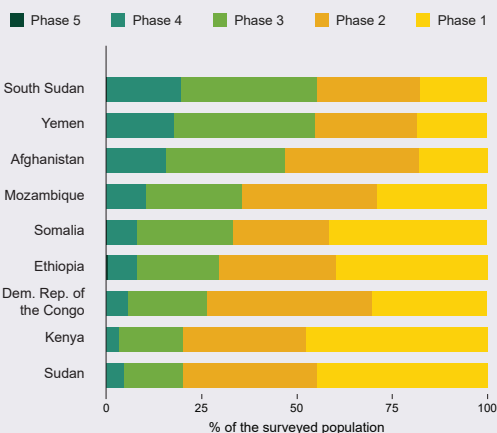
Among the 21 conflict affected fragile contexts:

- 12 are highly exposed to climate change
- 12 are heavily indebted
- 15 are hunger hotspots
- 15 are facing high levels of gender inequality
- 19 are commodity dependent.



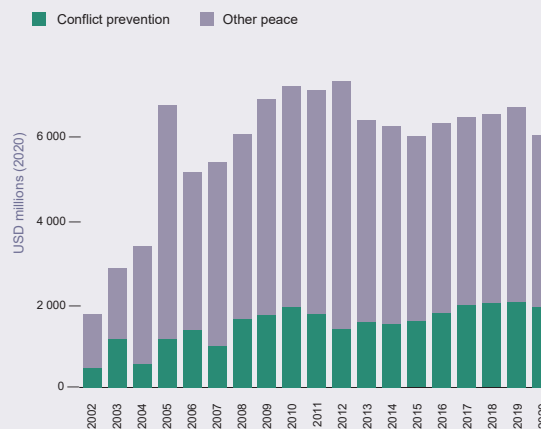
Food insecurity in conflict affected fragile contexts

Violent conflict is a driver of food crises. Of 26 contexts in hunger hotspots, 22 are fragile and 15 are both conflict affected and fragile. South Sudan and Yemen face particularly acute food insecurity: More than 50% of the population is facing crisis or worse levels of food insecurity.



ODA from Development Assistance Committee members to conflict prevention in fragile contexts

DAC ODA for conflict prevention, a subset of ODA to peace, to fragile contexts decreased to USD 1.9 billion in 2020, reversing the increasing trend up to 2019.



Notes: 'Higher gender inequality' refers to a score of 0.5 or higher in the UNDP's Gender inequality index. Conflict-affected contexts are those that experienced 25 or more battle-related deaths in 2021, while contexts in a state of war experienced 1000 or more battle-related deaths in 2021. Contexts highly exposed to climate change are those that rank > 144 on ND-GAIN Exposure in the Notre Dame - Global Adaptation Initiative Country Index. ODA to conflict prevention refers to ODA to sector 152, "Conflict, peace & security".

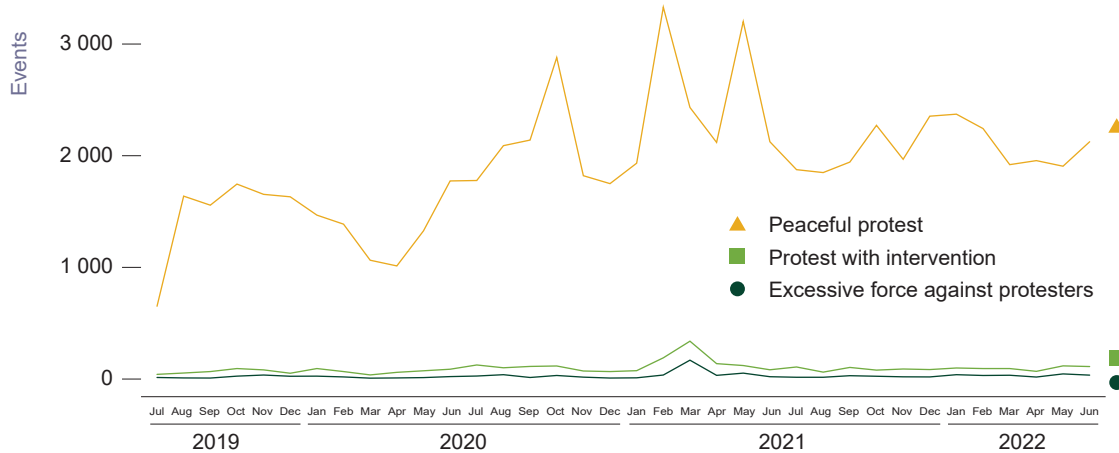
Sources: Davies, Petterson, and Öberg (2022^[36]), "Organized violence 1989-2021 and drone warfare", <https://doi.org/10.1177/00223433221108428>; Sundberg and Melander (2013^[22]), "Introducing the UCDP Georeferenced Event Dataset", <https://doi.org/10.1177%2F0022343313484347>; FAO/WFP (2022^[37]), "Hunger Hotspots: FAO-WFP Early Warnings on Acute Food Insecurity, June to September 2022 Outlook", <https://www.wfp.org/publications/hunger-hotspots-fao-wfp-early-warnings-acute-food-insecurity-june-september-2022>; Notre Dame Global Adaptation Initiative (2022^[38]), "Notre Dame - Global Adaptation Initiative Country Index", <https://gain.nd.edu/our-work/country-index/>; UNDP (2022^[39]), "Gender inequality index (GII), database", <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>; UNCTAD (2021^[40]), "State of commodity dependence 2021", <https://unctad.org/webflyer/state-commodity-dependence-2021>; OECD (2022^[41]), "Creditor Reporting System: Aid activities", <https://data.oecd.org/aid-activities/>; World Bank (2022^[42]), "Heavily indebted poor countries (HIPC)", <https://data.worldbank.org/region/heavily-indebted-poor-countries-hipc>; IPC (2022^[43]), "Integrated Food Security Phase Classification", <https://www.ipcinfo.org/ipc-country-analysis/population-tracking-tool/en/>.

repression and violence (ACLEd, 2022_[44]; Boese et al., 2022_[45]).

While citizens' protests in fragile contexts are a reflection of their political engagement, they also mirror the state of multidimensional fragility. Greater political violence reflects a weakening social contract between the state and its citizens and growing dissatisfaction with exclusionary elite bargains that benefit the few at the expense of the many (Cloutier et al., 2022_[46]). COVID-19 added to existing socioeconomic challenges that contributed to protest events from 2019 to 2022 and, through the restrictions placed on

movement to contain the virus, the pandemic also affected the timing and frequency of protests (Figure 1.9) (ACLEd, 2022_[44]). Higher food prices resulting from Russia's war of aggression against Ukraine could also trigger civil unrest, as the director-general of the World Trade Organization warned in March 2022 (Elliott, 2022_[47]). Additionally, the recent increase in coup events can be seen as the expression of grievances arising from the intensification of the root causes of multidimensional fragility, particularly in the political, security and societal dimensions (Box 1.5).

Figure 1.9. Volatile protest events from 2019 to 2022 reflect, in part, underlying fragilities and reactions to COVID-19 movement restrictions



Note: For further information on the definitions of the categories of protests, see https://acleddata.com/acleddatanew/wp-content/uploads/dlm_uploads/2020/10/ACLEd_USA-Methodology_v2-Feb2021.pdf.

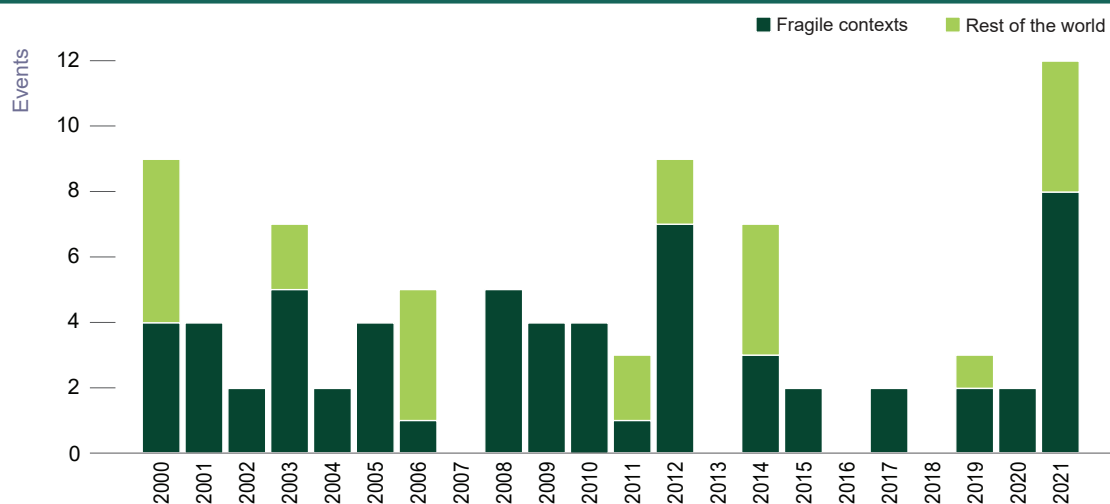
Source: Raleigh et al. (2010_[48]), "Introducing ACLED-Armed Conflict Location and Event Data", <https://doi.org/10.1177/0022343310378914>.

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BOX 1.5. FRAGILITY IS AN EXPLANATORY FACTOR IN THE RECENT INCREASE IN COUP EVENTS

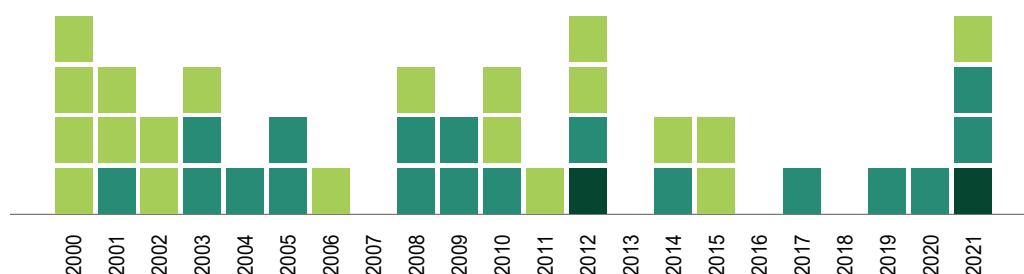
Coups, successful and attempted, take place in environments affected by fragility and are therefore shaped by fragility. This highlights the need for DAC members to apply a whole-of-context analysis and approach to address fragility, and thereby reduce incentives for coup events. Of the 17 coup events since 2019, 12 took place in fragile contexts (Figure 1.10) (Peyton et al., 2021^[49]).

Figure 1.10. Fragility is associated with coup events and particularly so in recent years



A country that experienced:

■ one coup event in one year
 ■ two coup events in one year
 ■ three coup events in one year



Source: Authors' calculations based on Peyton et al. (2021^[49]), *Cline Center Coup D'état Project Dataset*, https://doi.org/10.13012/B2IDB-9651987_V3.

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Recent coup events in fragile contexts demonstrate how causes of fragility can influence opportunities and incentives for military-led political change. The character of protests that take place before and after coup events can serve as a useful barometer of the substance of a changing political settlement – that is, military leaders can respond to popular protests to justify coup events or manipulate and manufacture protests to maintain their own power (Hammou, 2022^[50]). In pursuit of their own socioeconomic objectives, civilians can be equally active, if often unseen, participants in coup events (Kinney, 2021^[51]). For civilian supporters, coup events can be an expression of popular dissatisfaction with the quality of governance and an opportunity to call for regime change through the most expedient means available, particularly after democratic means have been exhausted (Sävström,

BOX 1.5. (CONTINUED)

2021^[52]). On the other hand, coup leaders can also instrumentalise civil unrest to justify seizing power, especially where it is the culmination of long-standing grievances and frustrations that tip over into political violence – often suddenly, as demonstrated by the Arab Spring (UN/World Bank, 2018^[53]). Mali, which has experienced four coup events since 2010, epitomises the interconnectedness of drivers that shape environments within which coups can occur, blending grievance and external influence (Elischer, 2022^[54]) in a context that has experienced concurrent increases in fragility in the political, security and societal dimensions between 2011 and 2021.

Sources: Hammou (2022^[50]), “When civilian protests facilitate coups d’etat: Reflecting on revolution and counter-revolution in Sudan”, <https://politicalviolenceataglace.org/2022/04/14/when-civilian-protests-facilitate-coups-detat-reflecting-on-revolution-and-counter-revolution-in-sudan/>; Kinney (2021^[51]), *Civilian Coup Advocacy*, <https://doi.org/10.1093/acrefore/9780190228637.013.2043>; Sävström (2021^[52]), “Commentary: Constitutional coups have often preceded military ones”, <https://nai.uu.se/news-and-events/news/2021-10-07-constitutional-coups-have-often-preceded-military-ones.html>; UN/World Bank (2018^[53]), *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, <https://openknowledge.worldbank.org/handle/10986/28337>; Elischer (2022^[54]), “Populist civil society, the Wagner Group and post-coup politics in Mali”, <https://doi.org/10.1787/b6249de6-en>.

Beyond its physical and mental toll, sexual and gender-based violence (SGBV) curtails women and girls’ opportunity to enhance their own livelihoods and ability to contribute to the economy and society at large. Therefore, SGBV has implications for efforts to address broader gender inequalities in fragile contexts, especially given that, as shown by Loudon, Goemans and Koester (2021^[55]), inequality and fragility are inextricably linked (Infographic 1.3).

Discriminatory norms and attitudes towards violence are a root cause of SGBV, which partly explains their prominence as an indicator in the security dimension of the fragility framework (World Health Organization, 2021^[56]). In fragile contexts, 32% of ever-partnered women between the ages of 15 and 49 reported having suffered

physical and/or sexual intimate partner violence in their lifetime compared to 26% worldwide, and all contexts where more than 50% of girls are married by the age of 18 are fragile (Stasieluk, 2022^[57]). These norms and attitudes, alongside other factors such as movement restrictions and broader socioeconomic consequences, partly explain the increased prevalence of SGBV during the COVID-19 pandemic, especially in fragile and conflict-affected contexts (Vahedi, Anania and Kelly, 2021^[58]). According to OECD research (2019^[59]), norms related to masculinities are another relevant factor in explaining SGBV, as are broader trends in gender inequality within society.

Gender inequalities remain considerable at the global level, and progress to address them is particularly slow in fragile contexts

(Chancel et al., 2022_[60]). Nine of the ten countries with the widest gender gap are on the fragility framework (World Economic Forum, 2021_[61]). Women and girls experience a diverse range of inequalities in the provision of basic services such as health, education and justice, especially in fragile contexts (Stasieluk, 2022_[57]). For example, despite progress in expanding girls' access to education globally, girls in fragile contexts leave school more often and sooner than boys. This dynamic is acute in the extremely fragile contexts of Afghanistan, the Central African Republic and Yemen, where women's relative gain in education (compared to men's) is the lowest among 126 countries studied (Evans, Akmal and Jakiela, 2021, p. 5_[62]). This finding connects to broader concerns about education systems that are struggling to cope with rapidly expanding populations, conflict, climate shocks and a lack of basic services – pressures compounded by critical gaps in political support, policy making and implementation (Hickey, Hossain and Jackman, 2019_[63]).

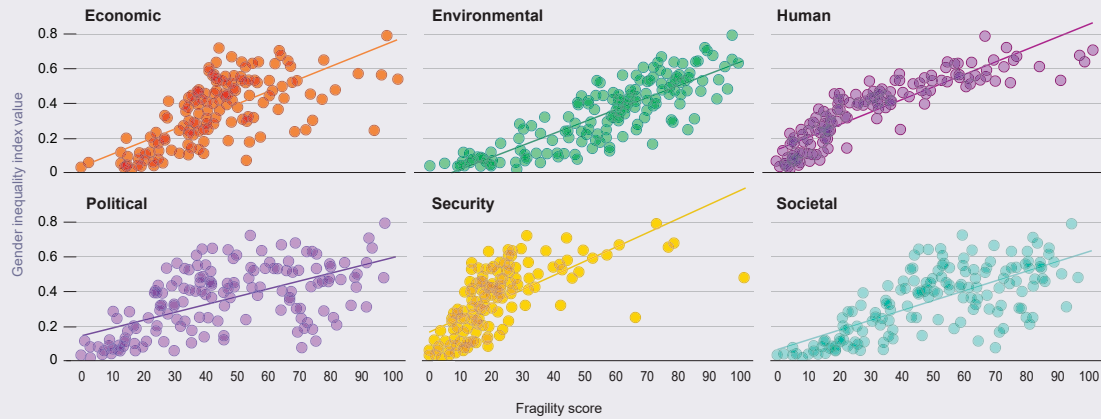
The lack of progress in addressing gender inequality is at odds with the significant and sustained increase in the volume of DAC members' (ODA) that has as a principal or

significant objective gender equality and women's empowerment (GEWE). Such ODA amounted to USD 22.1 billion in 2020, or 47% of total DAC ODA commitments to fragile contexts. This is the highest share since 2009, though only 5% is targeted to GEWE as a principal objective.

Despite the persistence of gender inequalities, there are positive developments to highlight. For example, female genital mutilation has been declining over the past 30 years, though nearly all contexts where its prevalence is above 1% are on the fragility framework (UNICEF, 2022_[64]). The incidence of child marriage is also slowly declining globally. Such progress is being threatened by conflict, climate change and other crises (UNICEF, 2022_[65]). For example, in Ethiopia, where the median age for marriage had increased from 16 years in 1985 to 19 years in 2010, child marriage rose by 119% between the period January to April 2022 and the same period in 2021 across the regions worst hit by drought. This increase, in the case of Ethiopia and more broadly in the Horn of Africa, is driven by families' greater need for dowries for sustenance in drought-affected communities.

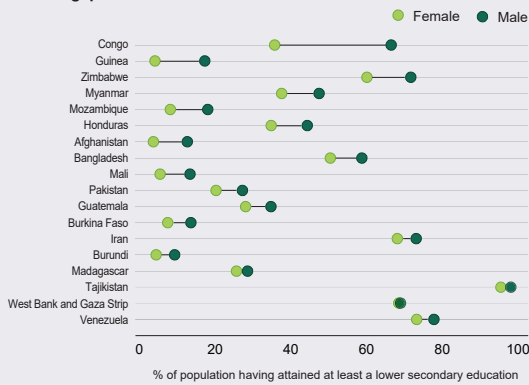
Infographic 1.3. Gender inequality and fragility

Gender inequality is highly correlated to fragility across all six dimensions

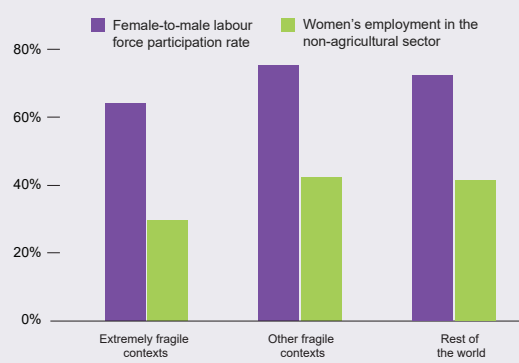


Women and girls in fragile contexts face inequality in educational attainment and labour force participation

Gender gap in educational attainment

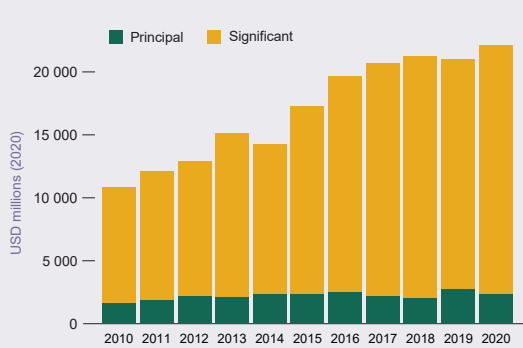


Gender gap in labour force participation and employment in the non-agricultural sector

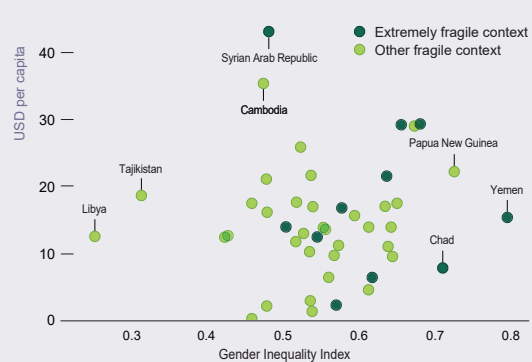


Official development assistance to gender equality and women's empowerment (GEWE) reached a historic high in 2020 in fragile contexts, but it was not necessarily correlated with gender inequality.

ODA to GEWE with a principal or significant objective



ODA to GEWE per capita (2020) relative to gender inequality



Notes: Values for 'female-to-male labour force participation rate' and 'Women's employment in the non-agricultural sector' are based on an arithmetic mean of all countries and territories within each grouping.

Sources: UNDP (2022^[39]), "Gender inequality index (GII), database", <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>; World Bank (2022^[66]), *Educational attainment, at least completed lower secondary, population 25+, male (%) (cumulative) (database)*, <https://data.worldbank.org/indicator/SE.SEC.CUAT.LO.MA.ZS>; World Bank (2022^[67]), *Educational attainment, at least completed lower secondary, population 25+, female (%) (cumulative) (database)*, <https://data.worldbank.org/indicator/SE.SEC.CUAT.LO.FE.ZS>; World Bank (2022^[68]), *Ratio of female to male labor force participation rate (%) (modeled ILO estimate) (database)*, <https://data.worldbank.org/indicator/SL.TLFACT.FM.ZS>; UNDP (2022^[69]), *Dashboard 2. Life-course gender gap (database)*, <https://hdr.undp.org/data-center/documentation-and-downloads>; UN DESA (2019^[21]), *2019 Revision of World Population Prospects (database)*, <https://population.un.org/wpp/>; OECD (2022^[41]), *Creditor Reporting System: Aid activities*, 10.1787/data-00061-en.

COVID-19, digitalisation, access to justice and other drivers have contributed to rising inequality and showcased the relationship between inequality and fragility

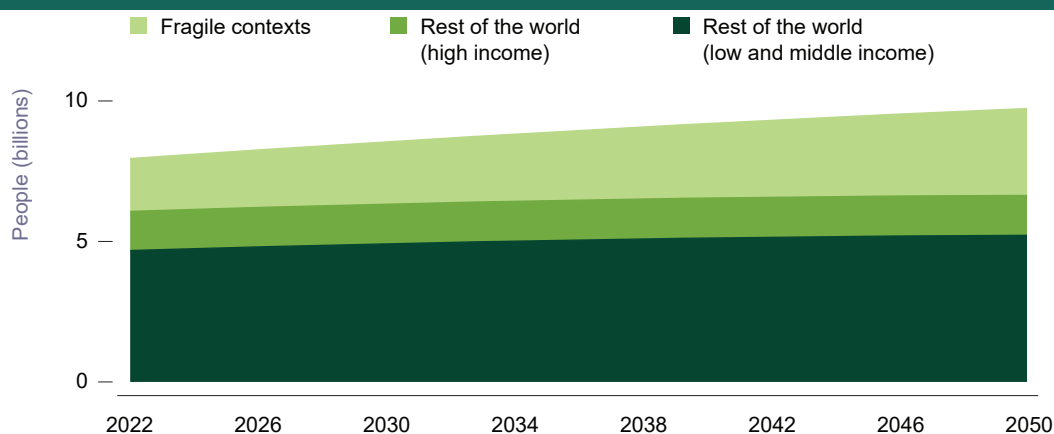
An intensification and diversification of drivers are contributing to inequality within and across fragile contexts and between fragile contexts and the rest of the world. This subsection looks at three of these compounding risks: the COVID-19 pandemic, digitalisation and access to justice.

The pandemic had a significant and disproportionate impact in fragile contexts, particularly on livelihoods, well-being, and human development

The socioeconomic impact of the COVID-19 pandemic led to a global reversal in human

development in 2020 for the first time since the concept was first measured in 1990 (UNDP, 2020_[70]). It also halted and reversed the declining trend of the number of people in extreme poverty (Kharas and Dooley, 2021_[71]), and between-country inequality was observed to have increased (Adarov, 2022_[72]). It is estimated that by the start of 2022, fragile contexts were home to almost a quarter of the world's population (24%) (Figure 1.11) but also to almost three-quarters (73%) of those living in extreme poverty (Figure 1.12). By 2030, 86% of the world's extreme poor are expected to be living in fragile contexts (Gerszon Mahler et al., 2021_[1]). Additionally, the geography of extreme poverty is expected to shift towards extremely fragile contexts, which will account for one in three of the world's extreme poor by 2030 (Figure 1.12).

Figure 1.11. In fragile contexts, the population is expected to increase significantly more than in the rest of the world

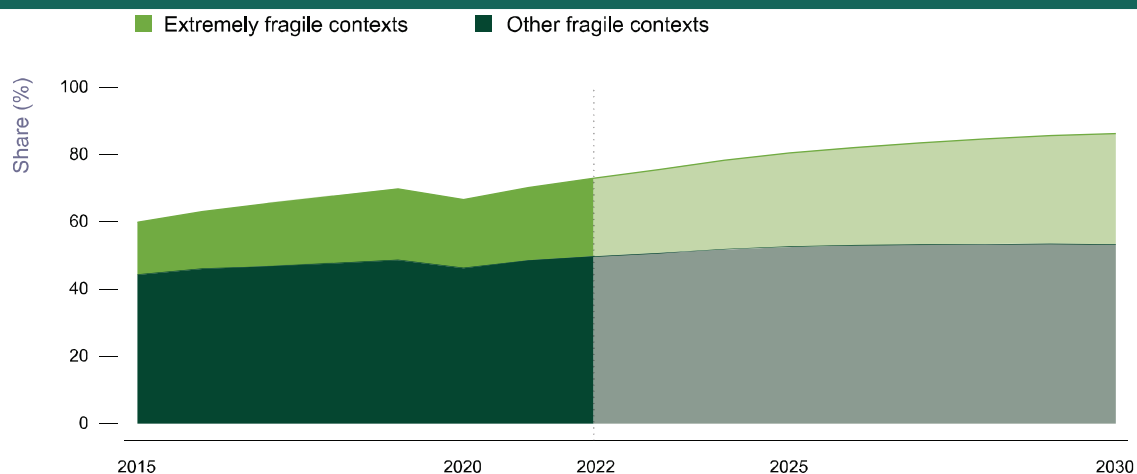


Note: In the figure, the rest of the world is divided between high-income contexts and low- and middle-income contexts to account for potential outliers and differentiate ODA-eligible and non-ODA-eligible countries and territories. The figure also assumes the same cohort of 60 fragile contexts on the latest edition of the OECD's multidimensional fragility framework.

Source: UN DESA (2019_[2]), 2019 Revision of World Population Prospects (database), <https://population.un.org/wpp/>.

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Figure 1.12. By 2030, 86% of the world's extreme poor are projected to live in fragile contexts, with extremely fragile contexts accounting for one out of every three people in extreme poverty



Note: Estimates after 2022 are projections from the source data. This figure assumes the same cohort of 60 fragile contexts on the latest edition of the OECD's multidimensional fragility framework.

Source: Authors' calculations based on estimates in Gerszon Mahler et al. (2021^[11]), "Updated estimates of the impact of COVID-19 on global poverty: Turning the corner on the pandemic in 2021?", <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-turning-corner-pandemic-2021>.

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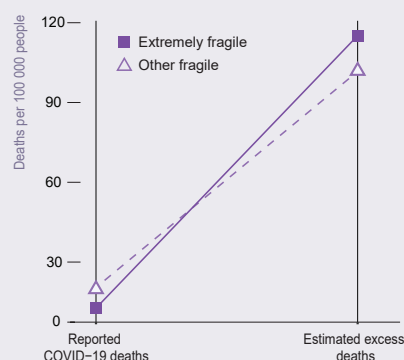
Such a concentration of extreme poverty has exposed people living in fragile contexts to a range of compounding risks that affect their livelihoods and resilience. These risks are transnational and highly political and shape diverse aspects of multidimensional fragility. The extent of these risks is reflected in how many of the people living in fragile contexts view their situations: Unemployment

and livelihood crises are chief among their concerns, followed by debt, state collapse and inflation (World Economic Forum, 2022, pp. 96-108^[73]). Infographic 1.4 illustrates the impact of the pandemic in fragile contexts and some of the various responses to it in the form of policy actions such as vaccination campaigns.

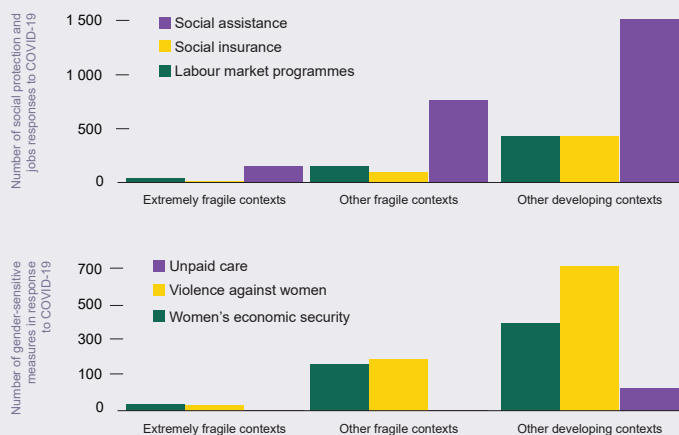
Infographic 1.4. COVID-19 in fragile contexts

Deaths due to COVID-19 are underreported in fragile contexts.

- In extremely fragile contexts, **estimated excess deaths from COVID-19 amounted to 9 times the reported death rate** between January 2020 and December 2021.

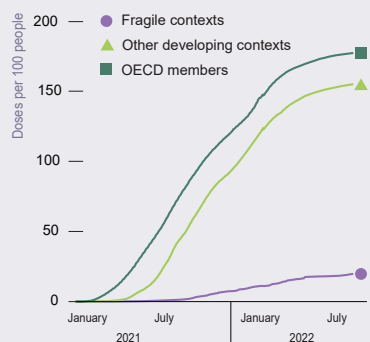


Fragile contexts have implemented relatively fewer social protection and jobs measures in response to the pandemic than the rest of the world. Few of such measures were gender-sensitive.

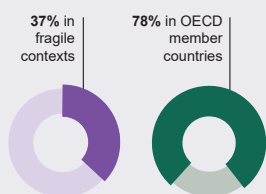


Vaccine inequity is a defining feature of the pandemic response in fragile contexts.

- 1.2 billion doses have been administered in fragile contexts** as of end-July 2022, accounting for 10% of total doses administered globally.

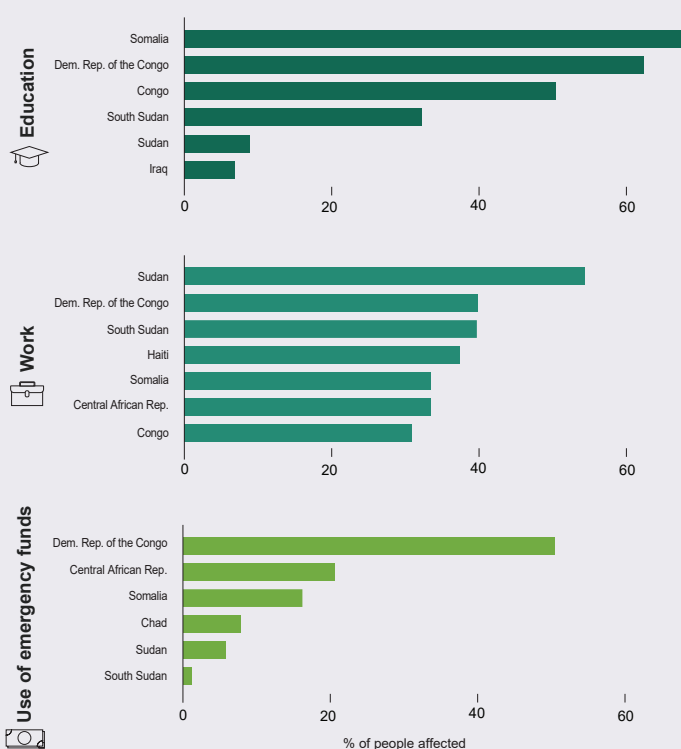


- This rate of vaccination has led to **only 37% of people in fragile contexts having received a dose of a COVID-19 vaccine**, compared to 78% in OECD member countries, as of end-July 2022.



The pandemic had a significant effect on livelihoods and wellbeing in fragile contexts.

There are many channels by which the pandemic affected livelihoods, especially in extremely fragile contexts. Three examples are education, ability to work and access to emergency funds.



Sources: Ritchie et al. (2022^[9]), *Coronavirus Pandemic (COVID-19)* (database), <https://ourworldindata.org/coronavirus>; World Bank (2022^[74]), *COVID-19 Household Monitoring Dashboard* (database), <https://www.worldbank.org/en/data/interactive/2020/11/11/covid-19-high-frequency-monitoring-dashboard>; UNDP (2022^[75]), *COVID-19 Global Gender Response Tracker* (database), <https://data.undp.org/gendertacker/>; Gentilini et al. (2022^[76]), *Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures*, <https://openknowledge.worldbank.org/handle/10986/37186>.

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Responses to the pandemic highlight emerging digital inequalities in fragile contexts that have long-term implications for livelihoods and well-being

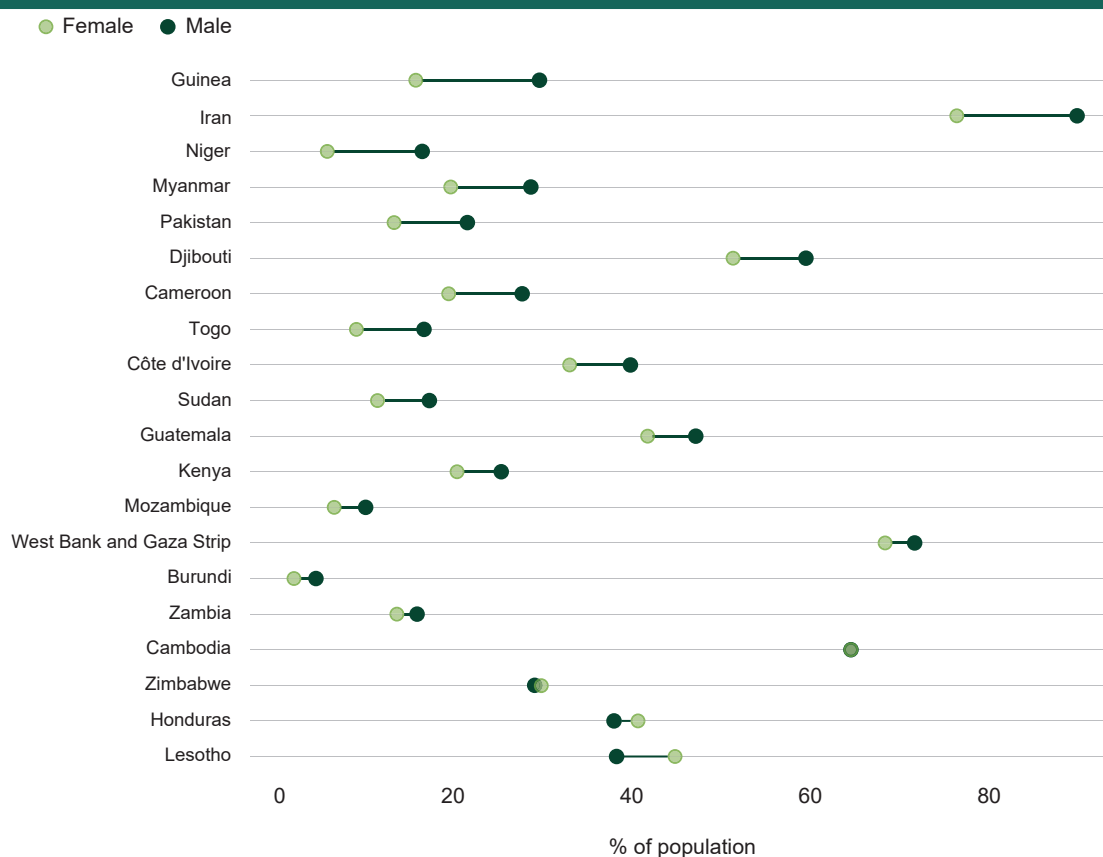
The digital transformation happening worldwide is a double-edged sword (OECD, 2021^[77]). Though access to digital technology can yield significant benefits for achieving sustainable development, the lack of it can entrench existing inequality and contribute to new forms of inequality (UNDP, 2019^[78]). This digital divide is particularly acute in fragile contexts, where access to digital services such as the Internet, a fixed telephone subscription and fixed broadband varies significantly. From 2002 to 2019, Gambia, Kenya and Nigeria had some of the highest rates of digitalisation and growth of information communication technologies in sub-Saharan Africa, while the lowest growth rates were in Burundi, the Central African Republic, Chad and Niger (Kouladoum, Wirajing and Nchofoung, 2022^[79]). In Latin America and the Caribbean, only 35% of Haiti's population had access to the Internet in 2020, negatively affecting prospects for the country's growth and resilience to the impacts of COVID-19 (World Bank, 2020^[80]). The digital divide also has an urban-rural dynamic: In Central and West Africa, only 26% of households in rural areas own a television versus 73% in urban areas, an important gap given that school closures made broadcast media an essential part of remote learning (World Bank/UNESCO/UNICEF, 2021, p. 23^[81]). Before the pandemic, people living in fragile contexts in Latin America and sub-Saharan Africa had cited the digital divide as a significant short-term risk (World Economic Forum, 2022, p. 20^[73]).

The digital divide has far-reaching consequences across the dimensions of fragility. For example, digital technology is an important enabler of financial inclusion, especially for women and other

disadvantaged groups in society (Davico et al., 2022^[82]). In Bangladesh, the government's push to make payments digital during the COVID-19 pandemic led to 2 million people owning digital accounts within just 25 days, with many of these people being first-time users (Poutiainen and Rees, 2021^[83]). Digital financial inclusion, in turn, can accelerate economic growth (Khera et al., 2021^[84]). Access to digital technology has also broadened people's awareness of global issues, while this brings many positives it can also exacerbate grievances on such issues as wealth disparity and inequality, and catalyse momentum for political demonstrations and violence (UN/World Bank, 2018, p. 51^[53]). Finally, digital technology has significant implications for educational outcomes (Vincent-Lancrin, 2022^[85]), a central element of the human dimension of fragility analysed for the first time in this edition of the OECD fragility framework.

The gender digital divide across some fragile contexts (Figure 1.13) reinforced existing gender inequalities during the COVID-19 pandemic while also exposing the various challenges such as affordability, lack of technological literacy and broader societal norms that played a part in creating the divide (OECD, 2018^[86]). In Kenya, only 22% of children had access to digital learning during school closures, and children in private schools were twice as likely to learn remotely as their counterparts in public schools. Survey data further suggest that school closures in Kenya disproportionately affected girls and children from poorer and less educated households (Cameron et al., 2022^[87]). Similar findings are evident in Uganda, with a notable deterioration in learning outcomes for poorer pupils in the lowest levels of education (Sandefur, 2022^[88]).

Figure 1.13. The gender digital divide within fragile contexts is significant, and men have greater access to the Internet than women in most contexts for which data are available



Note: In Cambodia, the proportions of the male and female populations using the Internet were both 65%. Only fragile contexts for which data were available for both men and women are included.
 Source: ITU (2022_[89]), *ITU Datahub (database)*, <https://datahub.itu.int/>.

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Entire groups are systematically excluded from access to justice in fragile contexts

The gap in access to justice is a third important expression of the link between fragility and inequality (Desai, forthcoming_[90]). The OECD's *Good Practice Principles for People-Centred Justice* outline essential attributes of people-centred justice, such as its focus on the legal needs of various vulnerable parts of the population (OECD, 2021_[91]). People are excluded from access to justice every day in diverse ways ranging from being denied the right to their land, labour or bodily autonomy to being unable to address grievances through available formal dispute resolution mechanisms. Such

exclusions tend to entrench inequalities to the benefit of the ruling elite, especially in fragile contexts where customary and informal justice systems are prevalent due to limits in the state's capacity to provide justice services (International Development Law Organization, 2019_[92]). For example, in Somalia, 80% to 90% of people seeking justice use informal systems because they are faster and more effective and accessible than the formal system (International Development Law Organization, 2022_[93]). Entire groups are excluded systematically from access to justice in fragile contexts: One in three people lacks proof of a legal identity, and two in five children do not have birth records

(Desai, forthcoming_[90]). These people do not exist officially in formal legal systems, which precludes their ability to access basic rights. For groups that do have access to these systems in some manner, there is a quality deficit in the provision of justice.

Civil and administrative legal problems are widespread in fragile contexts. The World Justice Project, based on the findings of its 2019 global survey of perceptions of access to justice, estimates that 1.4 billion people round the world had unmet legal needs of a civil or administrative nature in the previous two years (World Justice Project, 2019_[94]). More than 800 million people in fragile contexts, extrapolating from these estimates, have such unmet legal needs (Desai, forthcoming_[90]).

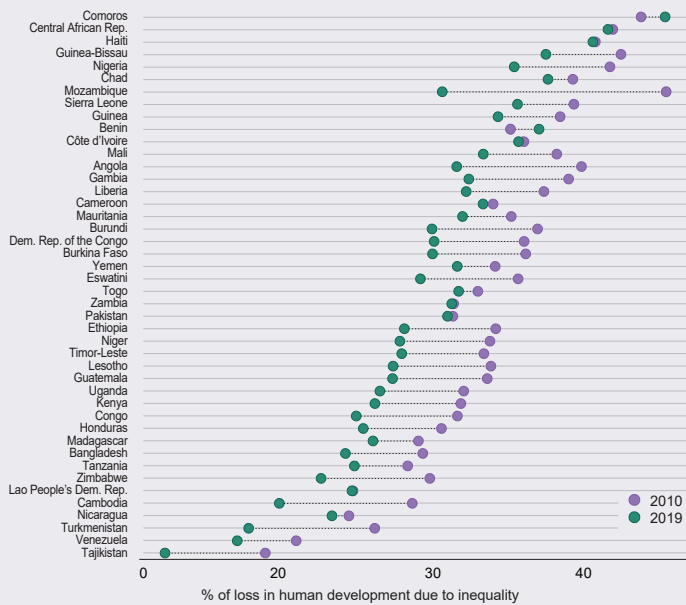
Despite the wide gap in access to justice, the volume of DAC ODA to support justice declined in fragile contexts by 64% from 2010 to 2020 (OECD, 2022_[41]). This lack of financial and programmatic attention is emblematic of various issues with the provision of legal and judicial development in fragile contexts. One such issue is the lack of attention to the politics of reform in the justice sector, particularly at different levels of the state and society. As is the

case in many other sectors of development co-operation, justice reform is treated as a technical exercise focused on processes or individual institutions rather than as a means to address the multidimensionality of factors such as social norms and behaviours towards certain groups that contribute to gaps in access to justice (Stewart, 2022_[95]). In environments where these factors exist, there is value in supporting policy processes at the national level alongside community-based organisations and paralegals as they aim to offer basic legal advice to vulnerable groups and thus are well positioned to address deficits in the availability of legal formal services (International Development Law Organization, 2021_[96]). Efforts to better target existing development assistance and co-ordinate among various partners in this space could offer an opportunity to scale up the provision of justice services in a way that is cost effective and impactful (Manuel and Manuel, 2021_[97]).

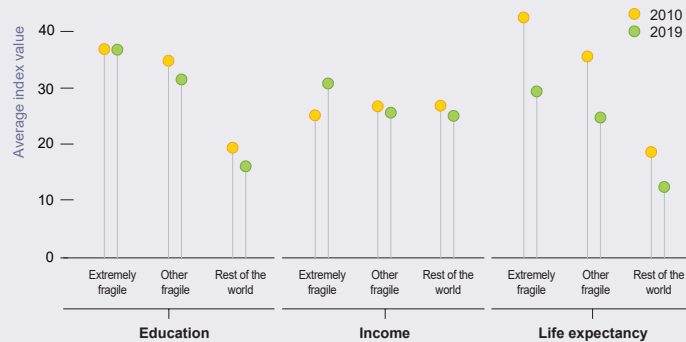
Infographic 1.5 explores the relationship between fragility and inequality across various measures related to gender, health, education, and income. All of these themes are prominent in the new human dimension.

Infographic 1.5. Inequality and fragility

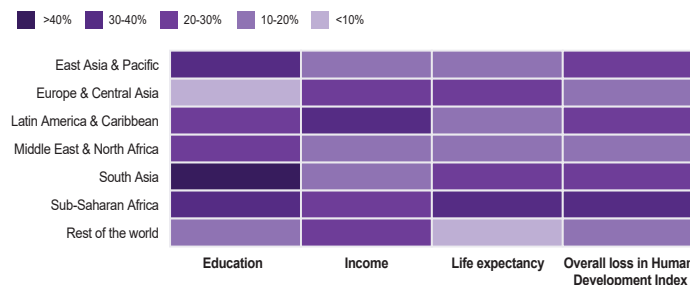
Across most fragile contexts, the loss in human development due to inequality is declining over time. This finding reflects progress in basic human capabilities. It is important to safeguard such gains, especially given the impact of the triple crises on inequality.



Such progress has varied across the sub-components of human inequality between extremely fragile contexts, other fragile contexts and the rest of the world.

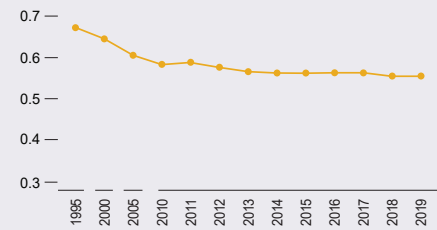


A diversity of inequalities is also present among fragile contexts across regions.



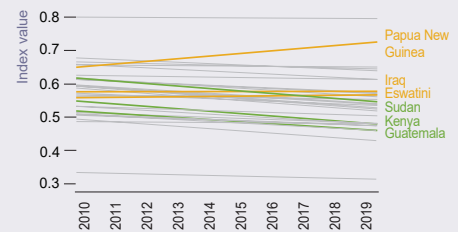
Progress on reducing gender inequality in fragile contexts is slowing down.

Gender inequality index, average value



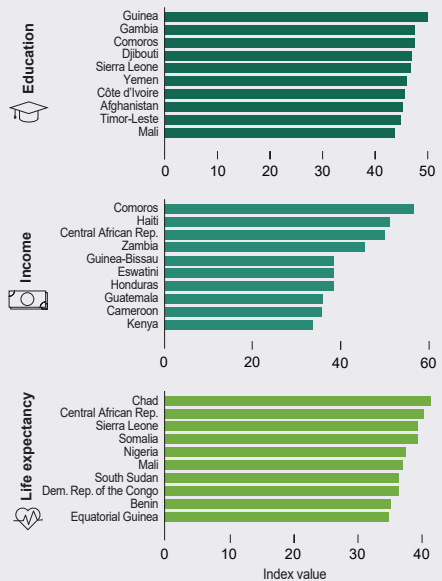
From 2010 to 2019, the scale of progress (and setbacks) on gender inequality has varied across contexts.

Gender inequality by context



Significant and overlapping inequalities among the top 10 worst performers across all three sub-components highlight the need for multidimensional approaches to addressing fragility and inequality.

Top 10 worst performers among fragile contexts, latest year



Notes: Group values are based on an arithmetic mean of the countries and territories within each group. In the graph on the sub-components of human inequality, 'Rest of the world' refers to countries and territories that are on the DAC List of ODA Recipients for reporting on aid in 2021.

Sources: Authors' calculations (e.g. averages) based on countries and territories with available data in UNDP (2022_[38]), *Inequality-adjusted Human Development Index*, <https://hdr.undp.org/inequality-adjusted-human-development-index#/indicies/IHDI>; UNDP (2022_[39]), "Gender inequality index (GII), database", <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>.

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Food systems in many fragile contexts are at a breaking point even without the unfolding impacts of Russia's war of aggression against Ukraine

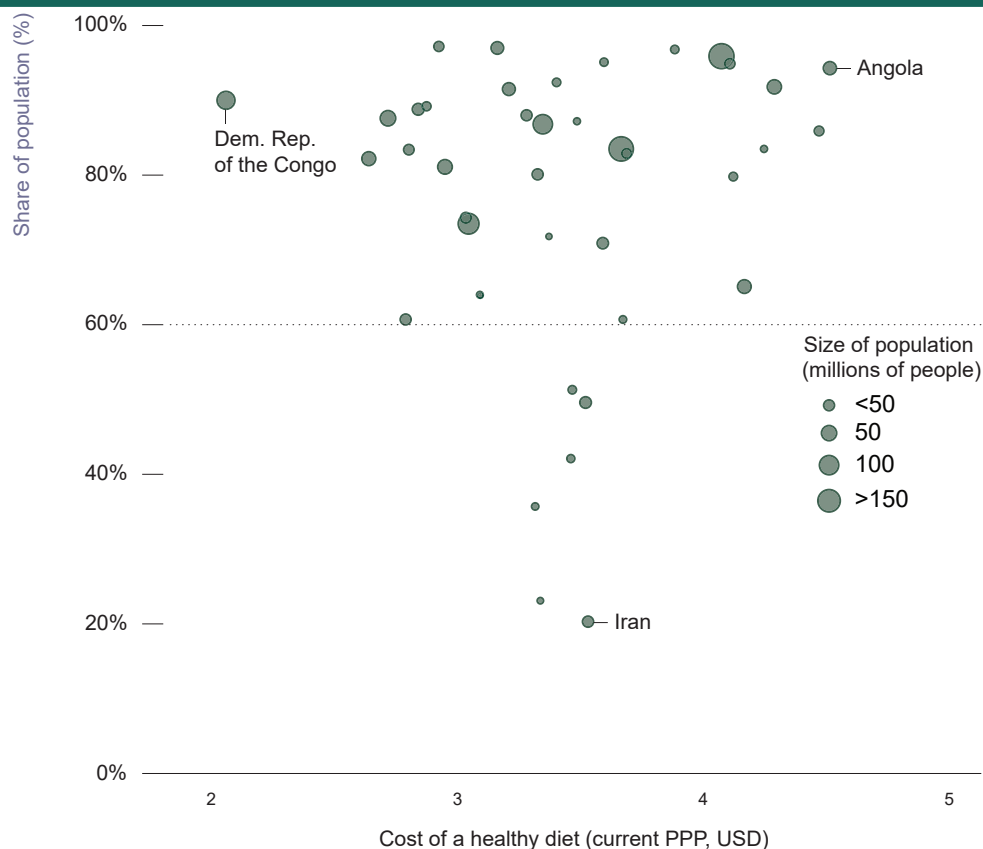
Food systems globally are under immense pressure. In many fragile contexts, they are at a breaking point as needs escalate, due especially to the inflation of food prices over the past two years and compounded further by the impact of Russia's invasion of Ukraine (Baffes and Temaj, 2022_[99]). According to the Food Security Information Network, there are 193 million people who are acutely food insecure and in need of urgent assistance across 53 countries and territories, of which 48 are on the OECD's fragility framework. This is an increase of nearly 40 million people over the previous high in 2020 (Food Security Information Network, 2022, pp. 6, 30-33_[100]; Tschunkert and Delgado, 2022, p. 2_[101]). Fragile contexts account for all top ten countries with the highest number of people facing acute food insecurity in 2021, including 17.5 million children assessed as wasted (Food Security Information Network, 2022, p. 7_[100]). In 2022, fragile contexts accounted for 22 of 23 food insecure "hotspots" (FAO/WFP, 2022, p. 11_[37]). Should these trends continue, fragile contexts will be at the centre of a critical failure to achieve progress on SDG 2 (zero hunger).

Food insecurity was already increasing in fragile contexts prior to the pandemic (OECD, 2020, p. 38_[102]). The COVID-19 pandemic exposed weaknesses, inequalities and inequities in the food systems of fragile contexts that are manifesting in loss of income, inflation, disrupted supply chains and decreased purchasing power (Figure 1.14). In certain fragile contexts, the pandemic's impact combined with other causes of

fragility to degrade these systems even more. For example, the number of acutely food insecure people has increased significantly in South Sudan, Venezuela and Zimbabwe, which were experiencing high food inflation prior to the pandemic (Townsend et al., 2021, p. 9_[103]). Social safety nets developed to mitigate the impact of the pandemic have proved inadequate in many cases in fragile contexts, leaving many people without the means to absorb higher food prices (CARE, 2022_[104]).

Analysis of food insecurity alongside other causes of fragility points to a heightened risk of a rapid increase in the number of contexts categorised as in an emergency or catastrophe according to the Integrated Food Security Phase Classification.⁶ In Ethiopia alone, the number of people categorised as in *emergency* increased from about 1.4 million in late 2020 to 4.3 million by May-June 2021 due to a combination of war and drought (Food Security Information Network, 2022, p. 42_[100]). The total numbers of people categorised as in an emergency (39.2 million across 36 fragile contexts) and crisis (131.1 million across 41 fragile contexts) point to the potential for compounding risks to drive more severe fragility in many contexts. These contexts include the DRC (27.3 million), Haiti (4.4 million), Guatemala (3.73 million), Zimbabwe (3.4 million) and Mozambique (2.9 million) – contexts that are also experiencing severe environmental, political, security and societal fragility (Food Security Information Network, 2022, pp. 35-55_[100]). West Africa and the Sahel, Latin America, and the Middle East and North Africa are all experiencing significant increases of people at or above the food crisis level over the last six years (Food Security Information Network, 2022, pp. 48-49_[100]).

Figure 1.14. In the majority of fragile contexts, more than 60% of the population is unable to afford a healthy diet



Note: For the methodology for calculating the cost of a healthy diet and the share of a population unable to afford a healthy diet, see <https://www.worldbank.org/en/programs/icp/brief/foodpricesfornutrition#3>.
 Source: World Bank (2022_[105]), *Food Prices for Nutrition DataHub*, <https://www.worldbank.org/en/programs/icp/brief/foodpricesfornutrition#1>.

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Environmental and political fragility are interconnected, and this affects food systems

Environmental fragility is common to all contexts experiencing food insecurity. But its impact varies by context. For example, five of the top ten hunger hotspots are fragile contexts experiencing severe environmental fragility: Somalia, Yemen, Afghanistan, Haiti and the DRC (in descending order of the number of people in acute food insecurity). For Ethiopia, the Syrian Arab Republic and other fragile contexts in the top ten, environmental fragility is classified as very high but with risk more closely associated with a subset of issues such as water (OECD, 2022_[106]). Climate change and biodiversity loss are two of the most important factors influencing global food security, but they

are not the only environmental concerns. This is especially true in nature-dependent developing countries, where most of the GDP derives from agriculture, forestry or fishing. In Ethiopia, there are regional political and security risks associated with the construction of the Grand Ethiopian Renaissance Dam, as the Ethiopian highlands supply more than 85% of the water that flows into the Nile River (Mbaku, 2020_[107]). These risks are compounded by a combination of environmental, societal and economic fragility in the DRC, where the scale of deforestation is affecting regional hydrological cycles and contributing to a reduction in water flows in Ethiopia. Biodiversity loss and environmental degradation due to pollution or mismanagement are equally if not more

important in some fragile contexts. Where the connections between causes of fragility are not attended to, natural hazards such as droughts, floods and cyclones can set societies back even when some progress on resilient food systems has been made (Townsend et al., 2021_[103]). The situation in the Middle East and North Africa region highlights the interplay of dimensions that produce negatively compounding effects on already weakened states, linking severe environmental, political and security fragility (Box 1.6).

Coping capacities are particularly undermined in conflict-affected fragile contexts where land cultivation, infrastructure and access to markets are often severely compromised. Food insecurity is a driver of conflict, and conflict acts as a barrier to the recovery and resilience of food systems. Land and maritime disputes and unequal distribution of natural resources are common drivers of violence and conflict in many fragile contexts (Sturgess and Flower, 2013_[112]). Conflict-affected fragile contexts account for all ten of the worst food security crises in 2020 (Tschunkert and Delgado, 2022, p. 4_[101]). In conflict-affected contexts, fighting often targets infrastructure, places severe limitations on transportation, disrupts or halts agriculture, and disrupts local access to depleted food supplies. Food systems can be manipulated to exacerbate fragility, conflict and violence by causing food shortages, limiting access to production, or fostering grievances related to social issues and food prices.

Fragile contexts generate and host the majority of the world's refugees and internally displaced persons

Fragile contexts are central to the global forced displacement situation (Infographic 1.6). Even before Russia's war of aggression against Ukraine, forced displacement worldwide had reached unprecedented levels, with over 95 million refugees and internally displaced persons (IDPs) in 2021,⁷ including internal

displacement due to conflict and natural disasters (UNHCR, 2022_[113]; Internal Displacement Monitoring Centre, 2022_[114]). Fragile contexts generate most forced displacement movements. Over 70 million refugees and IDPs originate from fragile contexts, representing 75% of all refugees fleeing from fragile contexts and over 78% of all forcibly displaced worldwide. Fragile contexts also host the vast majority of the world's refugees and IDPs: 61 million forcibly displaced persons are residing in fragile contexts, representing 64% of the global forcibly displaced population. The phenomenon of fragile contexts as hosts is particularly pronounced when it comes to internal displacement, as over 80% of all IDPs live in fragile contexts compared to some 39% of all refugees (Figure 1.15). The vast majority of all refugees and IDPs face protracted displacement of longer than five years.

The mutually reinforcing relationship between fragility and forced displacement leaves a profound impact in three areas:

- Multidimensional interconnected fragility has contributed to driving forced displacement to unprecedented levels. This affects the immediate region around fragile contexts most, as the vast majority of forcibly displaced are either internally displaced or flee as refugees to neighbouring countries.
- Hosting forcibly displaced individuals can reinforce pre-existing fragilities and has an economic cost. The short-term economic impact, which disproportionately affects the subnational areas and communities hosting the displaced, includes a sizable pressure on social service systems and natural resources. In the medium to long term, the right distribution and inclusion-oriented policies can reduce fiscal costs and possibly offer positive socioeconomic integration opportunities for both the displaced and host communities.
- Fragility is an obstacle for refugees and IDPs to attain durable solutions. Due to the negative economic, environmental, political, security or societal prospects in fragile areas of origin, forcibly displaced are often

BOX 1.6. ENVIRONMENTAL AND POLITICAL CHALLENGES ARE DRIVING FRAGILITY IN THE MIDDLE EAST AND NORTH AFRICA

Decision making on food and water security will be central to the region's short- to medium-term fragility. Syria and Yemen account for more than half of the people in the region facing acute food insecurity, and Egypt, Jordan and Lebanon are struggling. The rapid increase in exposure to food insecurity is one of the defining trends in the Middle East and North Africa (MENA), where the number of people exposed increased from 45.4 million in 2020 to 60.5 million in 2021 (Food Security Information Network, 2022, pp. 60-62_[100]).

The fragile contexts of the region face a highly charged political environment that makes progress on environmental fragility and food security extremely challenging. The degradation of water sources is a feature in many fragile contexts and is primarily a reflection of environmental fragility. Access to water has emerged as one of the most significant issues facing MENA contexts, which account for 12 of the 17 most water-stressed countries in the world. In 2021, Iraq had a 60% water loss due to drought, high temperatures and external restrictions on water flows (Khashan, 2022_[108]).

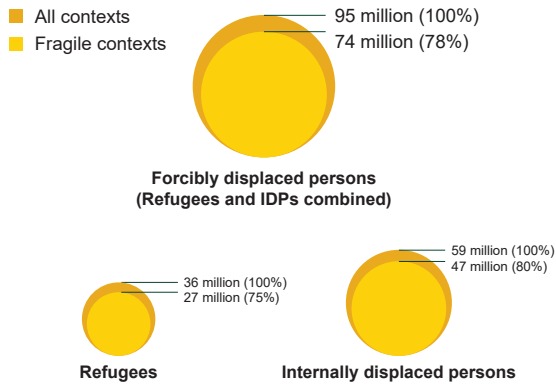
The political economy of access to water in MENA contexts is increasingly contentious: Even before the impact of the pandemic and Russia's invasion of Ukraine, over 70% of the region's GDP was generated in areas with high to very high surface water stress (World Bank, 2018, p. xxv_[109]). Water supplies in Iraq and Syria are vulnerable to upstream dam construction projects and delicate transboundary water arrangements, with regional geopolitical implications (Golmohammadi, 2021_[110]). Antiquated and poorly designed water systems are adding to risks, as irrigation systems are ill equipped to deal with rising demand and deteriorating and erratic rainfall. Indeed, half of Syria's water treatment facilities are inoperable because of war damage, which has reduced available drinking water by 40% over the past decade, and with dire consequences for local and regional ecosystems (Khashan, 2022_[108]). Modern alternatives for water management have not been introduced, and partnerships and co-operation among affected communities, sectors and governments have not materialised at a scale sufficient to meet the challenges (Khashan, 2022_[108]). In addition, the COVID-19 pandemic, overlapping with issues such as war and forced displacement, has resulted in increased food insecurity since 2020 (Food Security Information Network, 2022, p. 61_[100]). The impact of Russia's war of aggression against Ukraine has compounded this regional fragility even further by affecting food supplies and prices in fragile contexts like Syria and Yemen and in contexts on their periphery such as Lebanon (UNICEF, 2022_[111]).

Food insecurity is a regional challenge requiring solutions that balance multidimensional fragility and regional needs with the critical dependencies – Arab countries import more than half of their food supplies. Thus far, a regional response remains compromised by issues of corruption and governance and caught in the intractability of political grievances reflected in the wars in Syria and Yemen, violence in the West Bank and Gaza Strip, and a host of frozen conflicts that link almost every country in the region. Despite the strength of the evidence and its stark implications for MENA, water and food insecurity have not featured prominently in peace discussions for the region.

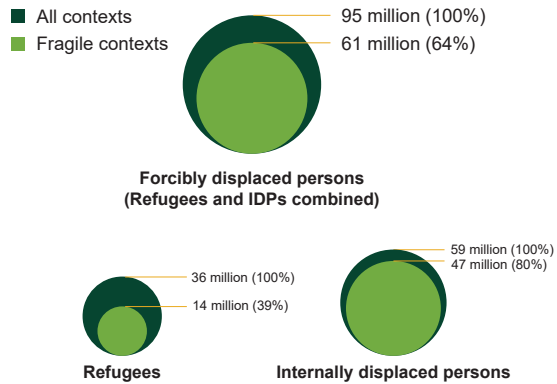
Sources: Food Security Information Network (2022_[100]), *2022 Global Report on Food Crises*, <https://www.fsinplatform.org/sites/default/files/resources/files/GRFC%202022%20Final%20Report.pdf>; Khashan (2022_[108]), "Arab food insecurity and political failure", https://geopoliticalfutures.com/arab-food-insecurity-and-political-failure/?tpa=OGQ50TzjODbHODc5MjjiYzc0NmQxOTE2NTI5NzQ1MTVhYjg5ZTQ&utm_source=newsletter&utm_medium=email&utm_term=https://geopoliticalfutures.com/arab-food-insecurity-and-political-failure/; World Bank (2018_[109]), *Beyond Scarcity: Water Security in the Middle East and North Africa*, <https://openknowledge.worldbank.org/handle/10986/27659>; Golmohammadi (2021_[110]), *Water Scarcity in the Middle East: Beyond an Environmental Risk*, https://www.orfonline.org/expert-speak/water-scarcity-middle-east-beyond-environmental-risk/#_edn3; UNICEF (2022_[111]), "As the war in Ukraine continues, millions of children in the Middle East and North Africa at increased risk of malnutrition amid food price hikes", <https://www.unicef.org/mena/press-releases/war-ukraine-continues-millions-children-middle-east-and-north-africa-increased-risk>

Figure 1.15. Fragile contexts generate forced displacement and host refugees and internally displaced persons

Contexts of origin



Host contexts



Note: Forced displacement refers to the totality of IDPs and refugees at the end of 2021, including the following population groups: refugees, asylum seekers, Venezuelans displaced abroad, refugees under the UN Relief and Works Agency for Palestine Refugees in the Near East mandate, conflict IDPs and disaster-related IDPs.

Sources: International Displacement Monitoring Centre (2022_[115]), *Global Internal Displacement Database*, <https://www.internal-displacement.org/database/displacement-data>; UNHCR (2022_[116]), *Refugee Data Finder*, <https://www.unhcr.org/refugee-statistics/download?url=2z1B08>.

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either unable or unwilling to return. At the same time, forcibly displaced individuals often face a capability trap in the fragile contexts hosting them when the state or host community does not offer social or economic opportunities. Even with the right policies, a fragile context limits realistic opportunities for practical solutions to end forced displacement, such as socioeconomic empowerment of the displaced (Marley, Stasieluk and Hesemann, 2022_[111]).

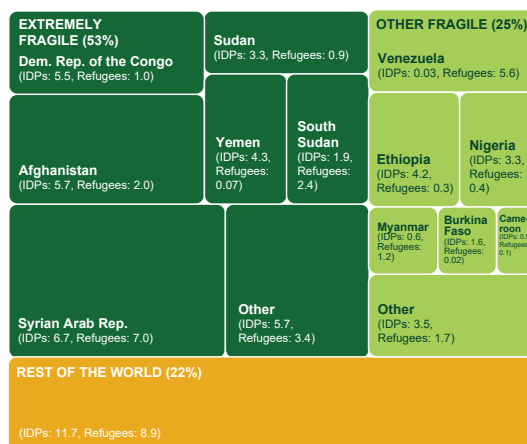
The trends discussed in this section by no means represent all the challenges that fragile contexts are facing in their progress towards sustainable development and peace. Rather, they illustrate the need for a

multidimensional approach to address their root causes and bolster fragile contexts' resilience to them. Such an approach calls for an emphasis on systems over infrastructure, especially in contexts where direct causal effect between action and output is difficult to establish and where the character of a political settlement can limit entry points and opportunities for planning development responses. Chapter 2 looks at finance and policy responses to the complex causes and consequences of fragility. Chapter 3 outlines how development partners can chart a path forward to navigate fragility and support fragile contexts to cope with the age of crises.

Fragile contexts are the origin and host of the majority of the world's refugees and internally displaced persons (IDPs)

Context of origin

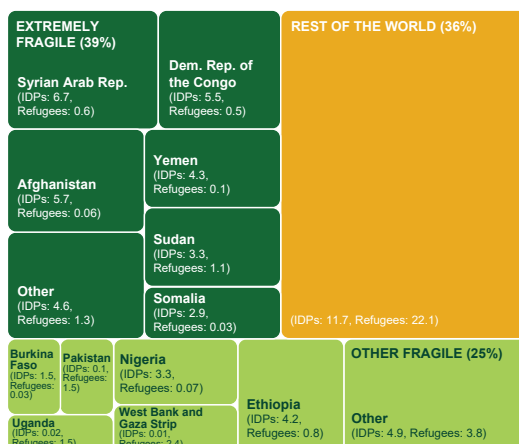
78% of all refugees and IDPs have fled from fragile contexts



Refugee and IDP numbers in million people

Host context

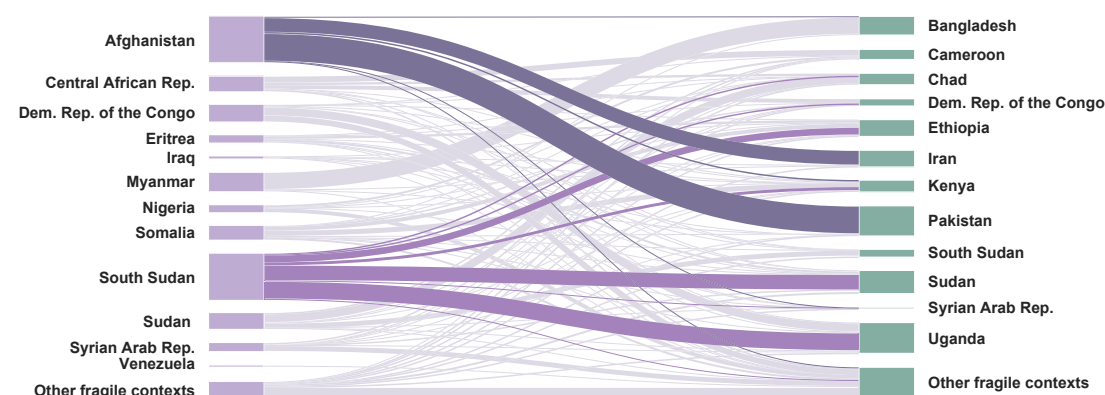
Fragile contexts host 64% of all refugees and IDPs



Origin

Refugee flows between fragile contexts

Host



Fragility ↔ forced displacement

- **Multidimensional fragility** generates forced displacement, mostly affecting the surrounding region.
- The presence of **forcibly displaced persons can reinforce pre-existing fragilities** and generates an economic cost in the host country.
- Fragility is an impediment for solutions to end forced displacement. Due to the negative prospects in fragile contexts of origin, forcibly displaced are unable to return. At the same time, **refugees and IDPs face a “capability trap”** in fragile contexts hosting them, when the state or host community is often either unable or unwilling to offer social or economic opportunities.

Good practice policies and interventions

- **Supporting solutions** to forced displacement also helps to reduce fragility.
- **Socioeconomic inclusion policies** have the potential of contributing to reducing the economic cost of forced displacement in the medium to longer term and will prepare displaced populations for durable solutions.
- **National (state and non-state) social services** can cater for displaced and host communities. This can be supported by international development co-operation to address the socio-economic “capability trap” in many fragile contexts.
- **Solutions to end forced displacement are context specific**, demanding policy coherence between fragile contexts and development partners and integrated programmes financed across humanitarian, development and peace dimensions.

Note: Forced displacement refers to the totality of IDPs and refugees at the end of 2021, including the following population groups: refugees, asylum seekers, Venezuelans displaced abroad, refugees under the UN Relief and Works Agency for Palestine Refugees in the Near East mandate, conflict IDPs and disaster-related IDPs.

Sources: International Displacement Monitoring Centre (2022_[115]), *Global Internal Displacement Database*, <https://www.internal-displacement.org/database/displacement-data>; UNHCR (2022_[116]), *Refugee Data Finder*, <https://www.unhcr.org/refugee-statistics/download/?url=2z1B08>.

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NOTES

1. Based on authors' calculations of the estimates presented in Gerszon Mahler et al. (2021^[1]). The authors thank Daniel Gerszon Mahler and Nishant Yonzan for their advice on the use of these data.
2. Due to the timing of the data collection, the most recent year of data available is 2021. These data were used to develop the findings of the fragility framework for *States of Fragility 2022*. Comparisons in this report from 2019 to 2021 illustrate the change in fragility from the time of the findings of *States of Fragility 2020* to *States of Fragility 2022*.
3. This total is based on the July 2022 World Bank income classifications. Missing from these figures is the 60th fragile context, Venezuela, which was previously classified as upper middle-income but is now unclassified due to an absence of data through its ongoing economic and political crisis.
4. The diversity that characterises fragile contexts is also visible based on V-DEM's "Regimes of the World" classification: 35 of the 60 fragile contexts are electoral autocracies, while 15 are closed autocracies and 9 are electoral democracies." A classification for the West Bank and Gaza Strip was not available in the source data.
5. There are 17 SDGs. The 15 mentioned here are the SDGs for which sufficient data are available for this assessment.
6. The Integrated Food Security Phase Classification defines five phases of acute food insecurity ranging from Phase 1 (none/minimal) to Phase 5 (catastrophe/famine). Phase 3, or the crisis phase, is when households either have food consumption gaps that are reflected by high or above-usual acute malnutrition or are marginally able to meet minimum food needs but only by depleting essential livelihood assets or through crisis coping strategies. In this phase, urgent action is required to protect livelihoods and reduce food consumption gaps. For further information, see <https://www.ipcinfo.org/>.

7. For the purpose of analysing the relationship between fragility and international forced displacement, the term “refugee” is not limited to its specific legal definition but also includes asylum seekers who may or may not be refugees; refugees under the UN Relief and Works Agency for Palestine Refugees in the Near East mandate; and individuals in refugee-like situations such as Venezuelans displaced abroad and individuals benefiting from temporary protection measures. The specific data for all aforementioned population categories are based on the UN Refugee Agency's *Global Trends: Forced Displacement in 2021*. For IDP population statistics, the data are sourced from the Internal Displacement Monitoring Centre's *Global Report on Internal Displacement 2022*, which refers to IDP statistics for 2021.



GARDE-COTES

THE STATE OF RESPONSES TO CRISES AND FRAGILITY



ABSTRACT

This chapter analyses the current state of responses to crises and fragility. In line with the Addis Ababa Action Agenda, it reviews the economic and financing landscape in fragile contexts and identifies risks and coping capacities beyond official development assistance financing. It then looks at approaches to policy and programming on three key issues that will impact policy and practice in fragile contexts for the foreseeable future: the economic channels transmitting shocks and reinforcing resilience, growing climate change and environmental fragility risks, and the under-developed links between development and peace.

THE STATE OF RESPONSES TO CRISES AND FRAGILITY

- **Donors responded to global shocks with increased volumes of official development assistance (ODA).** The volume of aid from all donors to fragile contexts peaked in 2020 at USD 91.4 billion, the highest volume ever recorded.
- **Within this total, OECD Development Assistance Committee (DAC) members' aid to fragile contexts amounted to USD 61.9 billion, a 5% increase from 2019 and accounting for 60% of their country allocable aid.** However, the share of their total ODA allocated to fragile contexts is at its lowest level since 2016. In extremely fragile contexts, humanitarian aid has risen significantly in recent years to outweigh development financing, despite significant development needs. Of DAC ODA to all fragile contexts in 2020, 25% was humanitarian aid, 63% was for development and 12% for peace.
- **Inclusive, legitimate institutions remain central to exiting fragility. There is a strong link between the ability to generate tax revenue and all of the dimensions of fragility.** Only a third of the 43 fragile contexts analysed have achieved a tax-to-gross domestic product (GDP) ratio of 15%, a widely considered benchmark for effective state functioning and economic development. At the same time, 39 of the 60 fragile contexts received ODA to help enhance tax policy and administration capacity.
- **Fragile contexts' economic prospects are highly heterogeneous, but risks are coalescing around food price affordability and debt sustainability. There are now more middle-income than low-income fragile contexts.** While fragility remains correlated with income and economic performance, contexts cannot simply grow out of fragility. Fragile contexts attract less private investment than other developing contexts, making it harder to develop the domestic private sector. Many remain heavily reliant on remittances as a coping capacity.
- **Policy responses need to span the dimensions of fragility, building economic resilience while taking account of the ways that economic channels can transmit shocks and fuel conflict.** Further exploration of development co-operation is needed as an agent for change in the economic dimension. The adoption of fragility strategies in international finance institutions is an encouraging recent trend. Similarly, some peace processes are now developing an economic track.
- **Addressing climate change and environmental fragility will be a permanent feature of operating in fragile contexts.** It is important not just to increase but also to better tailor climate and environment-related action in fragile contexts in terms of programming, instruments, preparedness for shocks and losses, and links to policy.
- **There is a need for better coherence and dialogue between development, peace and security actors.** From the Sahel to Afghanistan, blind spots and notable policy and operational missteps reflect a failure to communicate effectively across development and peace channels.

Today's shocks, chief among them COVID-19, conflict and climate change, are long-term phenomena. As the fragility trends presented in Chapter 1 demonstrate all too well, these three Cs have overwhelmed the traditional domestic and international mechanisms for crisis response and recovery. While the donor community has responded with historically high volumes of ODA to fragile contexts, the share of total ODA is smaller than in the past, and in extremely fragile contexts a larger share is going to humanitarian rather than development or peace purposes.

This chapter analyses the current state of responses to fragility in an age of compounding and concurrent crises and reviews ODA trends as well as how, where and in what proportion ODA is being spent, in addition to the challenges of responding to fragility in middle- and low-income contexts. It then looks at policy and programming responses to the socioeconomic impacts of recent shocks, focusing on two key issues that will define the trajectory of development co-operation in fragile contexts for the foreseeable future: climate and the environment and the links between development and peace.

The multidimensionality of fragility and the diversity of fragile contexts require cohesive development and peace responses from international and local actors to mitigate both the occurrence of risks and the consequences of risks that inevitably occur. Environmental fragility is now central to development partners' policy in most if not all fragile contexts and will drive demand for additional resources. At the same time, the divide between peace and development policies is deeply problematic. Addressing communication is the first step to overcoming this challenge. As noted in Chapter 1, responses to economic fragility or state fragility are often central to effective actions, but they are rarely if ever enough on their own.

Complex fragility and crises are reshaping financial responses to fragility

Official development assistance is one of the most salient ways in which OECD members and other countries support fragile contexts. Historically, ODA has been a stable and predictable resource for fragile contexts, and it is critical especially for extremely fragile contexts, where it often dwarfs other financial flows. In terms of volume, ODA was seven times greater than foreign direct investment (FDI) and more than three times greater than remittances across the 15 extremely fragile contexts. This section focuses on the scale and use of ODA in fragile contexts by DAC members and others, evaluating this response against the backdrop of fragile contexts' own efforts and resources to respond to the fragility and shocks they experience.

Donors responded to global shocks with increased volumes of official development assistance

The financial response of the donor community to the shocks and fragilities of the last two years broke records in 2020. Net ODA to fragile contexts from all development co-operation providers, including outflows from multilateral institutions, reached USD 91.4 billion in 2020, the highest volume ever. Within that total, DAC members' ODA to fragile contexts totalled USD 61.9 billion and accounted for 60% of their country allocable aid. This is the highest volume since 2006 and represents a 5% increase from 2019. This historic response occurred even as humanitarian appeals continue to consistently exceed funding.

However, while the volume of ODA going to fragile contexts from all donors is at an all-time high, this reflects a broader surge in ODA more generally in response to COVID-19 rather than a specific focus on fragility

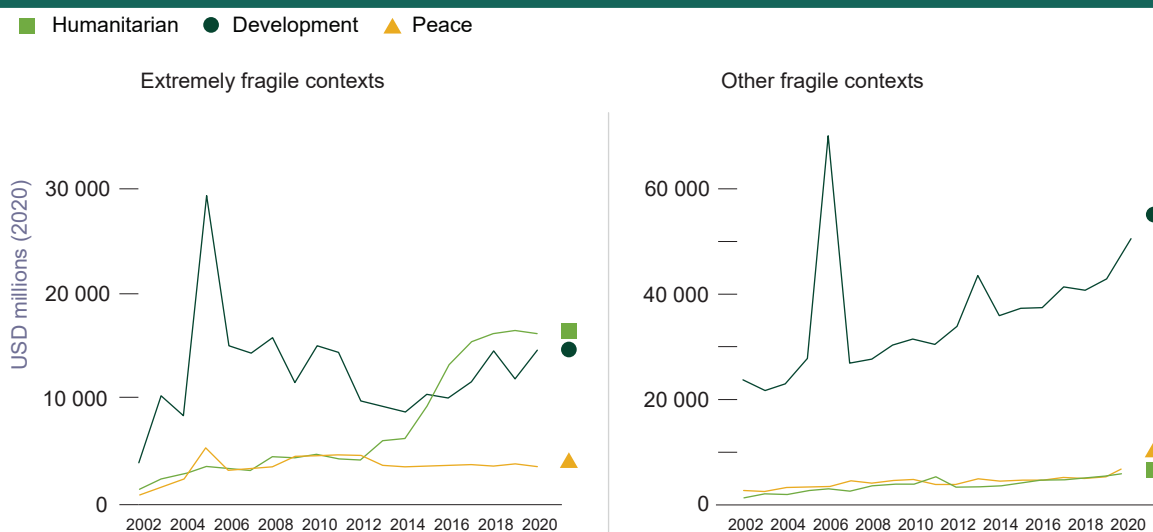
(Figure 2.1). In fact, the proportion of DAC ODA going to fragile contexts has declined by three percentage points from 2019 and is the lowest share since 2016. In light of today's crises, it is vital for DAC members to continue to strive to protect their aid to fragile contexts (Infographic 2.1). ODA remains a critical resource, especially in extremely fragile contexts and particularly in areas important for response and recovery such as social sectors, food security, and peace and prevention.

There is a risk of assistance tipping towards protracted humanitarian needs and away from development and peace objectives. In 2020, 63% of DAC members' gross bilateral ODA to fragile contexts went to the development pillar of the humanitarian-development-peace (HDP) nexus, 25% to humanitarian objectives and 12% to peace objectives¹ (Infographic 2.1). DAC members' aid to peace in fragile contexts declined by 19% from 2010 to 2020. In the same period, humanitarian assistance increased by 57%, with extremely fragile contexts receiving the largest share. Of DAC members' country allocable aid, 4% went towards conflict prevention, a subset of peace ODA. This

means that for every dollar invested in prevention, six dollars went to humanitarian assistance, even though the business case for prevention is clear and significant: Every dollar for prevention now can save 16 dollars down the road (OECD, 2020_[2]).

The speed of COVID-19 responses and the need to reallocate funds to meet the crisis have reinforced an existing trend towards the use of funds for humanitarian rather than development or peace responses, especially in extremely fragile contexts. Humanitarian action is itself a critical component in global resilience, preserving human life and dignity. But it is neither built nor designed to support, on its own, longer-term reductions in risk and sustainable increases in coping capacities. Currently, humanitarian needs are constantly rising, putting enormous pressure on humanitarian budgets and system capacity. Against this backdrop, the ever-more-frequent resort to a humanitarian assistance modality to meet people's needs is concerning, as this sacrifices investment in peace and development to emergency responses to human needs in crises that almost always extend over decades (World Food Programme, 2022_[3]).

Figure 2.1. The recent surge of all donors' official development assistance to fragile contexts, and particularly extremely fragile contexts, is targeted towards the humanitarian pillar of the triple nexus



Source: OECD (2022_[1]), "Creditor Reporting System: Aid activities", <https://doi.org/10.1787/data-00061-en>.

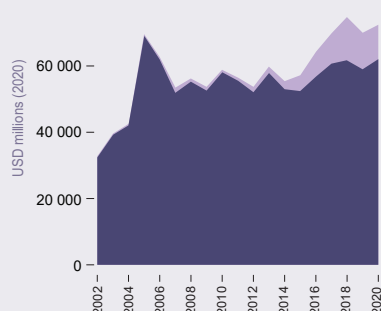
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Infographic 2.1. Official development assistance to fragile contexts

ODA to fragile contexts accounted for 60% of Development Assistance Community (DAC) members' country-allocable aid, or USD 62 billion.

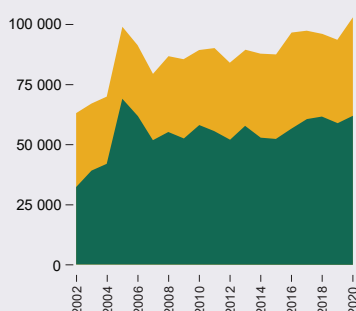
ODA from development co-operation providers to fragile contexts

DAC members Non-DAC countries



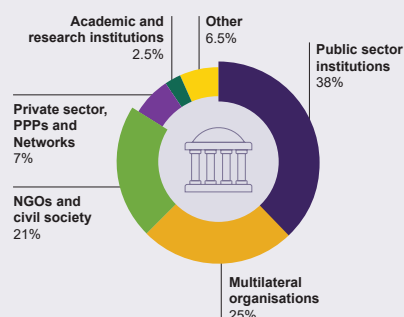
DAC members' ODA to fragile contexts and the rest of the world

Fragile contexts Rest of the world



ODA to fragile contexts (2020), by channelling institution

Most of DAC members' ODA (84%) is channelled through public sector institutions, multilateral organisations and Non-governmental organisations and civil society.

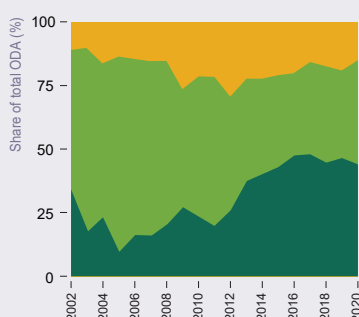


ODA across the humanitarian-development-peace (HDP) nexus

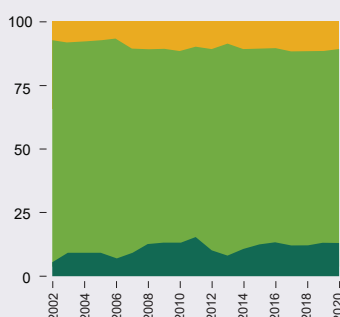
In 2020, ODA to conflict prevention amounted to 7% of DAC members' total ODA in extremely fragile contexts and 2% of their ODA in other fragile contexts. Across the HDP nexus, 63% of their gross bilateral ODA to fragile contexts went to the development pillar; 25% to humanitarian; and 12% to peace.

Extremely fragile contexts

Humanitarian Development Peace



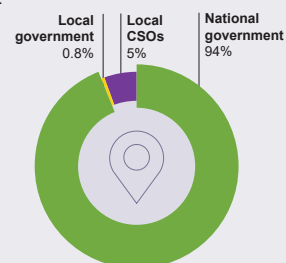
Other fragile contexts



ODA to fragile contexts for localisation (2020)

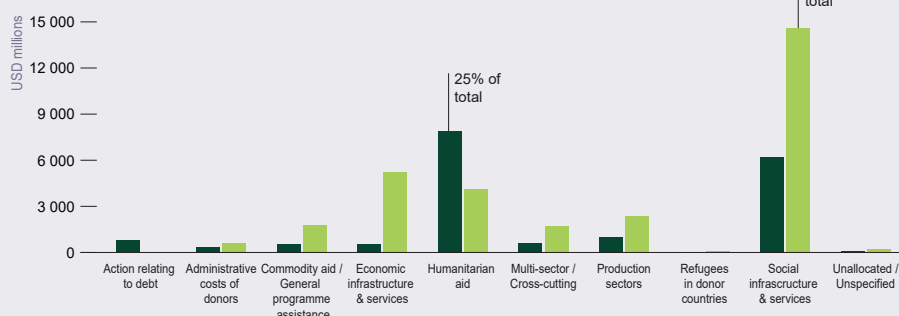
In 2020, DAC members allocated USD 14 billion of their country-allocable ODA as localised ODA – indicating channelled through developing-country-based NGOs, subnational and national governments.

Less than 1% of this ODA was channelled through subnational governments, while around 5% was channelled to developing-country-based NGOs.



ODA across sector categories (2020)

Extremely fragile contexts Other fragile contexts



The social infrastructure and services sector received the most DAC ODA in 2020, at USD 21 billion, or 43% of the total.

ODA to the humanitarian sector, the second-largest sector category overall and the largest in extremely fragile contexts, amounted to USD 12 billion, or 25% of the total – a historic peak in terms of volume.

Source: OECD (2022₁₁), "Creditor Reporting System: Aid activities", <https://doi.org/10.1787/data-00061-en>.

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In 2020, two-thirds of DAC ODA was bilateral, and one-third was given as core contributions to multilateral organisations. DAC donors spent USD 13.8 billion of their country allocable ODA as localised ODA – that is, ODA channelled through developing country-based non-governmental organisations and subnational and national governments. This aid has increased over the last five years but is focused more on other fragile contexts than in extremely fragile contexts. Most of this ODA is channelled through national governments, with less than 1% channelled through subnational governments and about 5% channelled to developing country-based non-governmental organisations (OECD, 2022_[11]).

By sector, social infrastructure and services received the most DAC ODA in 2020: USD 20.8 billion, or 42.6% of the total. ODA to the humanitarian sector, the second-largest sector category, amounted to USD 12 billion, a historic peak in terms of volume and 24.6% of the total. Economic infrastructure and services, the third-largest sector, received USD 5.8 billion, or 11.8% of the total; the production sectors received USD 3.4 billion, 6.9% of the total. Multi-sectoral and commodity aid and general programme assistance each received USD 2.3 billion, or 5% of the total. DAC donors spent USD 960 million on administrative costs, accounting for 2% of the total, which was a slight decline from the historical peak of USD 1.05 billion in 2019 (OECD, 2022_[11]).

Inclusive, legitimate institutions remain central to exiting fragility

As the diversity of contexts on the 2022 fragility framework demonstrates, addressing fragility, building durable coping capacity and supporting contexts' own efforts to exit fragility require multidimensional approaches. Yet such approaches must also consider the fragility of the state through analysis of governance, the political economy surrounding the state, how the state relates to citizens and how it finances itself.

The central role of inclusive national leadership, discourse and institutions is well

established in development effectiveness policy (Global Partnership for Effective Development Co-operation, 2022_[4]), reflecting a substantial strand of economic development literature on the importance of political economy and political institutions (North, 1990_[5]; North, Wallis and Weingast, 2009_[6]; Besley and Mueller, 2021_[7]). One common thread throughout this academic and applied policy research is the importance of fragile contexts themselves driving their own exit from fragility in order for it to be sustainable.

Fragility should be seen as broader than simply traditional state fragility, nevertheless the role and nature of the state are central to either sustaining dynamics of fragility and conflict or finding opportunities to exit fragility and conflict. National leadership can be challenging in contexts with limited state legitimacy or institutional capacity, and state dynamics also inform modalities for working with development partners. Civil society and the private sector are important contributors to this national leadership and institution building. Deciding on which local partners to engage with requires a good understanding of the political dynamics at play. In some contexts, national priorities may not be in line with SDGs and state institutions can lack international recognition or are not perceived as representing the whole of society. In such cases, interventions to achieve SDG targets or the imperative to leave no one behind may be incompatible with the effectiveness principle of country ownership. In partnership with Chatham House and the Center on International Cooperation, New York University, with support from Sweden's Ministry of Foreign Affairs, the OECD is undertaking work on the potential for development co-operation in such politically-constrained environments.

Recent OECD research on 124 ODA-eligible contexts shows that, globally, the number of contexts that both receive ODA and are classified as autocratic increased from 68 in 2010 to 75 in 2019, with 57 of these classified as electoral autocracies (OECD, 2022_[8]). Electoral autocracies reflect a growing trend,

where “there are institutions emulating democracy but falling substantially below the threshold for democracy in terms of authenticity or quality” (Boese et al., 2022^[9]). Contexts with autocratic regimes absorb an increasing amount of ODA, up from 64% in 2010 to 79% in 2019, with more ODA, especially humanitarian ODA, going to contexts with closed autocracies. An OECD study of ODA by regime context shows that the regime type does not appear to weigh heavily on ODA allocations, but when a regime becomes more democratic it is generally rewarded with an increase in ODA (OECD, 2022^[8]).

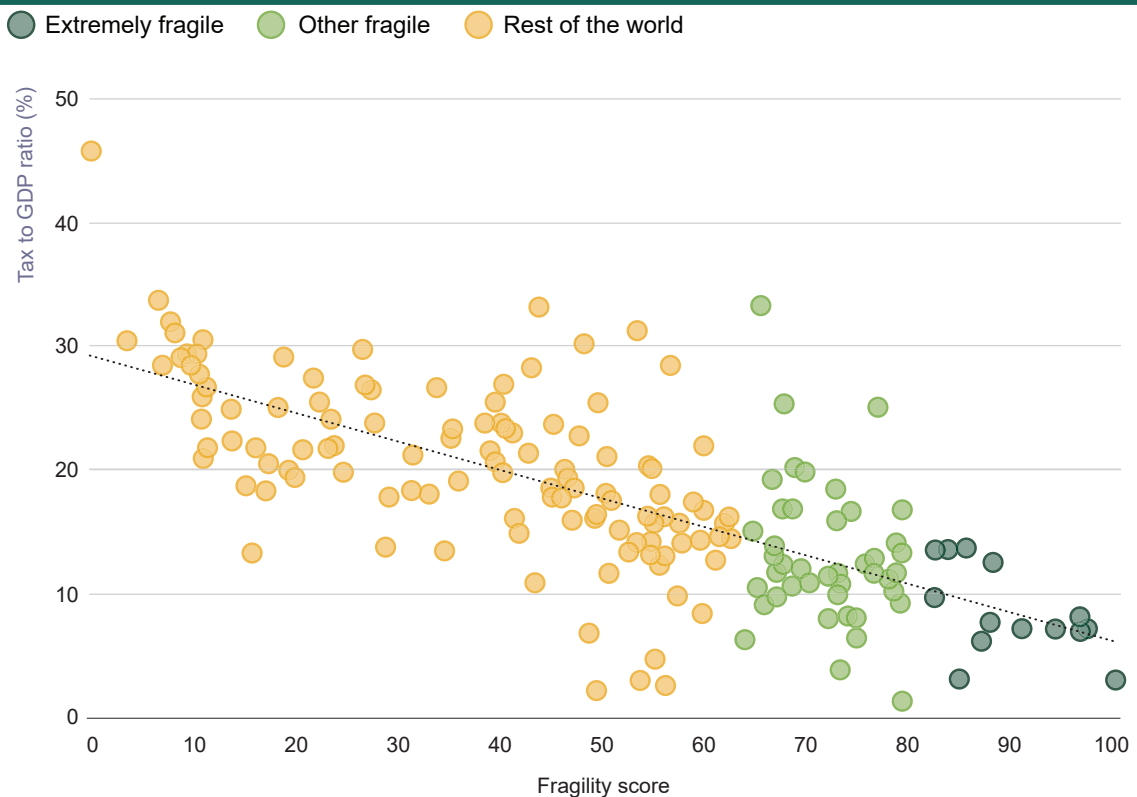
A key facet of state legitimacy and fragility is how the state finances itself. In 2020, DAC donors provided USD 106 million to 39 of the 60 fragile contexts to develop their tax policy and capacity (OECD, 2022^[11]). Developing a sustainable tax base is not only, or even primarily, about the money itself. It requires

developing the legitimacy of the state and its fiscal institutions, increasing taxpayers’ expectations of public services provided by the state, and strengthening the social contract and tax morale – citizens’ willingness to financially support their government (OECD, 2019^[10]; Besley and Mueller, 2021^[7]).

While stable economies may be able to choose between higher-tax approaches (e.g. Denmark) and lower-tax approaches (e.g. Singapore), in general, there is a strong link between fragility and tax-to-GDP ratios (Figure 2.2). This relationship holds true for each of the six dimensions of fragility independently (Thompson, 2022^[11]) as well as for the risk of conflict, with conflict risk dropping dramatically with increases in fiscal capacity (Besley and Mueller, 2021^[7]).

In the economic literature on resources available to states for investments in development and stability, tax revenues are considered the only means to achieve

Figure 2.2. Low tax-to-GDP ratios are linked to fragility



Source: WIDER (2021^[12]), *Government Revenue Dataset*, <https://www.wider.unu.edu/project/grd-%E2%80%93government-revenue-dataset>.

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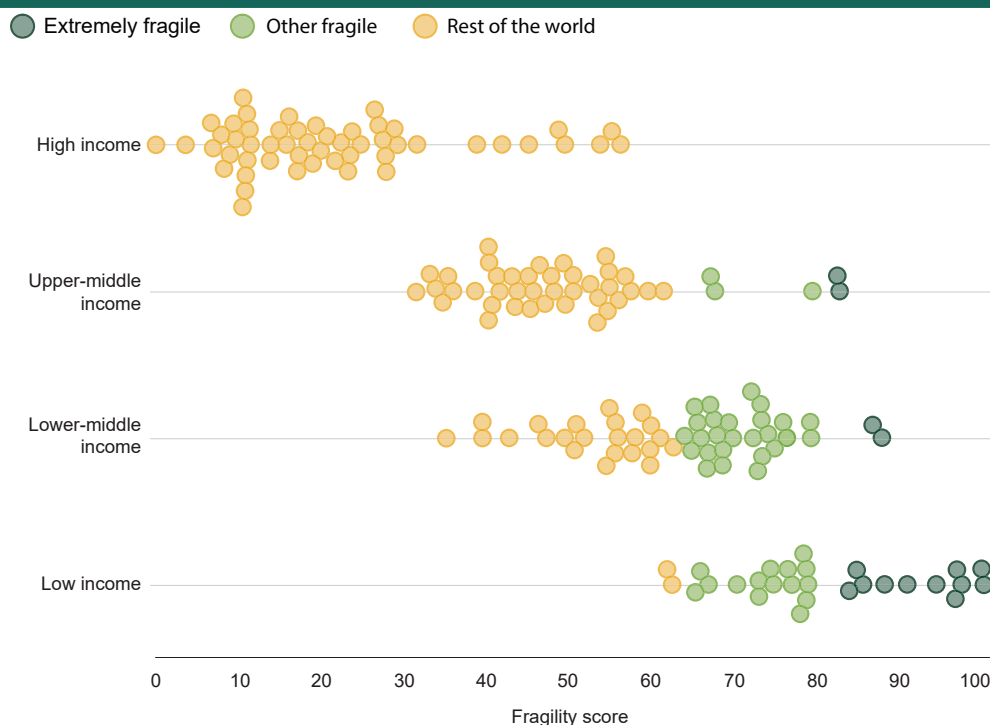
sustainable government financing and support inclusive governance over the long term (Thompson, 2020_[13]). There is evidence to suggest that other sources of revenue such as natural resource revenue and even ODA do not necessarily have the same effect and could even reduce the incentive to invest in fiscal capacity, along with the responsibility towards citizens that increased tax revenue implies (Besley and Mueller, 2021_[7]). Based on the most recent data available, only a third of the 43 fragile contexts that could be analysed have achieved a tax-to-GDP ratio of 15%, a widely accepted benchmark for effective state functioning and economic development (UNU-WIDER, 2021_[12]).

Beyond aid, fragile contexts' economic and financial resources are heterogeneous, with the risks of debt sustainability and food price affordability increasingly common

Fragility is often seen as synonymous with low income and poor economic

outcomes. The OECD fragility framework recognises these links by measuring risks and coping capacities for external shocks and endogenous challenges to households, businesses and the macroeconomy. Based on the 2022 OECD framework, the number of middle-income contexts that are fragile has increased. Middle-income fragile contexts (33) now outnumber low-income fragile contexts² (26), a trend that was already noted in *States of Fragility 2020*, when 30 of the fragile contexts were middle income and 27 were low income. While fragility remains broadly correlated with income and economic performance, there are lower-middle-income economies and even upper-middle-income economies among the extremely fragile contexts (Figure 2.3). However, the three middle-income fragile contexts added in 2022 all entered the framework for the first time, suggesting that their fragility scores reflect better measurement of risks and coping capacities rather than the growth of fragile contexts into a higher income classification.

Figure 2.3. Fragility is not limited to low-income economies



Source: World Bank (2022_[14]), *World Bank Country and Lending Groups*, <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519>.

There are now more middle-income than low-income fragile contexts.

The prevalence of middle-income fragile contexts presents new challenges in terms of funding sustainable transitions out of fragility. Many of the ODA funding mechanisms to respond to fragility have eligibility criteria that are linked to low income – including through the International Monetary Fund (IMF), multinational development banks and other international finance institutions – and bilateral donors tend to prioritise low-income recipients for their grant financing or concessional lending terms. Thus, such income-based eligibility criteria may make it difficult for middle-income fragile contexts to access concessional finance even though a transition to middle-income status does not necessarily mean a country faces different or lesser challenges (di Ciommo and Sergejeff, 2021_[15]). Indeed, challenges such as subnational violence, conflict spillover and debt distress remain.

Steps to reinforce coping capacities and reduce risks can go well beyond aid-funded interventions, especially in more stable fragile contexts. Effective interventions to develop the domestic private sector and encouraging international investment in line with the Kampala Principles³ are two components of this picture. The domestic private sector is often a critical and continuing supplier of goods and services even when instability prevents access for humanitarian and development providers. But fragile contexts are often limited in their access to finance and to a regulatory environment, as well as in the development of their domestic private sectors (Thompson, 2020_[13]). They tend to attract less FDI in general than other developing countries, risk crowding out by the public sector and can be at risk of capital flight. As shown in Figure 2.4, FDI to fragile

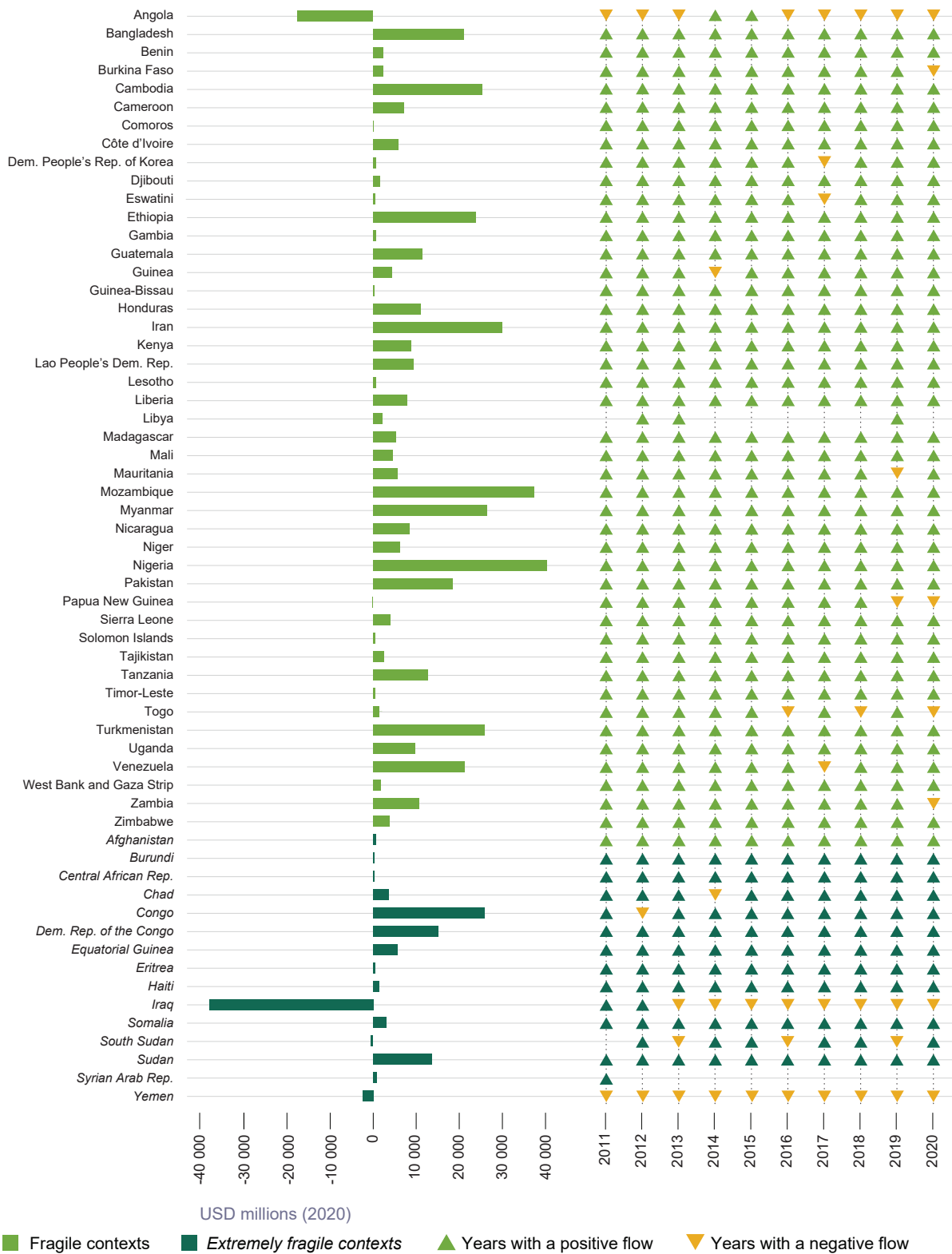
contexts has varied considerably year to year, with significant outflows since 2011.

One financial coping capacity that has held up remarkably well over the last two years is remittances. Though large remittance flows are sometimes viewed negatively as a sign of dependence on external financing, they can serve as a coping capacity as they tend to be countercyclical sources of foreign revenue. At the household level, remittances can help sustain nutrition levels and shore up human capital by paying for health care or school fees (Marcelin, 2020_[17]; Thompson, 2022_[11]).

There are notable exceptions to the resilience of remittances through the pandemic, among them Haiti, Iraq and Niger (Figure 2.5). Among all fragile contexts on the 2020 edition of the fragility framework, Haiti was the top recipient of remittances as a share of GDP, with remittances making up over 35% of GDP in 2019 (OECD, 2020_[2]). In 2020, however, flows to Haiti decreased by more than 13 percentage points as a result of the loss of employment due to COVID-19 lockdowns in major remittance-sending countries and increases in transfer costs (World Bank, 2022_[18]).

The international community has worked hard to address many aspects of remittance transfer pricing, especially through shifts away from cash and towards digital channels (Global Partnership for Financial Inclusion, 2021_[19]). But there has not yet been a focus on fragile contexts. The cost of transferring remittances to fragile contexts remains stubbornly high relative to other developing contexts (Thompson, 2020_[13]), since financial services may not be well-developed, compliance with regulation such as anti-money laundering and counter-terrorism financing legislation can be costly, and competition among formal intermediaries is often limited (Commodore, 2020_[20]).

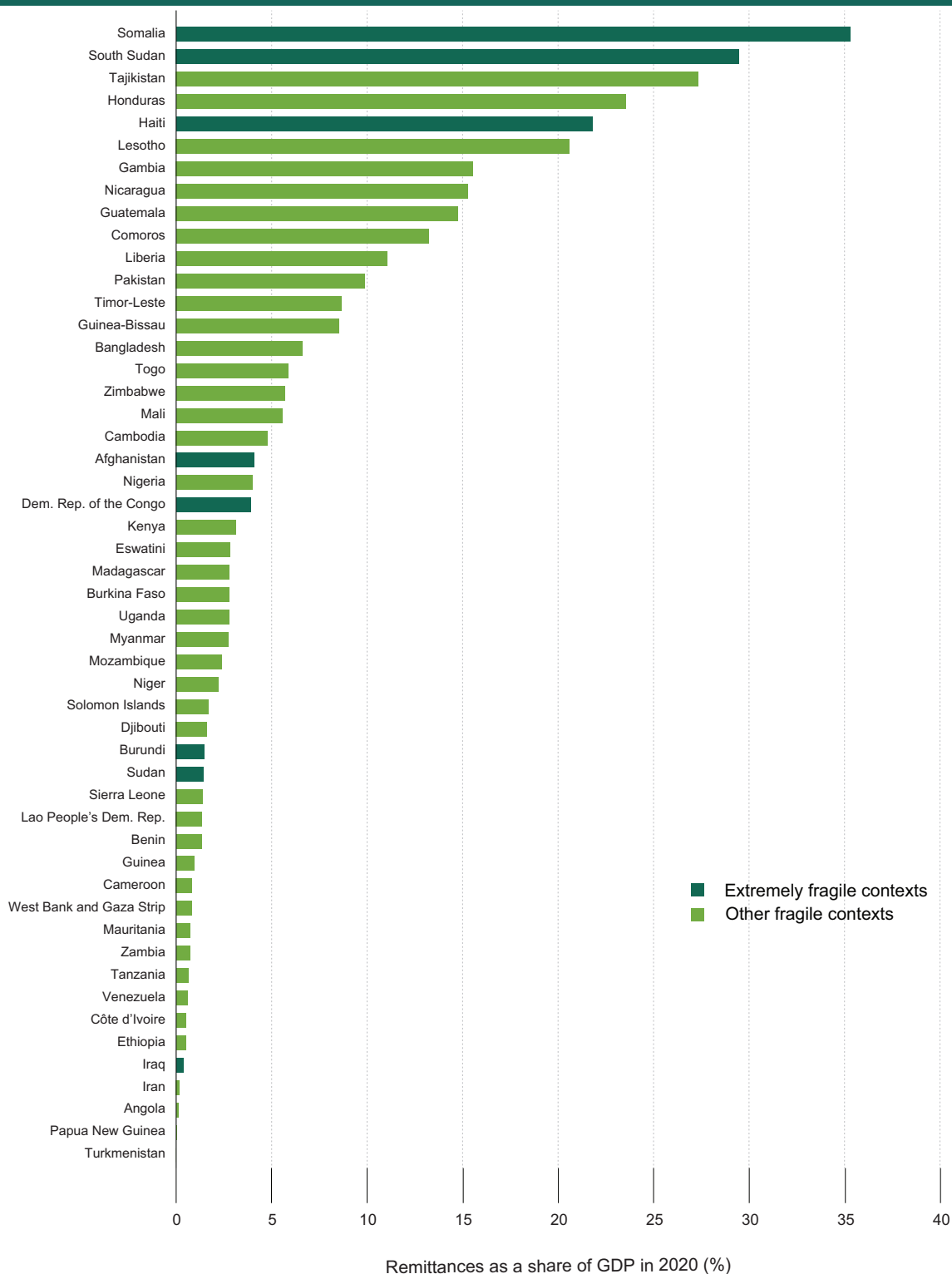
Figure 2.4. Foreign direct investment is highly variable in fragile contexts, with significant outflows between 2011 and 2020



Source: World Bank (2022₍₁₆₎). Foreign direct investment, net inflows (BoP, current US\$), <https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD>.

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Figure 2.5. Remittances still make up a significant proportion of GDP for some fragile contexts



Source: World Bank (2021_[21]), "Migration and Development Brief 35", <https://www.knomad.org/publication/migration-and-development-brief-35>

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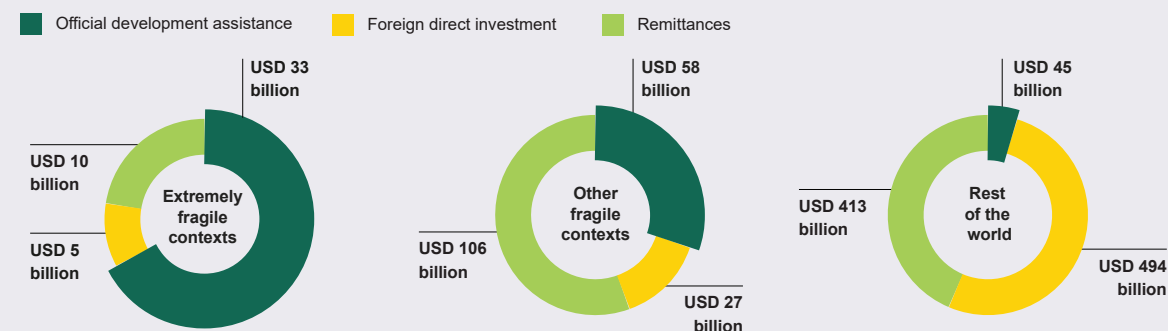
Two additional economic risks are converging to challenge fragile contexts, compounding existing fragilities: high debt exposures and inflationary pressures (Infographic 2.2). Inflation is now a high-profile concern across much of the world, fuelled in part by the effects of Russia's invasion of Ukraine. But it was already a preoccupation in some fragile contexts where inflation had reached double or triple digits by 2020. Inflation in Zimbabwe, for instance, reached 99% in 2020, and inflation in eight other contexts was between 10% and 27% (World Bank, 2022^[22]). High global inflation may exacerbate economic risks beyond the immediate impacts on food prices and food security. As countries with the ability to do so increase their benchmark interest rates in response to high inflation, this increases the attractiveness of interest-bearing investments in these countries and so may lead to capital leaving developing and fragile context economies. Supply chain disruptions and market turmoil due to COVID-19 and Russia's invasion of Ukraine have negatively impacted the economies of many fragile contexts,

though energy exporters have, to a degree, benefited from high prices.

The cost-of-living crisis facing households in many fragile contexts is hitting at the same time as governments' fiscal buffers are eroded, reducing coping capacities further. There is evidence to suggest that even when contexts have the ability to spend to support their populations through such shocks – for example, with support from donor partners – this kind of spending may be less effective as a fiscal stimulus if fiscal buffers are low (Huidrom et al., 2022^[23]). Debt trends are of significant concern for fragile contexts and their partners. Already in 2020, ratios of debt to gross national income trended upwards towards the levels experienced prior to the debt relief provided under the heavily indebted poor countries (HIPC) and multilateral debt relief initiative period of the mid-2000s (Figure 2.6). There is every indication that debt will continue to rise and reach a critical juncture for many fragile contexts, even as high-profile policy responses such as the Group of Twenty's (G20) Debt Service Suspension Initiative come to an end.

Infographic 2.2. Economic and financial risks in fragile contexts

Developing countries face a very different financing mix based on their level of fragility, as well as income.

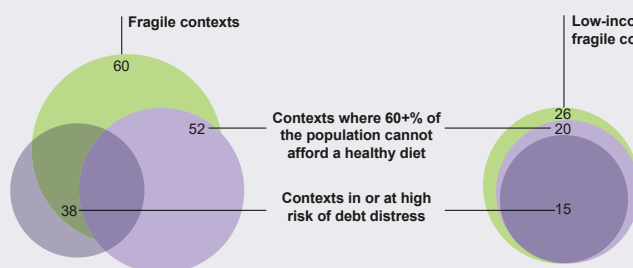


- Fragile contexts account for 24% of the global population, but only around 3% of the global economy. This is reflected in the lack of access to international private finance: **Extremely fragile contexts received less than 1% of FDI to developing countries and territories in 2020, while other fragile contexts received around 5%.**
- Fragile contexts are often heavily reliant on ODA: On a per capita basis, **extremely fragile contexts receive 2.4 times as much ODA as other fragile contexts and 9.5 times as much as other developing countries.** A significant proportion of this is humanitarian aid, and operating costs can also be high.
- Dependence on remittances has grown over time. **Over 1/3 of fragile contexts received remittances of over 5% of GDP in 2020**, such as Somalia (35%), South Sudan (30%), Tajikistan (27%) and Honduras (24%).

Financial risks are increasing, and coping capacities decreasing, at both the national and household levels at the same time.

All fragile contexts

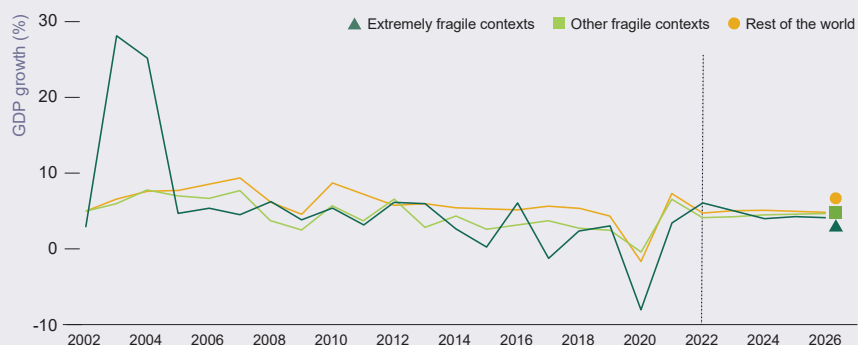
Among economies where 60% or more of the population are unable to afford a healthy diet, 2/3 of those are fragile contexts and at least 1/3 are both fragile and either in or at high risk of debt distress.



Low-income fragile contexts

Among low-income economies, this overlap of risks is even more extreme. In contexts where 60% or more of the population cannot afford a healthy diet, 9/10 are fragile contexts and 1/2 of them are both fragile and either facing or already in debt distress.

Fragile economies are less diversified than other developing economies and are exposed to socioeconomic shocks.

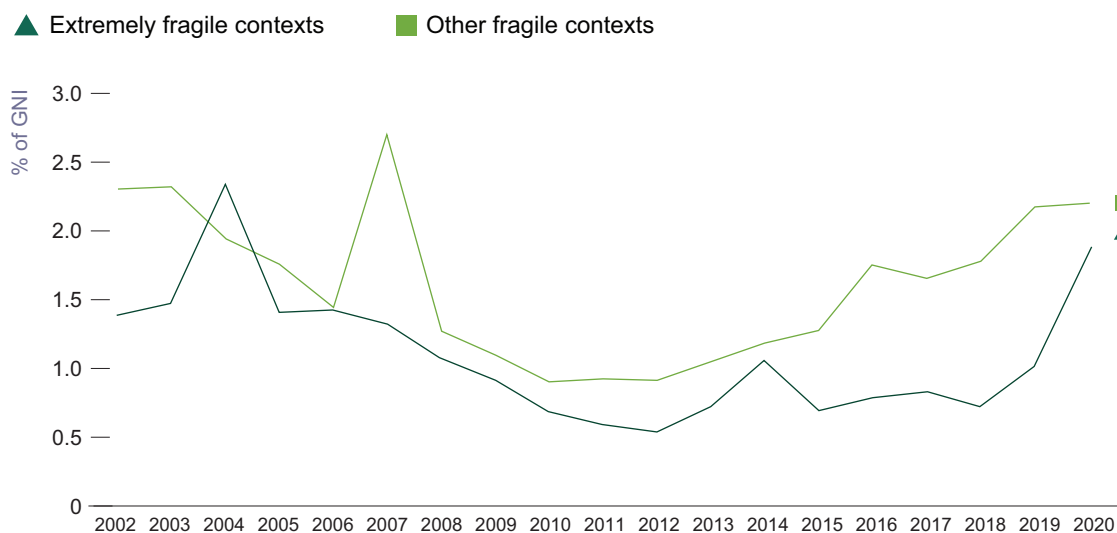


Compared to the rest of the world, the economies of extremely fragile contexts are more volatile, suggesting their vulnerability to shocks. From 2019 to 2020, for instance, **the weighted average of GDP growth in extremely fragile contexts fell from 3% to -8%.**

Note: Eritrea was added by authors to the List of LIC DSAs.

Sources: OECD (2022_[1]), *Creditor Reporting System: Aid activities*, 10.1787/data-00061-en; World Bank (2022_[16]), *Foreign direct investment, net inflows (BoP, current US\$)*, <https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD>; World Bank (2021_[21]), "Migration and Development Brief 35", <https://www.knomad.org/publication/migration-and-development-brief-35>; World Bank (2022_[29]), *Food Prices for Nutrition DataHub*, <https://www.worldbank.org/en/programs/icp/brief/foodpricesfornutrition#1>; World Bank (2022_[14]), *World Bank Country and Lending Groups*, [\[30\]\), *World Economic Outlook \(database\)*, <https://www.imf.org/en/Publications/WEO/weo-database/2022/April>.](https://datahelpdesk.worldbank.org/knowledgebase/articles/906519; IMF (2022_[27]),)

Figure 2.6. Debt-to-gross national income ratios are increasing towards pre-HIPC levels



Note: Estimates are based on an arithmetic mean of the fragile contexts within each group.
 Source: World Bank (2022_[24]), *External debt stocks (% of GNI)*, <https://data.worldbank.org/indicator/DT.DOD.DECT.GN.ZS>.

StatLink <https://stat.link/s017bv>

Looking ahead, a key question will be how to make the most of the extraordinary allocation of USD 650 billion special drawing rights (SDRs) that IMF governors approved as part of the pandemic response. These SDRs are allocated according to IMF members' shareholding, meaning that each member could use its SDRs as liquidity to support short-term foreign exchange needs such as debt repayment or vaccine procurement. Less vulnerable members, which tend to have larger shareholdings and so larger allocations, could look for ways to use their allocations to support the more vulnerable, whether directly or through collective mechanisms (Plant, 2021_[25]). The IMF, for example, recently established the Resilience and Sustainability Trust, which is structured to channel such SDRs into addressing global challenges such as climate change adaptation and pandemic preparedness that also bring macroeconomic risks to the individual member (IMF, 2022_[26]).

Of the 38 IMF members that are eligible to access the Poverty Reduction and Growth Trust and are at high risk of or already in debt distress⁴, 25 are also fragile contexts (IMF, 2022_[27]). Like other developing countries,

fragile contexts face more heterogeneous risks than during the pre-HIPC era, with debts owed to private and non-Paris Club lenders creating a more challenging environment for developing a common framework for resolving debt crises (Kose et al., 2021_[28]).

Policy responses need to span the dimensions of fragility

Development partners increasingly acknowledge the multidimensionality of fragility and consequently the need for tools, approaches and strategies to help navigate this multidimensionality and complexity. An example is the United States, the largest provider of ODA to fragile contexts in 2020, which has adopted a conflict prevention and fragility strategy that looks to “adopt a multi-pronged, multi-sectoral approach to strengthen the resilience of partner nations” (United States Department of State, 2020, p. 7_[31]). Other prominent partners in fragile contexts such as the European Union, Germany and the United Kingdom have followed suit in recognising multidimensional fragility (Desai and Yabe, 2022_[32]).

These developments have been supported by a series of policy commitments and legal instruments from the OECD DAC in recent years to foster better and more inclusive ways of engaging in development co-operation. For example, the DAC agreed three legal instruments in the past three years related to promoting coherence, complementarity and co-ordination across the HDP nexus (OECD, 2019^[33]); ending sexual exploitation, abuse and harassment (OECD, 2019^[34]); and enabling civil society in development co-operation and humanitarian assistance (OECD, 2021^[35]). Most recently, the DAC issued a landmark declaration on a new approach to align development co-operation with the goals of the Paris Agreement on climate change (OECD, 2021^[36]). Following the DAC declaration in 2022, the International Network on Conflict and Fragility (INCAF) adopted a Common Position on climate, biodiversity and environmental fragility that establishes four good practice principles for better knowledge, analysis, financing and strategies in response to environmental fragility (INCAF, 2022^[37]).

The discussion in this section builds on the principles behind these commitments, particularly on climate change, environmental fragility and the HDP nexus, to illustrate how development partners are engaging on critical issues that will shape the landscape of development co-operation in fragile contexts moving forward.

Policy responses need to build economic resilience while taking account of the ways economic channels can transmit shocks and fuel conflict

The experience of the last two years points to the economic dimension as an important transmission channel for shocks and an “arena of contestation” in its own right (UN/World Bank, 2018^[38]), especially as fragile contexts have become more integrated into the global economy (Thompson, 2022^[11]). The impacts of shocks on populations in fragile contexts can be devastating. The socioeconomic impacts of

COVID-19, for example, are widely recognised as much broader than simply the direct health impacts in fragile contexts (Connor, 2021^[39]). The pandemic-related global economic shutdown and Russia’s war of aggression against Ukraine swiftly reverberated in fragile domestic livelihoods and deepened food insecurity. As a consequence of the war and other factors driving down the global economy, growth in fragile contexts in 2023 is expected to decline by 0.45 percentage points in extremely fragile contexts compared to 0.08 percentage points in other developing countries (IMF, 2022^[30]; IMF, 2021^[40]).

There is increasing evidence of the links between economic, fiscal and conflict risks. For example, the risk of conflict drops dramatically with increases in fiscal capacity (Besley and Mueller, 2021^[7]). Control of the economy by elite groups may curtail development of an open and fair economic and business environment, increasing fragility and risks. Countercyclical policies in response to economic shocks can lower the risk of armed conflict, especially in Africa in more unequal societies and in countries with weak institutions (Alguirre, 2016^[41]). Deléchat et al. (2018^[42]) found that building resilience is significantly associated with the development of fiscal institutions, including the capacity to raise tax revenue, contain current spending, lower military spending and, to some degree, increase social expenditure.

The economic dimension can develop into a conflict fault line in its own right as groups fight for control of the economy, revenues, assets and economic institutions and where the development of entrenched war economies can incentivise the continuation of conflict and fragility. Yemen is an example of this dynamic: Economic competition between the Houthis in the north of Yemen and the internationally recognised government in the south has fragmented key economic institutions that control monetary policy, the currency, the financial sector and trade through the Red Sea port of Hodeida. Violent conflict in turn has significant and long-term consequences for human, physical and social

capital, which are the basis of functioning economies and livelihoods (Bendavid et al., 2021^[43]). For example, if Yemen's conflict continues through 2030, its GDP is projected to be a third of what it would have been absent the conflict (Hanna, Bohl and Moyer, 2021^[44]).

Revenues and assets of all kinds can create additional incentives to contest and capture state authority and territorial control, in particular natural resource revenues and quasi-taxation. An example is the reaction to the discovery in eastern DRC of deposits of Coltan, a bulky ore consisting of the rare earth minerals columbite and tantalum that is in high demand for electronics and with a bulky output that is difficult to conceal. This led non-state armed actors to create illicit customs and protection rackets at the mine sites; a similar discovery of gold led to illicit mining visas, tax-like payments and

administrations at the nearby villages where income is spent (de la Sierra, 2020^[45]). In Afghanistan, the Taliban takeover in 2022 was presaged by independent but linked state-like revenue collection systems. The tax-like payments included *ushr*, a tax on legal and illicit harvests, customs on the transportation of goods, and taxes on aid interventions (Amiri and Jackson, 2022^[46]).

The economic strains currently being experienced – unsustainable debt and increased food, fertiliser and energy prices – can have particularly significant impacts on living conditions for the poorest and for a middle class whose role is critical to a country's stability. The impacts of these strains have been felt over the last two years in Sudan and other fragile contexts as well as in some contexts not formally on the framework, notably Sri Lanka (Box 2.1).

BOX 2.1. SRI LANKA AND SUDAN ILLUSTRATE THE ECONOMIC CHALLENGES OF NAVIGATING OUT OF FRAGILITY

Sri Lanka is facing the worst economic crisis in its history

Sri Lanka is currently facing its worst instability since the Tamil Tiger insurgency that ran from the 1980s to the early 2000s and the worst economic crisis in its history. While not formally on the OECD fragility framework, Sri Lanka illustrates the challenges of successfully navigating out of fragility. Sri Lanka faced an unsustainable debt burden after taking on significant foreign loans to invest in infrastructure coming out of the civil war, a situation exacerbated by tax cuts aimed to shore up political support behind the then-prime minister, Mahinda Rajapaksa, who has since fled. Non-sovereign and non-Paris Club creditors hold a significant proportion of Sri Lanka's debt, making the process of finding workable solutions harder.

The macroeconomic turmoil was compounded by severe economic hardships as tourism ground to a halt due to COVID-19 and when the government decided to swiftly outlaw chemical fertilisers, which devastated the main export crop of tea. The debt crisis and resulting civil turmoil are having devastating impacts on the Sri Lankan population and are seen by many as an example of the kind of crisis that could occur in other countries facing similar pressures.

Political fragility has undermined a delicate economic transition in Sudan

Following protests in 2019 that drove long-time dictator Omar al-Bashir from power, Sudan had a window of opportunity as a country transitioning away from autocratic rule. That changed in October 2021, when the country's generals again seized control of the cabinet, ending a civilian-military power-sharing arrangement that was supposed to lead to elections. Even after al-Bashir's departure, the military continued to play a significant role in Sudanese politics and the economy, with its own sources of revenue independent of civilian control that reinforced its entrenched position.

One of the major challenges for the power-sharing agreement prior to the coup was to balance the budget in the context of 1) high fuel and food subsidies and 2) the country's limited access to development funding due to long-standing arrears with major lenders, and after 27 years on the United States' list of state sponsors of terrorism. After retaking political control, the military announced it will stand by the economic reforms originally negotiated with the IMF. But this will likely be significantly harder now. The coup has led to the freezing of significant ODA packages and debt forgiveness, and spiralling food and fuel inflation is increasing hardships on the Sudanese population, threatening social unrest.

Sources: Salikuddin (2022^[47]), *Five Things to Know about Sri Lanka's Crisis*, <https://www.usip.org/publications/2022/07/five-things-know-about-sri-lankas-crisis>; (UN, 2022^[48]), "Sri Lanka: UN experts sound alarm on economic crisis", <https://www.ohchr.org/en/press-releases/2022/07/sri-lanka-un-experts-sound-alarm-economic-crisis>; Devarajan and Kharas (2022^[49]), "Is the Sri Lankan debt crisis a harbinger?", <https://www.foreignaffairs.com/sri-lanka/sri-lankan-debt-crisis-harbinger>; International Crisis Group (2022^[50]), *Sudan: Toward a Reset for the Transition*, <https://www.crisisgroup.org/africa/horn-africa/sudan/sudan-toward-reset-transition>; Abdelaziz and Abdalla (2022^[51]), "Sudan's economy sinks as post-coup leadership searches for support", <https://www.reuters.com/article/us-sudan-economy-idAFKBN2010Y9>.

These challenges underscore how important and also how challenging it is to develop tailored, conflict-sensitive approaches to achieve macroeconomic stability, de-instrumentalise economic institutions as conflict fault lines, and support household incomes. Further exploration is needed of development co-operation as an agent of positive change in the economic dimension, especially since there is the risk in some instances that aid could itself become a resource that reinforces conflict dynamics or reduces the incentives towards development of domestic institutions (Besley and Mueller, 2021^[7]; Amiri and Jackson, 2022^[46]).

While technical, this work must also be tailored to the needs and conflict dynamics of fragile contexts as part of implementing the HDP nexus. Contrary to the usual slower pace of development activities, economic interventions in fragile contexts and situations can be urgent; they can also be necessary prior to full stabilisation and undertaken in difficult operating environments. Such interventions require pragmatic and incremental scaffolding of policy and institutional reforms that prioritise demonstrable wins over analytical perfection as well as a higher risk tolerance than is traditionally seen. It is an encouraging recent trend that international finance institutions are adopting fragility strategies, among them the World Bank, IMF and regional development banks (ADB Independent Evaluation Department, 2022^[52]). Also encouraging is the economic track of peace processes, for instance in Yemen, to identify shared incentives and the potential economic basis of peace (UN, 2022^[53]). It will be important for development and peace actors to share lessons from these experiences as they move forward.

Equally important will be to include support for fragile context voices in the international economic architecture to reflect their priorities and concerns in policy development, similar to what was called for through the

2022 INCAF Common Position on climate, biodiversity and environmental fragility.

Addressing climate change and environmental fragility will be a permanent feature of operating in fragile contexts

Fragile contexts are often heavily exposed to the effects of climate change and other sources of environmental fragility that threaten human security, built infrastructure and livelihoods and that disrupt social and economic activity. Fragile contexts' progress towards meeting Sustainable Development Goals 12 and 13 likely reflects their very limited contribution to climate change due to low levels of economic growth and/or consumption and low climate emissions, though they face very high risks and possess very low capacities to cope with the effects of climate change and environmental fragility.

Climate change, biodiversity loss and environmental degradation fuel fragility. In turn, fragility makes it hard to adapt to climate change, reduce and manage climate-related risks, and cope with the impacts of biodiversity loss and environmental degradation. Mitigating and adapting to climate change, addressing loss and damages, and dealing with other sources of environmental fragility will require actions that are balanced and informed by efforts to focus on the root causes of fragility. While they are lower emitters of greenhouse gases, fragile contexts nevertheless have extremely high adaptation and other environmental fragility needs and will often feel the impact of losses and damages more keenly than other countries since they are starting with a lower resource base and thin buffers against shocks.

The revision of the OECD fragility framework, outlined in Chapter 1, aimed to ensure that the cross-cutting nature of environmental fragility is accounted for in understanding fragility. The new indicators

address ecological and resource-related risks to environmental integrity and human lives as well as the coping capacities to tackle such risks. Two main clusters of issues are considered:

- The category of climate and ecological integrity captures the exposure to and impact of climate and ecological risks and a country's ability to adapt and respond to such risks, focusing on the impact of environmental conditions on humans.
- The category of food, water and natural resources accounts for the level of sustainability of the human system in benefiting from environmental services and focuses on human activities that benefit from and/or exploit the environment.

This updated evidence on how climate and environmental fragility links to the other dimensions of fragility feeds into how climate and environment-related financing and programming trends are understood, which then informs policy responses. It is important not just to increase climate and environment-related financing in fragile contexts but also to tailor such financing in terms of programming, instruments, preparedness for shocks and losses, and links to policy. This means looking at how donors are supporting a range of climate and environmental objectives and ecological integrity beyond simply mitigating climate change. It also means considering how populations interact with their environment to generate livelihoods (economic dimension), control resources (political dimension), or support food security and nutrition (human dimension). Evidence is also increasing on the interlinkages between environmental degradation, climate change impact, negative financial shocks and conflict.

In general, climate change and environmental fragility are not yet as much a priority for financing and programming in fragile contexts as they are in other developing countries. As noted, only a small proportion of ODA to most fragile

contexts has climate mitigation or adaptation objectives, and an even smaller proportion targets biodiversity and desertification. Across three of the four environmental objectives captured in the OECD dataset (biodiversity, climate adaptation and climate mitigation), this proportion is lower across fragile contexts than in other developing countries.

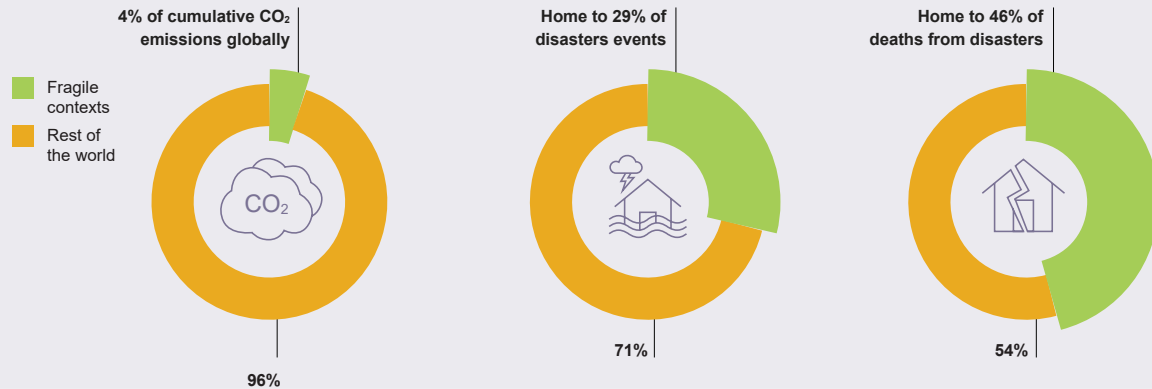
There is a volume gap in funding between fragile and other developing countries, but the most significant gap is between fragile and extremely fragile contexts: In the latter, the volume and proportion of financing with an environmental objective or objectives have remained static over the last decade despite the fact that climate and other environmental risks continue to grow (Infographic 2.3). Other fragile contexts, by contrast, have continued to focus more of their ODA, both in volume and proportion, on environmental objectives. These contexts have even exceeded other developing countries in the proportion of ODA with an environmental objective, though this is mainly due to large increases in non-environmental ODA to other developing countries in recent years.

There are additional challenges to tailoring, accessing and mainstreaming financing for climate and environmental objectives in fragile contexts. Many of the dedicated climate funds require a nationally led process and can include relatively heavy access requirements. Governments often do not highlight climate change and environmental fragility as a priority or an integral part of national or urban development plans. Fragile contexts also present the challenges of so-called greening of humanitarian operations, conflict prevention, crisis management and response, and peacebuilding and the additional challenge of making reconstruction and development financing climate-smart as part of applying a fragility and conflict lens.

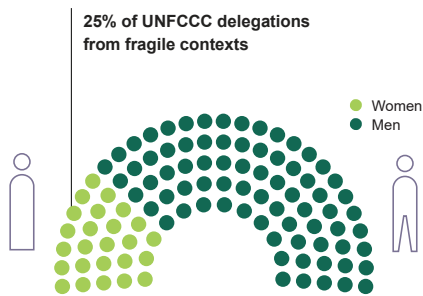
The increase in climate and environment-related ODA parallels an increased prevalence of loans (Infographic 2.3). The financing

Infographic 2.3. Climate and environmental fragility

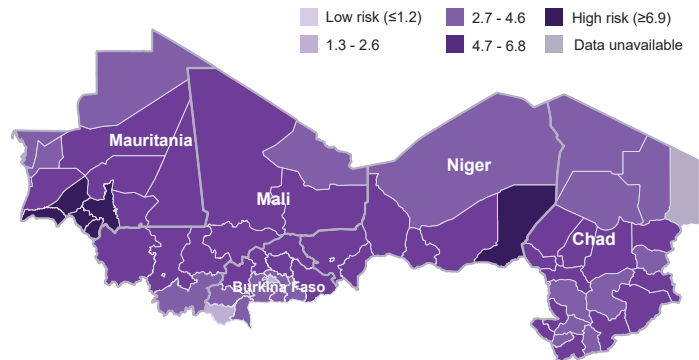
Fragile contexts are disproportionately affected by climate change and its consequences. They have accounted for 4% of cumulative CO₂ emissions globally, but they are home to 29% of all disaster events from 2019 to 2021 and 46% of deaths from these events.



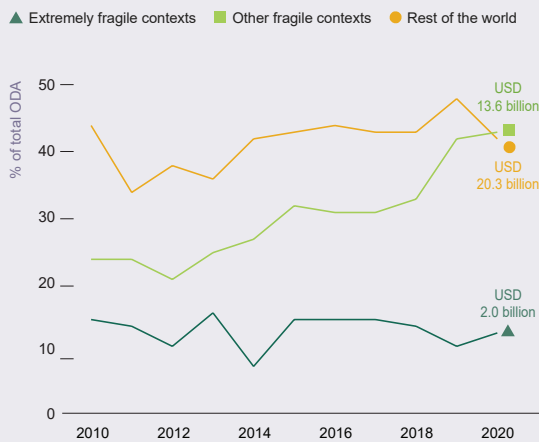
Women in fragile contexts are underrepresented in environmental policymaking. In 2019, they represented only 25% of UN Framework Convention on Climate Change (UNFCCC) delegations from fragile contexts.



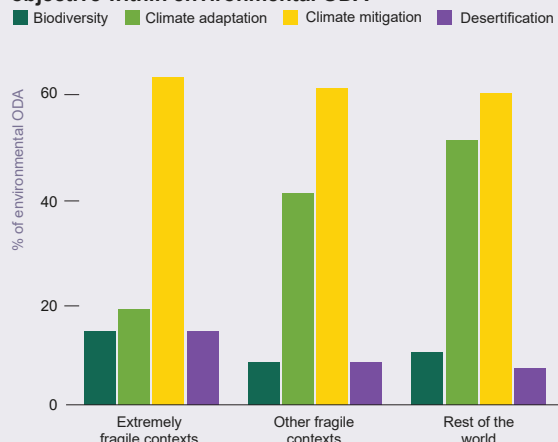
The Sahel region is highly exposed to natural hazard risks. Environmental fragility is closely linked to food insecurity, violence and other dimensions of fragility in the Sahel.



Proportion of environmental ODA in total ODA



Share of ODA marked with a principal or significant objective within environmental ODA



Source: Ritchie and Roser (2022^[54]), "CO₂ emissions", <https://ourworldindata.org/co2-emissions>; CRED/UCLouvain (2022^[55]), *EM-DAT Public - EM-DAT, the International Disaster Database*, <https://public.emdat.be/>; Gender Climate Tracker (2022^[56]), "Women's Participation on Party Delegations", <https://genderclimatetracker.org/womens-participation-party-delegations>; OECD (2022^[1]), *Creditor Reporting System: Aid activities*, 10.1787/data-00061-en; INFORM (2022^[57]), "INFORM subnational model of Sahel", <https://drmk.jrc.ec.europa.eu/inform-index/INFORM-Subnational-Risk/Sahel/moduleId/1798/id/383/controller/Admin/action/Results>.

StatLink <https://stat.link/9ciwv0>

tools used must be tailored to work in fragile contexts and support debt sustainability, especially for fragile contexts already facing fiscal difficulties. Much of the dedicated climate finance today is debt financing. For the middle-income fragile contexts, this has implications for the terms they could face. While the investments made can generate value for money in foregone costs – since upfront adaptation, for example, will likely be cheaper than responding to climate impacts down the road – they are not necessarily income-generating investments in a way that could contribute directly to the repayment of debt financing. There may be an opportunity to leverage any debt restructuring discussions to make progress on longer-term climate and ecosystems goals.

Inaction on prevention and poor communication are restraining progress where development and peace agendas overlap

Peace and security are both preconditions for development. But development is also vital for sustained security (OECD, 2008, p. 3_[58]). The declining peacefulness and significantly rising fatalities from armed conflict in fragile contexts discussed in Chapter 1 only underscore the importance of the peace pillar of the HDP nexus. This is embodied in the adage at the heart of the DAC Recommendation on the Humanitarian-Development-Peace Nexus: “Prevention always, development when possible and humanitarian when necessary”. Working effectively in fragile contexts thus entails finding coherence across humanitarian, development, and peace and security activities (World Bank, 2011_[59]). In practice, this coherence has proved difficult to establish. In each fragile context, there is a changing and diverse constellation of aid channels, donors and policies. When analysed alongside regional or context-level fragility, this mix often highlights imbalances and blind spots (Figure 2.7).

Development partners are still slow to act on the potential of prevention

The flagship Pathways for Peace report argued that it is vital for external actors to focus on building the capacity of local actors to achieve the goal of sustaining peace (UN/World Bank, 2018_[38]); this is particularly important for the most vulnerable groups in society (World Bank Group, 2017_[60]). It is equally important to consider the politics of such local actors, who will differ in their incentives to pursue peace (Marley, 2020_[61]). For violent contexts, this highlights the value of approaches such as political settlements analysis that look at national, local and sector-based settlements, with focused attention on the relationships between these types of settlements (Di John et al., 2017_[62]). The application of tools such as political settlements analysis also offers valuable opportunities to consider the politics of prevention, especially in societies that rely on customary and informal systems to build incentives for peace (Desai, 2020_[63]). This is significant in light of a recent analysis of early warning and action models that shows that increases in peace and security ODA only come late in conflict cycles and that donors do not use governance aid as a tool for conflict prevention (Mueller, Rauh and Ruggieri, 2022_[64]). While further research is needed, these findings suggest that peace and development actors do not take opportunities for early prevention against drivers of crises and conflict in many fragile contexts. The modesty of the response from development and peace partners to the recommendations of the *Pathways for Peace* report arguably points to a more fundamental weakness – inadequate or ineffective communication among development, peace and security actors on strategy and approaches, and building awareness of their respective activities’ impact on others in a shared space.

Communication shortfalls are driving incoherence

Experience from Afghanistan illustrates the consequences of a lack of communication or

Figure 2.7. DAC members' official development assistance (across the triple nexus) is not associated with levels of fragility



Source: OECD (2022_[1]), *Creditor Reporting System: Aid activities*, <https://doi.org/10.1787/data-00061-en>.

StatLink <https://stat.link/k7nrul>

ineffective communications (underlying the lack of coherence) between the development and peace pillars of the triple nexus. These pillars are linked in often underestimated and underappreciated ways (Forsberg, 2020_[65]). A recent meta-analysis that identifies gaps between peace, security and development found that interventions associated with security and justice in Afghanistan were less

effective than development-related activities over a 20-year period, while stabilisation projects were “mostly ineffective” (Zürcher, 2020_[66]). The Afghan government’s objective of “improving domestic revenue collection, and improving efficiencies through preventing corruption, misuse of funds and strict spending monitoring mechanisms in the security sector” (Islamic Government

of Afghanistan, 2017_[67]) crumbled within a wider failure to address governance and institutional capacity (Zürcher, 2020_[66]).

From Afghanistan to the Sahel, these failures to communicate effectively across development and peace channels produce blind spots that undermine analysis, connections and complementarities between peace, security and development policy responses. A variety of factors compound this dynamic: diverse and fragmented funding approaches by donors; failure to address the intersections between security and development issues, for example, reflected in the lack of progress with the women, peace and security agenda (Banjo, 2022_[68]); insufficient state capacity to manage funding; disconnected political processes; and disagreements and confusion over the strategic purpose of often-segregated peace, security and development processes. All bear the hallmark of weak or insufficient communications at several levels and especially at the highest where strategic coherence among development and peace partners is often lacking (Special Inspector General for Afghanistan Reconstruction, 2021_[69]).

Analysing multidimensional fragility can help inform more politically astute approaches for development and peace

Analysis of multidimensional fragility at the regional and national levels can help identify areas that offer the greatest potential for promoting resilience and prevention across dimensions of fragility. One of the advantages of focusing on fragility is that it can capture drivers that may not be as easily identified with sector-specific tools, particularly a focus on political, societal or human fragility that can be significant for the credibility and confidence of donors' and partners' approaches. The consideration of political fragility, for instance, can help refine assumptions around democratic freedoms and challenge the influence of political dynamics across other dimensions of fragility,

thereby facilitating more nuanced policies that keep the focus on whom and what resilience is for in a given context (Brown, 2022, pp. 11-13_[70]).

It is significant that many fragile contexts themselves have consistently presented the case that peacebuilding and statebuilding should be prioritised in every development intervention (The G7+, 2022_[71]). This thinking is supported by analysis that emphasises the transition from assistance and co-operation based on "Western blueprints" to local processes that "strengthen state institutions, capacities and legitimacy driven by state-society relations" (Papoulidis, 2022_[72]). Developing this idea, multidimensional fragility analysis can also be used to identify potential "pockets of effectiveness" across governments, institutions and/or coalitions in fragile contexts (Kelsall et al., 2022_[73]). Even in contexts where political settlements are more narrowly dispersed – i.e. they are often dependent on point-source resource exploitation or criminal activities – donors can use an understanding of multidimensional fragility in considering reform of the regional or international system within which such goods are traded or activities take place to help "shift elite attention into economic sectors with more positive spillovers" (Kelsall et al., 2022_[73]).

This perspective is valuable for peace and development partners striving to embed peace and development gains over the long term but whose resources have not sufficiently aligned with potential in fragile contexts. For example, security sectors can enable economic development, societal cohesion, and the formation of inclusive and holistic political settlements by creating space for renewal and investment across the socioeconomic spectrum (UN/World Bank, 2018, p. 161_[38]). Functioning security sectors are essential for the delivery of security as a regional and global public good. However, the role of development co-operation in the promotion of security sector governance and reform is limited to date: In 2020, ODA

to security system management and reform amounted to only 0.6% of DAC members' total ODA to fragile contexts (Marley, forthcoming_[74]). For positive peace to endure beyond the basic absence of violence and conflict, progress related to development goals – from raising tax revenues to providing education and health – can support an effective, efficient and accountable security sector. In this way, the merits of bringing peace, security and development together are as relevant for long-term conflict prevention

and resilience as they are for the shorter-term objectives of post-conflict transitions (Marley, forthcoming_[74]). Given the political sensitivities often associated with peace and development approaches in fragile contexts, it also underlines the importance of collective action and effective organisation across the nexus to strengthen resilience to complex, interacting risks and their root causes, especially in contexts in conflict or with a high risk of experiencing conflict.

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NOTES

1. In the OECD's fragility framework, ODA to peace-related sectors is tracked using the following Creditor Reporting Sector codes: 15110 (Public sector policy and administrative management), 15111 (Public finance management (PFM)), 15112 (Decentralisation and support to subnational government), 15113 (Anti-corruption organisations and institutions), 15130 (Legal and judicial development), 15150 (Democratic participation and civil society), 15152 (Legislatures and political parties), 15153 (Media and free flow of information), 15160 (Human rights), 15170 (Women's equality organisations and institutions), 15180 (Ending violence against women and girls), 15190 (Facilitation of orderly, safe, regular and responsible migration and mobility), 15210 (Security system management and reform), 15220 (Civilian peace-building, conflict prevention and resolution), 15230 (Participation in international peacekeeping operations), 15240 (Reintegration and SALW control), 15250 (Removal of land mines and explosive remnants of war) and 15261 (Child soldiers (prevention and demobilisation)).

2. This total is based on the July 2022 World Bank income classifications. Missing from these figures is the 60th fragile context, Venezuela, which was previously classified as upper middle-income but is now unclassified due to an absence of data through its ongoing economic and political crisis.
3. The Kampala Principles on Effective Private Sector Engagement in Development Cooperation – a set of standards for effective private sector partnerships – provide practical guidance on how to design, develop and deliver in partnership with the private sector at country level to harness their potential to stimulate markets and sectors where the most vulnerable people have jobs and livelihoods.
4. The Poverty Reduction and Growth Trust provides concessional IMF resources. A different debt sustainability framework is used for so-called market access countries, several of which are also experiencing debt sustainability issues.



CHARTING A PATH THROUGH CRISES IN FRAGILE CONTEXTS



ABSTRACT

The findings in the previous two chapters illustrate the severity of today's challenges alongside the scale of current responses to addressing the root causes of multidimensional fragility. This final chapter presents several ambitions to support partners in their efforts to chart a path through crises in fragile contexts. These ambitions – embracing a multidimensional approach, promoting collective action, and bridging the divide between development and peace – offer a way forward for the OECD Development Assistance Committee and its partners to navigate fragility in this age of crises.

CHARTING A PATH THROUGH CRISES IN FRAGILE CONTEXTS

The findings in this report provide the evidence base for a set of practical and pertinent ambitions for the OECD Development Assistance Committee (DAC) and other partners in fragile contexts. The ambitions highlight the need for a multidimensional approach to addressing the root causes of fragility, which can ultimately help these actors learn how to prioritise when everything is a priority in the age of crises.

- **Place a premium on data and analysis.**
A sound analysis of multidimensional fragility is a prerequisite to effective action. Understanding and analysing fragility is equally reliant on the quality of data available. While this has improved over time, fragile contexts are still among the most data deprived. Investments in data quality, new methods, joint analysis and multidimensional analysis can open the door to a more co-ordinated, adaptive and evidence-based response to fragility.
- **Adopt a context-wide understanding to strengthen the effectiveness of individual projects and approaches.**
Tailored context-specific strategies that deliberately address multidimensional fragility can harness and enable sector-specific approaches and navigate political sensitivities. These require addressing the multidimensionality of fragility to better understand the dynamic interplay of systems, cultures, risks and coping capacities in fragile contexts.
- **Safeguard and strengthen official development assistance (ODA) while leveraging and tailoring other financial resources.** ODA is essential for paths out of crises. Responding to crises and fragility means moving to protect ODA volumes, reinforce the predictability of ODA

and strengthen confidence around ODA, especially in those fragile contexts that may lack the ability to access other sources of finance for development. It is equally important to support the development of sustainable government and private financing with approaches that are tailored to fragile contexts.

- **Capitalise on existing mechanisms and processes such as country platforms and financing strategies.** Country platforms and financing strategies offer the potential to link competencies across the humanitarian-development-peace (HDP) nexus and promote more cohesive ways of working.
- **Build dialogue between peace and development actors, including conflict-sensitive engagement on issues of economic fragility.** It is important for the DAC and its partners to address the communications gaps and incoherence between peace and development actors that are curtailing effective peace processes. Alongside its subsidiary body, the International Network on Conflict and Fragility (INCAF), the DAC can play an important role by capitalising on its convening power to help resolve this communications deficit and contribute to more politically aware and informed ways of engagement.
- **Leverage the strategic leadership of the DAC to inform collective approaches and drive better prioritisation for more effective results.** Having a strategy for development co-operation means recognising the importance of immediate needs but also maintaining a focus on the longer-term horizon and what is essential and on the causes and not just the symptoms. The DAC can provide a strategic perspective to concentrate the focus, capability and collective potential of its members and partners to deal with multidimensional fragility.

Considering the chronic state of fragility in so many contexts and the history of the OECD's States of Fragility report series, the trends outlined in this report might be greeted as more of the same. However, the severity scale and collective impact of recent global shocks have pushed development co-operation into an uncertain geopolitical and operational space.

It is increasingly acknowledged that, as argued in this series, fragility is multidimensional, with conflict and violence just one possible manifestation. Especially when overlaid with the impacts of COVID-19, climate change and Russia's war of aggression against Ukraine, the multidimensional and interdependent dimensions of fragility – economic, environmental, human, political, security and societal – create some of the most challenging operating environments in the world for national and local actors and their international partners. There is a danger that these fragilities can “lock a society into a dysfunctional but stable equilibrium” (Collier, 2021^[1]). Indeed, the same 21 countries and territories have appeared in every OECD fragility report since the first one in 2005. For all 60 fragile contexts in this year's edition, transitions from states of fragility have been elusive notwithstanding the substantial support from external partners.

In its 60 years, the DAC, alongside diverse other actors, has reinforced its substantial and substantive role in supporting nationally owned and nationally led solutions out of fragility. With its suite of recent recommendations, as discussed in Chapters 1 and 2, the DAC aims to refine and improve the support provided to fragile contexts and other developing countries, underscoring its critical function as a standard-setting body for development co-operation. At the same time, providers outside the DAC including the People's Republic of China, Gulf Cooperation Council countries and Russia are increasing the scale and scope of their activities in fragile contexts.

This chapter explores how these external actors can better support fragile contexts to develop urgently needed resilience and coping capacities for this new age of crises. It does not offer a standard set of recommendations or prescriptions for effective actions, since navigating fragility is not linear or straightforward and interventions must always be tailored to the needs of a specific context. Rather, this chapter presents ambitions to guide the DAC and other partners in supporting the 1.9 billion people – the furthest behind – who live in fragile contexts. Embracing a multidimensional approach to crises and fragility, promoting collective action, and bridging the divide between development and peace can help the DAC retain and express its core values while co-operating with this broader constellation of actors.

Ambition 1: Embracing a multidimensional approach

A recurring theme of the States of Fragility report series is the need to pursue a multidimensional approach to addressing fragility. Such an approach is a starting point for partners to be “fit for fragility” (Schreiber and Loudon, 2020^[2]). It also reflects the emphasis on joint analysis in the DAC Recommendation on the Humanitarian-Development-Peace Nexus (OECD, 2019^[3]). The multidimensionality of fragility is increasingly acknowledged but implementing multidimensional approaches remains a challenge as it often requires strategic collaboration and collective action. But even incremental progress towards a multidimensional approach can yield important and lasting dividends.

Place a premium on data and analysis first

A sound analysis of multidimensional fragility is a prerequisite to effective action. Focusing on a single dimension of fragility at the expense of others, or focusing exclusively

on risks without considering accompanying coping capacities or opportunities to overcome and counterbalance such risks, gives a partial perspective of fragility. This can contribute to blind spots in engagement. Like others, the OECD has attempted to improve the conceptualisation of fragility over time, most recently by adding a sixth dimension of fragility – the human dimension – to its analytical framework. The quality of data available is just as important to usefully capture this multidimensionality. While data quality has improved, fragile contexts are still among the most data-deprived (Hoogeveen and Pape, 2020^[4]). Contexts at the extreme end of fragility are often missing from datasets. The 2022 review of the OECD’s multidimensional fragility framework highlighted the degree to which additional investments in data would improve analysis, and therefore programming, in fragile contexts.

Investments in data quality, new methods, joint analysis and multidimensional analysis have practical value for how partners approach strategies and programmes. A multidimensional analysis helps identify complex risks, their root causes and potential points of intervention and avoid a singular focus on the symptoms or by-products of fragility (OECD, 2018^[5]). Joint analysis can help increase, strategically align and co-ordinate interventions across the HDP nexus (OECD, 2022^[6]). The DAC has the potential to be an important proponent of fragility analysis as a unifying concept, especially given its standard-setting role. As a body for peer learning, the DAC can also facilitate opportunities for its members and partners to share learning on better methods and means of fragility analysis, particularly at the country level. This includes supporting research capacity and fragility analysis within fragile contexts themselves to ensure that knowledge is more equitably shared with those for whom it matters most (Jacquet, 2021^[7]). In this way, the DAC can continue to contribute to the mainstreaming of the concept and analysis of multidimensional fragility.

Adopt context-wide understanding to strengthen the effectiveness of individual projects and approaches

To address the multidimensional character of fragility, it is important for actors to move beyond overly narrow sectoral approaches and consider factors such as the broader context that may have an impact on the desired outcomes. One tool is systems thinking. Iterative and adaptive programming, rooted in sound analysis, is increasingly recognised as an essential element of development effectiveness in the unpredictable and complex environments of fragile contexts (Desai and Yabe, 2022^[8]; OECD, 2022^[6]). But this requires a whole-of-context understanding and approach that identifies the varied ways in which a particular intervention may succeed or fail due to the dynamics present in any given context. Such an approach is especially conducive to effective policy and programming on cross-cutting issues, such as the trends discussed in Chapter 1 as well as gender equality and women’s empowerment (OECD, 2022^[9]). This context-wide understanding of fragility can also help identify entry points for more systems-focused approaches, such as those aimed at building the resilience of basic services (OECD, 2014^[10]). The development of programmes to boost COVID-19 vaccination rates illustrates what such an approach looks like. Beyond simply providing vaccine doses or strengthening supply chains, such programmes must also contend with societal perceptions of vaccination as well as the political economy of vaccine distribution in a particular context or insecurity that may restrict vaccination in certain areas.

Ambition 2: Promoting collective action in financing, policy and programming

As outlined in Chapter 2, ODA is a vital resource for fragile contexts. It is essential support in crises, especially where

humanitarian actors confront chronic fragility. At a global level, ODA tends to be stable and resilient over time and amid crises (Ahmad et al., 2020_[11]), though its distribution across countries and contexts, policy priorities, and modalities may change. Local-level crises may shift donors' focus towards humanitarian action while enduring, global-level crises may alter the role of ODA – for example, towards just energy transitions and away from investment in fossil fuels (OECD, 2021_[12]).

Safeguard and strengthen official development assistance

The Russian invasion of Ukraine is an event that is likely to challenge the role of ODA and alter its composition. Some donors have indicated that they plan to redirect ODA to cover the costs of hosting Ukrainian refugees in their countries, and this may result in less country-programmable aid to meet the growing demand arising from the global impacts of the war (Ahmad and Carey, 2022_[13]). This is happening at a time when the universal aspects of fragility, highlighted by shocks like the COVID-19 pandemic, underline the importance of maintaining a focus on fragile contexts (Oldekop et al., 2020_[14]). Given existing pressures on ODA budgets and on livelihoods in fragile contexts, it is important for the DAC to move to protect ODA volumes, reinforce the predictability of ODA and strengthen confidence around ODA, especially in fragile contexts without access to other sources of finance for development.

Capitalise on existing mechanisms and processes such as country platforms and financing strategies

Protecting ODA volumes, while necessary, is insufficient to support fragile contexts towards positive development trajectories. It is equally if not more important to ensure that every ODA dollar works harder and better to further development gains and also that different actors are working in coherent, complementary and co-ordinated ways, including beyond ODA-

funded activities (OECD, 2022_[16]; OECD, forthcoming_[15]). Development partners often lack an understanding or appreciation of the activities of their counterparts in the peace and security space and vice versa (Zürcher, 2020_[16]). Financing, including for peace and prevention, is often piecemeal and fragmented (Day and Caus, 2020_[17]; OECD, forthcoming_[15]). Holistic approaches such as country platforms and financing strategies can help harness collective action in fragile contexts, thereby contributing to development effectiveness, and can complement existing analyses and processes at the country level.¹ To date, such analyses have not been systematically linked with a sound theory of change, raising questions regarding resourcing and programming at the strategic, collective level across the funding ecosystem. Country platforms and financing strategies offer the potential to facilitate these links and promote more cohesive ways of working:

- **Country platforms** can serve as the centre of gravity for collective action and evidence-based dialogue by the government, development partners and other relevant actors in fragile contexts around a shared agenda and a clear focus on results and mutual accountability. Such platforms come in different guises but generally consist of a high-level steering group, sectoral working groups and a secretariat. There is sufficient evidence of their effectiveness in Mozambique, Rwanda and Somalia to merit further consideration (Kelly and Papoulidis, 2022_[18]). Though not new, these platforms are experiencing a resurgence, with recent mentions by the G20 Eminent Persons Group on Global Financing Governance (2020_[19]) and the Just Energy Transition Partnership and Group of Seven members in the context of climate action for COP26 (Hadley et al., 2022_[20]). The success of such platforms depends on the leadership of the government, the inclusiveness of their representation, and the innovative features that are built into their structure and

function. They can provide an institutional anchor for strengthening effective development interventions and partnerships through continuous reflection, dialogue and action around the results of the monitoring exercise of the Global Partnership for Effective Development Co-operation (GPEDC).

- **Financing strategies:** An absolute lack of funding is sometimes, but not always, the main problem. While humanitarian actors' centralised cluster system is well established, it is often also overloaded. The development system has resources but is not always collectively strategic and lacks clear prioritisation, clear choices, an interface between humanitarian development and peace, and connection to national reform agendas. Financing strategies are called for in the DAC HDP nexus Recommendation to help deal with these issues and bring together the main players from the humanitarian, development and (ideally) peace pillars for the strategic budget and programming process. These financing strategies can also provide a mechanism to connect the goals, activities and expertise of HDP actors with national, macro-level financing strategies such as integrated national financing frameworks² national development plans and results frameworks or to transition towards such national, government-led processes (OECD, forthcoming^[15]; OECD, 2019^[3]). Under the leadership of the national government, these high-level frameworks bring together diverse actors, including the International Monetary Fund and other international finance institutions. However, they have not traditionally included consideration of either humanitarian or security funding, risks and vulnerabilities, and they are not generally linked to collective outcomes or priorities to address fragility across humanitarian, development and peace actors.

Use collective approaches to drive better prioritisation for more effective results

As ODA budgets come under increasing domestic and international pressure, joining

together to prioritise support to and within the most fragile contexts has never been more important (Green, 2021^[21]). DAC members' priorities for assistance to fragile contexts are broadly aligned, with significant convergence of effort on climate and biodiversity action, decent work and inclusive economic growth, peaceful and inclusive societies, gender equality and women's empowerment, and health as the top five (Marley, Stasieluk and Hesemann, 2022^[22]). Yet, in action within a fragile context, this convergence can break down. It is common to hear of disconnected projects (cash transfers, for example), gaps or overlaps in geographical or demographic targeting, or missing linkages that mean project or sectoral outcomes fail to translate into higher-level results. Given the financial pressures on donors and partners, collective approaches (including building on the experience of pooled funding for fragile contexts) could help with prioritisation and complementarity among donors and partners. One potential approach in some contexts is joint programming (Box 3.1).

Ambition 3: Bridging the divide between development and peace

The cases of Afghanistan, the Sahel and South Sudan, among others, provide ample evidence of the pitfalls of existing ways of working. More generally, these examples highlight the consequences of a lack of communication and interaction between the development and peace pillars of the nexus. Prevention is at the core of effective ways of working across the HDP nexus. Yet investments in conflict prevention are chronically underfunded relative to development and humanitarian investments. Alongside a lack of resourcing is the persistent inability of actors to strike a balance between their development and peace activities. This, in turn, has contributed to the securitisation of development co-operation and disjointed management of

BOX 3.1. STRATEGIC GUIDANCE ON JOINT PROGRAMMING: THE EXAMPLE OF THE EUROPEAN UNION

Joint programming is one end of a spectrum that can also include increased alignment or co-ordination. The joint programming process of the European Union (EU), launched in 2011 and adapted as part of its 2020 Team Europe Initiative, harnesses the collective potential of the EU and its member states. It promotes joint analysis of and responses to identified challenges and opportunities in partner contexts. This approach also includes support for the development of priorities and associated financing strategies “based on the EU’s values and interests and in support of [a] country’s national development” (European Union, 2022^[23]). As of August 2022, the EU supports 31 joint programming initiatives in fragile contexts, accounting for 48.4% of its joint programming countries worldwide. This approach is an attempt to address development assistance programmes that had become fragmented and less effective. In 2018, the OECD noted that the joint programming approach added value “by harmonising efforts pragmatically around joint analysis, commonly agreed objectives [and] a clearer division of labour within sectors” (OECD, 2018, p. 83^[24]). For example, in Lao People’s Democratic Republic, donor and partner activities are aligned across three priority areas: green and inclusive economy, human capital, and good governance.

Note: Other examples of joint programming have been applied by Belgium, Denmark and the United Nations Development Programme. Belgium used a Fragility Assessment Management Exercise, or FRAME tool, for a more systemic identification of solutions to challenges during the different phases of a programme cycle.

Sources: European Union (2022^[23]), *Team Europe Initiative and Joint Programming tracker* (dashboard), <https://europa.eu/capacity4dev/tei-jp-tracker/dashboard>; European Union (2022^[25]), *Capacity4Dev: Team Europe Initiatives - Laos*, <https://europa.eu/capacity4dev/tei-jp-tracker/laos?tab=tei>; OECD (2018^[24]), *OECD Development Co-operation Peer Reviews: European Union 2018*, <https://doi.org/10.1787/9789264309494-en>; Okai (2021^[26]), *UNDP Support to Conflict-affected Countries*, <https://www.undp.org/speeches/undp-support-conflict-affected-countries>; Lundsgaard (2019^[27]), “Danish development cooperation in fragile states”, https://pure.dii.dk/ws/files/2998922/DIIS_Working_Paper_2019_10_final.pdf; OECD (2020^[28]), *OECD Development Cooperation Peer Reviews: Belgium 2020*, <https://doi.org/10.1787/026f1aad-en>.

peace processes, leading to outcomes that consistently fall short of ambitions.

Renew and prioritise the case for prevention

Acknowledging the distinction between conflict and fragility – the multidimensional nature of fragility emphasised throughout this report – can help drive more comprehensive and incisive forms of prevention. The analysis presented and reflected in this report shows that the business case for prevention remains strong while more and more analytical concepts and tools are emerging that can drive effective implementation. However, notwithstanding the United Nations Secretary-General’s prevention agenda, development partners

have not yet embraced crisis prevention or conflict prevention at scale. For prevention to work, it must be conducted in a holistic cross-cutting manner by development, peace and, where appropriate, humanitarian actors. This means seeing the interconnected nature of fragility and conflict risks instead of worrying about potential interference between agendas. Security-led approaches in isolation cannot address the underlying root causes to ensure long-term prevention³ (Day and Caus, 2020^[29]). For development and peace partners, this will require a leap of faith, mutual trust, leadership, and a willingness to take risks with theory and practice on prevention for the possibility of better outcomes.

Build dialogue between peace and development, including conflict-sensitive engagement on issues of economic fragility

It is important for the DAC and its partners to address the incoherence between peace and development actors that are curtailing effectiveness in many fragile contexts. Addressing the substance and extent of communications would be a valuable first step. Doing so, however, is a political endeavour that requires a long-term engagement that is in direct contrast to the apolitical short-termism that characterises existing investments in peace (Cheng, Goodhand and Meehan, 2018^[30]). Such a lack of attention to the primacy of politics has contributed to technocratic interventions in peacebuilding that have not reckoned with the underlying political settlements that shape incentives towards or against violence (Brown, 2022^[31]) – often abruptly, as shown in the analysis in Chapter 1 of coup events in recent years. Interacting with such political settlements, therefore, is an important but underappreciated element of effective development co-operation. It goes hand in hand with existing efforts to promote conflict sensitivity, particularly at local levels, and requires moving beyond efforts to promote negative peace – or simply the absence of conflict – to positive peace or activities that involve the fostering of just, equitable and peaceful societies (Mac Ginty and Richmond, 2013, pp. 779-789^[32]). All these initiatives are important precursors to addressing the incoherence between development and peace activities.

The DAC and INCAF can therefore play an important role by capitalising on their convening power to help resolve the communications deficit between development and peace actors and contribute to more politically aware and politically informed ways of engagement. More regular dialogue between development, peace and security actors would help mitigate risks that contribute to incoherence at the global or

country-specific level. Such exchanges would be especially fruitful if they included officials from international finance institutions, which have an increased footprint in peace and prevention activities in fragile contexts, as well as United Nations peace operations and other regional security providers such as the African Union, NATO, and the Organization for Security and Co-operation in Europe. The exchanges can also help actors build on each other's comparative advantage and pursue opportunities for collective action, such as through the mechanisms outlined in Ambition 2 on collective action. Specific issues such as renewing peace agreements (Berdal, 2021, pp. 137-164^[33]) or security sector reform and assistance provide an ideal entry point for such dialogue, given their relevance for peace processes and longer-term development objectives. The OECD will aim to provide such a forum for development and peace dialogues at the DAC and INCAF in the coming year.

Leverage the DAC's voice to provide strategic leadership in an age of crises

Having a strategy for development co-operation means recognising the importance of immediate needs but maintaining a focus on the longer term and what is essential, on the causes rather than just the symptoms of fragility (Freedman, 2013, p. ix^[34]). Addressing this critical effectiveness tension requires a dedicated and in-depth reflection by the DAC around the behaviour changes that are needed across their policies, systems and partnerships at both headquarter and country level to create an enabling environment for achieving longer term sustainable development impact. Through its ability to understand, assess and communicate on issues affecting development co-operation in fragile contexts, the DAC has unexplored potential as a strategic voice for development co-operation. The worldwide shocks, crises and geopolitical uncertainty highlighted in this report are

challenging the DAC to evolve anew as a global leader. The ambitions outlined above can help development partners find pathways through uncertainty and crises. For the DAC, this new evolution also means reconsidering how it uses its leadership role consistent with that of the “servant leader, in tune with the surrounding world, open to new ideas, and ready to lead among peers but not dominate” (OECD DAC, 2017^[35]), including for instance

by leveraging its collective engagement as a grouping of donors at country level. With the DAC in this role, existing DAC values, principles and body of recommendations could be complemented by the provision of a strategic perspective to concentrate the focus, capability and collective potential of DAC members and partners to deal with multidimensional fragility.

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NOTES

1. Examples include national development plans, voluntary national reviews against the SDGs; Recovery and Peacebuilding Assessments, especially in the post-crisis phase; Common Country Analyses; United Nations Sustainable Development Co-operation Frameworks; Country Partnership Frameworks and similar exercises; and in some contexts, collective outcomes processes.
2. Integrated national financing frameworks have emerged in developing countries, including fragile contexts. They are centred on national budgets, national development plans and achievement of the Sustainable Development Goals but generally require a certain level of government capacity, legitimacy and leadership. See https://inff.org/assets/resource/state-of-inffs-2022_report.pdf.
3. The cited research conducted by Day and Caus focuses on the implications of the role of climate change in exacerbating today's conflict risks, but their points on prevention are understood as having broader applications across dimensions of fragility.



ANNEX A.

METHODOLOGICAL NOTES

This annex provides an overview of the methodological notes for the data and evidence used in this report. Further information on the methodology for the States of Fragility report series is available on the States of Fragility data and visualisation platform: <http://www3.compareyourcountry.org/states-of-fragility/about/0/>. This webpage also contains a link to the underlying data and statistical code (produced in R and R Studio) for the production of the fragility framework. Andrew Etchell and David Hammond (Institute for Economics and Peace) peer-reviewed and validated the statistical code to ensure the accuracy and reliability of the findings. Further information on the details of this peer review is available upon request.

The term “fragile contexts” refers to the 60 contexts identified in the 2022 edition of the OECD’s multidimensional fragility framework. Unless otherwise indicated, the grouping of “other developing contexts” refers to the countries and territories on the DAC List of ODA Recipients for reporting on aid in 2021, available at <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-ODA-Recipients-for-reporting-2021-flows.pdf>.

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The methodology for the OECD’s multidimensional fragility framework

The OECD characterises fragility as the combination of exposure to risk and insufficient coping capacities of the state, system and/or communities to manage, absorb or mitigate those risks. The OECD’s multidimensional fragility framework, introduced in the 2016 edition of States of Fragility, measures fragility on a spectrum of intensity across six dimensions: economic, environmental, human, political, security and societal. It relies on a mixed methods approach that examines contexts within each dimension and then aggregates this information to obtain an overall picture of fragility.

The methodology is based on a two-stage principal components analysis (PCA), with a

hierarchical clustering procedure to group contexts according to similar characteristics in each dimension. The foundation is 57 indicators derived from independent third-party data sources, all of which are recorded and explained in greater detail on the States of Fragility platform. Each of the six dimensions contains nine to ten indicators that are aggregated into principal components in the first stage PCA; the first two principal components in each dimension are used for the second stage PCA. The first principal component that results from this second stage PCA represents the overall fragility score for each context. Based on this score, a context is classified as either fragile, if its score is lower than -1.20, or extremely fragile, if the score is lower than -2.85. This analysis assesses fragility across 176 contexts for which sufficient data were available, as denoted by data being available for a context for at least 70% of indicators.

All regional and subregional estimates of fragility were calculated using a population-weighted average of all contexts within the respective region or subregion. Population statistics were sourced from UN DESA (2019^[1]), using both the “Estimates” and “Medium Variant” (e.g. for 2021). Regional and income group classifications were based on the World Bank (2022^[2]) Country and Lending Groups. An extensive discussion of this

methodology is available in Annex A of the working paper accompanying this publication by Desai and Yabe (2022^[3]) and on the States of Fragility platform, including the step-by-step process for the PCA and hierarchical clustering procedure as well as the methodological notes and caveats regarding the data collected for the analysis. Additional information is available upon request.

Financial statistics

Unless otherwise stated, all aid statistics cited in this report are deflated to USD constant (2020) and represented in USD million disbursements. They are sourced from the OECD aid statistics database (OECD, 2022^[4]), specifically the DAC2a and Creditor Reporting System.

The sources of other financial statistics are cited in the text, using the most recent values – usually 2020. Due to data limitations, not all data are available for all contexts. Where values have been imputed, they use the latest available value or a simple average of the last three years, as indicated. In time series, projected values are identified with a “p”, and estimates are identified with an “e”. Unless otherwise indicated, all financial statistics are deflated using the 2020 “Total DAC” deflator. Values after 2020 have not been deflated.

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States of Fragility 2022

States of Fragility 2022 arrives during an ‘age of crises’, where multiple, concurring crises are disproportionately affecting the 60 fragile contexts identified in this year’s report. Chief among these crises are COVID-19, Russia’s invasion of Ukraine, and climate change, with the root causes of multidimensional fragility playing a central role in shaping their scale and severity. The report outlines the state of fragility in 2022, reviews current responses to it, and presents options to guide better policies for better lives in fragile contexts. At the halfway point of the 2030 Agenda for Sustainable Development, it is more critical than ever for development partners to focus on the furthest behind: the 1.9 billion people in fragile contexts that account for 24% of the world’s population but 73% of the world’s extreme poor.



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