Investments in peace and security

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Contents

Acronyms

CPS   conflict prevention and resolution, peace and security

CRS   Creditor Reporting System

CSO   civil society organisation

DAC   Development Assistance Committee

EU   European Union

IATI   International Aid Transparency Initiative

MDG   Millennium Development Goal

NATO   North Atlantic Treaty Organisation

NGO   non-governmental organisation

ODA   official development assistance

OECD   Organisation for Economic Co-operation and Development

OSCE   Organization for Security and Co-operation in Europe

UNPBF   United Nations Peacebuilding Fund

UN   United Nations

UNDP   UN Development Programme

UNHCR   UN High Commission for Refugees

Note: this report uses 'CPS' for 'conflict prevention and resolution, peace and security'

1

Introduction

Vulnerability, fragility and crisis are interconnected in ways that can undermine development. Conflict and ongoing insecurity can set back development progress by decades, undermining previous investments and achievements.

This recognition led to the endorsement of a New Deal for Engagement in Fragile States[1] ('New Deal') by more than 40 countries and organisations at the Fourth High-Level Forum on Aid Effectiveness in Busan in 2011. The New Deal declared that peacebuilding, state-building and security are essential foundations for sustainable development in fragile and conflict-affected countries.

The inclusion of Sustainable Development Goal (SDG) 16[2] ('Global Goal' 16) on 'promoting peaceful and inclusive societies' in the 2030 Agenda for Sustainable Development built on the New Deal and marked a further positioning of peace and security at the heart of the global development agenda.

The imperative to address the root causes of conflict and fragility has become a central focus of global development processes, and has been increasingly recognised in the humanitarian sector. The United Nations (UN) High Level Panel on Humanitarian Financing's recent report *Too Important to Fail*[3] sets out recommendations for increasing development assistance in fragile contexts and strengthening long-term investments in peacebuilding, conflict and disaster prevention, resilience and development. These are aimed at reducing the widening gap between humanitarian needs and available resources.

As momentum builds across global processes towards a greater focus on addressing fragility, conflict and insecurity, it is important to understand the current financing landscape for peace and security and identify gaps in targeting in response to the needs of vulnerable and conflict-affected people.

The 2030 agenda moves beyond the aid-driven focus of the Millennium Development Goals (MDGs) to explicitly recognise the potential of multiple sources of finance including public, private, domestic and international sources. Development assistance, including humanitarian response and efforts to prevent conflict and build peace, plays a vital role in meeting the needs of the most vulnerable people, but the challenge is multi-dimensional and cannot be addressed through aid alone. Understanding the mix of resources available in fragile and conflict-affected contexts is the first step to achieving this. This, in turn, will allow us to better understand the potential for these resources to come together, each working to their comparative advantage, to address the needs of vulnerable and conflict-affected people in line with the ambition set out in the 2030 agenda to 'leave no-one behind'. The political will of all actors involved will be crucial to achieving this.

This report provides an overview of the mix of resource flows to countries experiencing conflict and fragility, with an explicit focus on the flows that specifically seek to address and respond to conflict and insecurity.

Aid – official development assistance (ODA) – is considered in particular detail in this report. This is because, while comparatively small in volume, it has an important role to play in the context of other resources, and in responding to this context. It is important, therefore, to understand how it is currently used. But understanding investments in peace and security beyond aid is also essential given their sheer scale

(Section 2). It is important to recognise that the mandates of many peace and security actors are centred on defence and national security as opposed to development. As a result, we need to better understand the share and aspects of such resources that may have the potential to be development-focused and are therefore relevant to discussions on the delivery of Goal 16.

Such information will pave the way for an evidence-based dialogue about the role that these resources could play, with others, in fragile contexts to achieve the Global Goals. It would also help to clarify the function of ODA in this wider picture. Information about investments in peace and security beyond aid could also inform the current debate around broadening the definition of ODA to include wider security-related activities with a development objective.

However, the availability and accessibility of data on international peace and security resource flows to fragile and conflict-affected countries beyond aid is weak. This report uses the data that is available to assess peacekeeping costs and places such analysis in the context of aggregate military expenditure for developing countries and developed countries (Section 2). It includes an overview of investments in ODA on 'conflict prevention and resolution, peace and security' (CPS) up to 2014, the year for which most recent data is available (Section 3).

While CPS ODA is a significantly smaller resource than investments in peace and security beyond aid (Section 2), more detailed analysis on CPS ODA spending is included in this report because:

- Data is more easily accessible for CPS ODA than for peace and security resource flows outside of aid.

- In fragile and conflict-affected contexts where domestic response capacities are weak and the risks for private sector investment are high, opportunities for mobilising wider sources of finance beyond aid are low. CPS ODA is often an important resource for supporting the transition from conflict to peace, alongside peacekeeping efforts. Information on current ODA investments in CPS will assist stakeholders involved in the delivery of Global Goal 16 to identify current ODA funding priorities and gaps. Measured against available assessments on the needs of vulnerable and conflict-affected people (including various fragile states indices and INFORM's index for risk management[4] among others), it will enable such stakeholders to make better decisions about the allocation of all resources in the future.

2

Resource flows to fragile and conflict-affected states

The mix of resource flows to fragile and conflict-affected contexts

Domestic public revenue is by far the largest resource available to developing countries. It is more than twice the size of known international inflows in countries with the highest fragility scores in the 2014 Fund for Peace Fragile States Index ('countries with the highest fragility scores') and three times the size of inflows in other developing countries. Countries affected by fragility have, on the one hand, lower proportions of domestic spending because their governments are less able to collect revenue and their domestic private sectors face substantial risks and challenges, and on the other, relatively higher levels of international assistance.

But the mix of international inflows differs substantially between the two sets of countries. Figures 1 and 2 contrast the international resource mix between the 20 countries with the highest fragility scores and all other developing countries.

In 2014, remittances comprised the largest proportion – over one-third – of total known inflows in the countries with the highest fragility scores (34%), but just over half of this for other developing countries (19%). Remittances provided by diaspora groups are particularly pertinent in fragile and conflict-affected contexts where the conflict has led to significant levels of out-migration.[5]

Aid is just one of the resources that flows into fragile states – but it is much more significant than in developing countries as a whole

The mix of international resources to the countries with the top 20 fragility scores on the 2014 Fund for Peace Fragile States Index
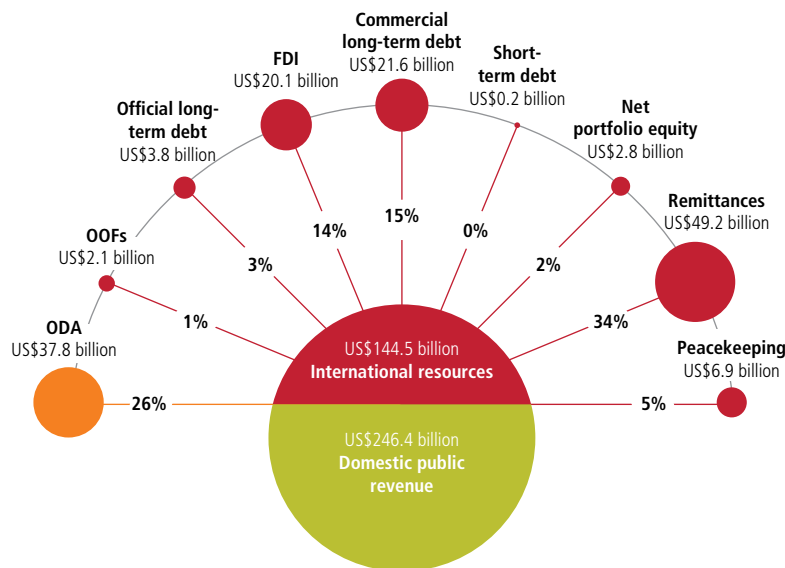
Source: Development Initiatives' calculations based on numerous sources (OECD, UNCTAD, International Debt Statistics, World Bank).
Note: All figures are in 2014 current US$. Negative values are set to zero at the country level.

The mix of international resources in all other developing countries
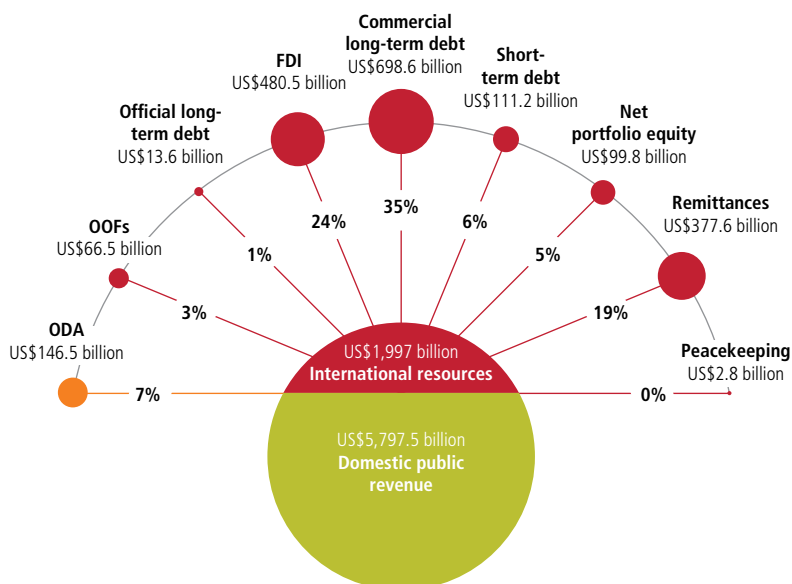
Source: Development Initiatives' calculations based on numerous sources (OECD, UNCTAD, International Debt Statistics, World Bank).
Note: All figures are in 2014 current US$. Negative values are set to zero at the country level.

In 2014, ODA made up a significantly larger proportion of total international inflows (26%) in countries with the highest fragility scores than in all other developing countries (7%) (Figures 1 and 2). This highlights the increasingly important role that ODA plays in meeting the needs of vulnerable people in fragile contexts where national and local capacities are most lacking. For some countries affected by very high levels of instability and conflict, ODA is the dominant international resource – these include Afghanistan (83%), Somalia (73%) and Syria (71%).

Debt and commercial finance dominate inflows to all other developing countries. Commercial, long and short-term debt comprised 42% of inflows to all other developing countries in 2014 compared with only 18% to the countries with the highest fragility scores (Figures 1 and 2). Similarly, foreign direct investment comprised a smaller proportion of total inflows to countries with the highest fragility scores in 2014 (14%) than to all other developing countries (24%). This reflects the perceived risks and reluctance to invest in fragile and conflict-affected countries. Yet, for some countries receiving the highest fragility scores, foreign direct investment constitutes the largest inflow, for example Iraq (72%) and Chad (60%). This is explained by the presence of large extractive industries in these countries.

As would be expected, peacekeeping is a greater resource in countries with the highest fragility scores, comprising 5% of all flows, and absent in all other developing countries. This reflects the strong relationship between fragility and the need for peacekeeping operations in post-conflict contexts.

International peace and security resource flows

Beyond aid, international resource expenditures and flows on peace and security to fragile and conflict-affected countries may include:[6]

- Peacekeeping costs

- International military expenditure (channelled to armed forces, defence ministries and other government agencies, paramilitary forces and military space activities – costs include personnel, operations and maintenance, procurement of weapons, military research and development, technical advice, and military construction)[7]

- Military aid (providing military supplies as a form of aid)

- International arms transfers

- Arms production and conversion of arms production facilities

- Demobilisation of personnel

- Destruction of weapons

- National security expenditure (including intelligence, customs, and cyber security).

The availability and accessibility of data on such resource flows is weak (see Box 2), and largely limited to information on peacekeeping costs. Using data that is available, and in the absence of disaggregated data on international military expenditure to developing countries, Figure 3 compares aggregate military expenditure by developed and developing countries in 2014 with peacekeeping costs and CPS ODA. Figure 4 shows the change in global military expenditure over time.

Developed country governments spent three times more on their military (US$1,264 billion) than developing country governments did (US$483 billion) in 2014 (see Figure 3).

FIGURE 3

Global military spending is much greater than peacekeeping, CPS ODA and even total aid

Military, peace and security spending totals compared alongside total global ODA, 2014

US$9.7 billion
Peacekeeping

US$165 billion
Total ODA

US$1,264 billion
Developed countries' military expenditure

US$483 billion
Developing countries' military expenditure

US$3.2 billion
CPS ODA
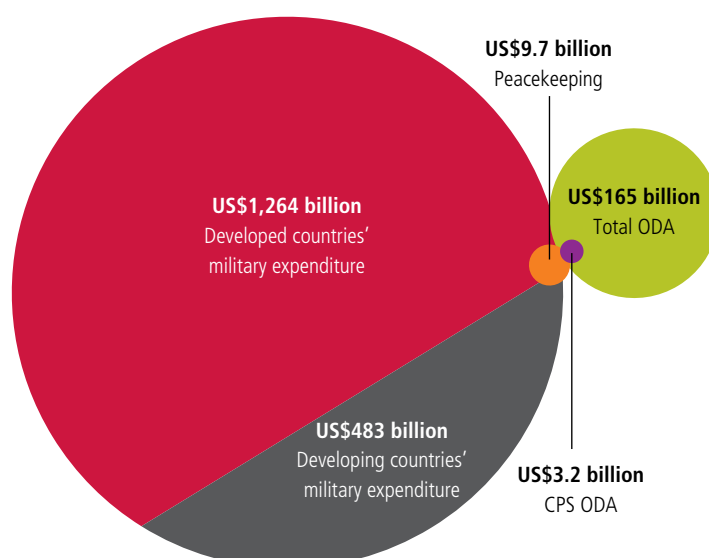
Source: DI calculations based on SIPRI Military expenditure database[8] 2015 and SIPRI Yearbook 2015, chapter 5, and OECD CRS online database.
Note: This is a visual impression of how resource flows may relate to each other. Circles scaled proportionate to volume but data on the volume of overlap in spending between resource flows is not known. Data in current 2014 prices. Developing country military expenditure includes expenditure financed through government domestic revenue and ODA.

However, as available data does not breakdown how this aggregate figure for developed country military expenditure was allocated – for instance how much was actually spent in developing countries and how much domestic spending is actually international on-budget flows – it is not yet possible to compare domestic spending with international military resource flows to developing countries.

Global military spending in real terms is levelling out after a period of growth from the mid-1990s (see Figure 4). Figures 3 and 4 show that aggregate global military expenditure (US$1.7 trillion: spending by developed and developing countries combined) is much greater than investments in peacekeeping (US$9.7 billion) and CPS ODA (see Figure 3).

International peacekeeping costs represent a significant investment in the security of developing countries amounting to almost three times the scale of CPS ODA. But the lack of available data means it is not possible to compare the scale of international

Military spending has flattened, but is still much greater than peacekeeping

Total military spending, 2000–2014, and peacekeeping spending, 2014

US$ trillions

US$1.7 trillion

US$1.3 trillion

Peacekeeping costs   US$9.7 billion

2012   2014
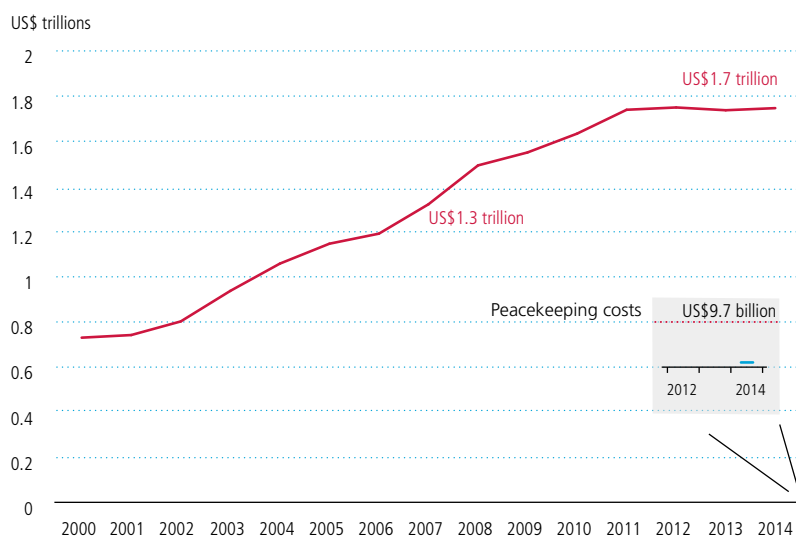
Source: DI calculations based on SIPRI Military expenditure database[9] 2015 and SIPRI Yearbook 2015, chapter 5.
Note: Global figure is in US$ 2011 prices. Peacekeeping expenditure is in current US$, 2014.

peacekeeping costs with international military expenditure in developing countries. This means we cannot yet fully understand the scale and importance of peacekeeping costs in the wider peace and security resource

landscape. Only 4.2% of peacekeeping costs were classified as ODA in 2014. Only some non-enforcement-related peacekeeping costs can be classified as ODA, such as the extra costs of assigning personnel to these activities,

Data gaps: military and security spending

There are no international standards for monitoring security and military spending beyond what is spent on security through ODA and the datasets compiled by the North Atlantic Treaty Organisation (NATO). The availability and accessibility of data on international peace and resource flows to developing countries is also limited. For example, it is not yet possible to provide a breakdown of the aggregate military expenditure figure for developed countries, particularly regarding the spending of these resources in different developing countries and sub-national regions.

Better information on both international and national security spending in such countries is crucial. This would help understanding of its impacts on vulnerable and conflict-affected people and offer opportunities for such expenditure to be managed more effectively with other resources to build security and stability. Given that the mandates of military and security actors are often primarily focused on providing defence and security, it is particularly important to understand the specific aspects of such resources that have a development objective, and as such are relevant to discussions on the role of different actors in the delivery of Goal 16.

In connection with this, discussions on the redefinition of ODA are focusing on the potential inclusion of a wider range of peace and security expenditure that has a development objective. This issue was high on the agenda at the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) High Level Meeting in February 2016. Better data on such investments will be critical in supporting efforts to ensure that the allocation of all ODA is transparent and accountable, such as the International Aid Transparency Initiative (IATI).[10]

net of the costs of stationing them at home, and of any compensation received from the UN.[11]

The UN remains the main channel for spending on peacekeeping operations. The proportion of peacekeeping funding channelled through the UN declined from 83% of the total in 2005 to 59% in 2013 as Africa Union/UN peacekeeping grew. It increased again in 2014, to 67%, as spending classified as 'other' fell from 2013 (12%) to 2014 (10%) (see Figure 5).

Funding to peacekeeping operations delivered by regional organisations is notably smaller in comparison – with 4% of total funding in 2014 channelled through the European Union (EU), 4.3% through the African Union and 0.7% through the Organisation for Security and Co-operation in Europe. NATO funding fell to zero in 2014 according to the Stockholm International Peace Research Institute (SIPRI). Yet NATO continued to operate peacekeeping missions in Afghanistan and Kosovo, among others, during 2014.[12]

Countries in sub-Saharan Africa received the largest volumes of funding for peacekeeping operations in 2014, reflecting the high levels of conflict and instability experienced in the region. The most went to Sudan (US$1.6 billion), followed by the Democratic Republic of the Congo (US$1.4 billion), Mali and South Sudan (both US$1.1 billion) (see Figure 6).

A smaller share of funding for peacekeeping operations in 2014 was channelled to countries in the Middle East and North Africa region. While the region has also experienced high levels of crisis over recent years, peacekeeping efforts have not been deployed to the same extent as in sub-Saharan Africa. Many countries are still experiencing violent conflict with substantial progress towards

FIGURE 5

The UN remains the largest provider of peacekeeping operations

Peacekeeping operation costs, 2005–2014
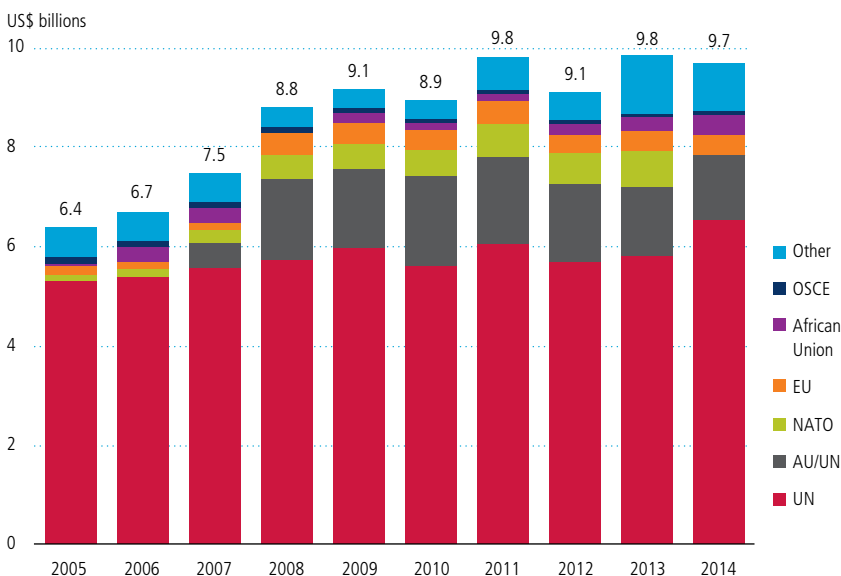
Source: DI calculations based on data from SIPRI yearbooks, various years.
Note: 'Other' calculation does not include the multinational force in Iraq (2003–2006). The total includes multinational peacekeeping operations led by Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), Organization of American States (OAS), Commonwealth of Independent States (CIS) and other bilateral or independent peacekeeping missions.

FIGURE 6

A small number of developing countries account for spending on peacekeeping operations

Peacekeeping operation funding by country, 2014
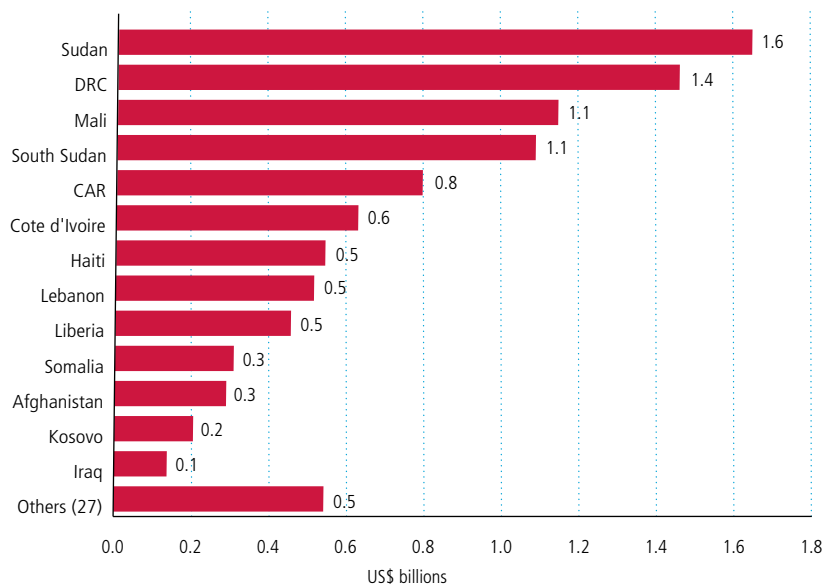
Source: DI calculations based on SIPRI 2015 yearbook, chapter 5.
Note: Costs for multi-country missions have been shared equally between individual participating countries.

peaceful settlements not yet in sight (e.g. Syria and Yemen) but this may also reflect relative political prioritisation.

3

ODA spending on CPS

As Figure 3 shows, CPS ODA is a much smaller resource than investments in peacekeeping and global military expenditure. Despite this, CPS ODA is an important resource in supporting the transition from conflict to peace and paving the way to longer-term development. This is particularly apparent in conflict-affected contexts where opportunities for other investments, including domestic and private funding, are limited.

This section provides an overview of ODA spending on CPS up to 2014: how much is invested, where it comes from, what it is invested in, how it gets there, where it goes and how well it is targeted. This information will help to identify current CPS ODA funding priorities and gaps and inform decision-making on the future allocation of multiple sources of finance – aid and beyond – that should meet the needs of the most vulnerable people and support effective delivery of Goal 16.

Funding related to CPS is one component of broader ODA. It has one specific purpose code in the OECD DAC's financial reporting system, the Creditor Reporting System or CRS.[13] Investments in this category are a sub-sector of the wider 'government and civil society' purpose code in the CRS.

How much is invested?

CPS ODA funding has increased by 67% since 2005, reaching a peak of US$3.9 billion in 2009 after an increase of US$1.1 billion (47%) from 2007 to 2008 alone. Funding since declined to US$3.0 billion in 2012, and has stabilised since then (see Figure 7). Figure 8 shows that this growth of investments in CPS ODA since 2005, which peaked in 2009, has greatly outpaced the growth of total aid.

CPS ODA has increased since 2005, but peaked during 2009

CPS ODA, 2005–2014
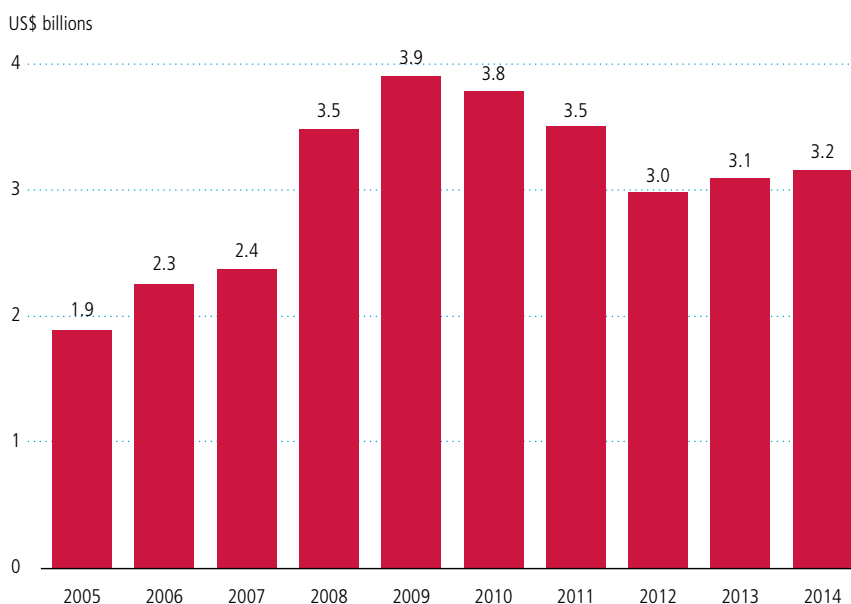
Source: OECD CRS online database.

Growth in CPS ODA investment has outpaced growth of total aid

CPS and overall annual ODA trends, 2005–2014
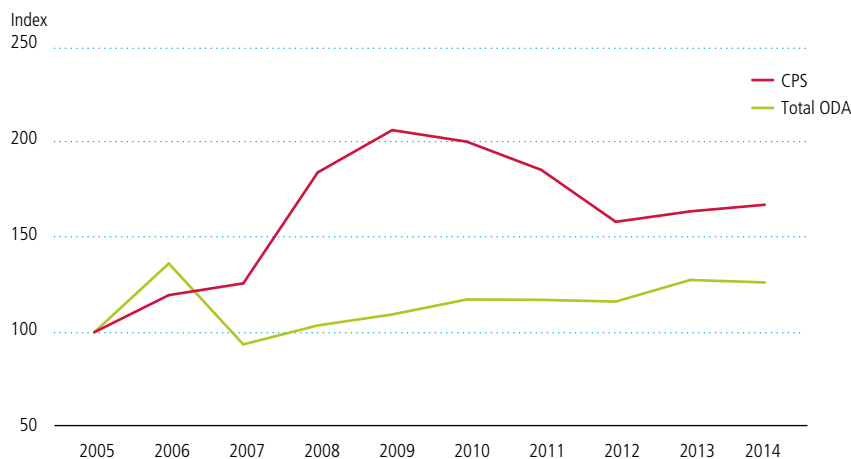
Source: OECD CRS online database.
Note: Index represents the percentage change of CPS and total ODA in nominal US$. Baseline year is 2004.

Increased funding in response to the crises in Iraq and Afghanistan explain this significant rise in CPS ODA between 2007 and 2009. Investments in Afghanistan rose by US$289.8 million during this time, and in Iraq by US$212.6 million, exceeding increases in any other country. The leap is also explained by a rise in funding to security sector reform (SSR), which quadrupled between 2007 and 2008 (up US$787 million). Funding to SSR activities in Georgia during this period, and to Kosovo following independence in 2008, may also have contributed. CPS ODA to Georgia increased almost sevenfold from US$7.3 million in 2007 to US$56.3 million in 2008, and CPS

FIGURE 9

Investments in CPS ODA as a share of total ODA is small

Shares of ODA to CPS, 'government and civil society', other sectors and total
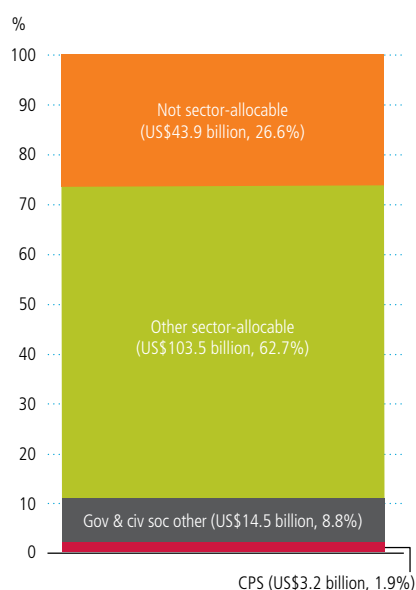
Source: OECD CRS online database.

ODA to Kosovo (totalling US$362 million) was reported for the first time in 2009.

Yet funding to CPS remains a small proportion of ODA overall. Figure 9 shows that investments in CPS comprised only 1.9% (US$3.2 billion) of total ODA (US$165 billion) in 2014. Such volumes are small in light of the priority given to this in global processes over recent years (see Section 1). However, significantly more may be spent outside of ODA (see Box 2), or through ODA that is reported under other categories in the OECD DAC's single-purpose code reporting system and therefore not captured in these figures (see Box 3)

Low ODA spending on CPS raises questions around the need to strengthen such funding in line with the priority given to addressing peace and security in global development commitments, most notably the 2030 Agenda for Sustainable Development. This does not imply, however, that ODA should be reallocated to CPS

BOX 3

Investment captured within the CPS purpose code does not paint the full picture

Some ODA spending relevant to CPS may not be captured through the single 'purpose-code' reporting system used by the OECD DAC. To avoid double counting, projects are allocated to a single purpose code on the basis of the activities that comprise the largest share of the project. Consequently, additional projects that have multiple purposes, including CPS, may be reported under other sectors.

Reporting on spending by the United Nations Peacebuilding Fund (UNPBF) is a clear example of this. The UNPBF seeks to 'build lasting peace in countries emerging from conflict'.[14] As the structural causes of conflict are multi-dimensional – spanning a range of social, cultural, economic, political and economic dynamics – so addressing such causes through peacebuilding efforts is a multi-sectoral endeavour. In turn, projects supported by the UNPBF are reported against a range of purpose codes. More generally, this suggests that spending reported to the CPS category does not provide an accurate picture of total ODA spend on peace and security-related activities.

Table 1 provides examples of peacebuilding-related activities relevant to the CPS purpose code (152) being reported under alternative purpose codes that relate to employment, gender, water provision and human rights.

TABLE 1

Examples of UNPBF projects reported under non-CPS purpose codes in the CRS

Description	Recipient	Purpose code	US$ millions
Justice and Security Joint Programme (UNOPS, UNDP)	Liberia	16020 (Employment policy and administrative management)	0.41
Gender responsive recovery for sustainable peace	Nepal	15170 (Women's equality organisations and institutions)	0.14
Conflict Prevention Through Access to Water Points (Hafirs and Boreholes)	South Sudan	14021 (Water supply – large systems)	1.04
Peacebuilding and Enhancing Protection Systems	Uganda	15160 (Human rights)	0.33
Programme d'amélioration de l'accès des femmes victimes de violences sexuelles et basées sur le genre à la justice et la sécurité dans le processus de consolidation de la paix au Mali	Mali	15160 (Human rights)	0.04

Applying a multiple code reporting system – as used by IATI – may help to strengthen the accuracy of reporting on peace and security spending. Further consideration should be given to the ways in which IATI could be used to strengthen the granularity of reporting in line with the delivery of Goal 16.

from other sectors. It is important that all Global Goal targets are met – including those that may address root causes of vulnerability, fragility and conflict such as the environment, education, healthcare, and water and sanitation. To achieve this with finite resources, it is critical that multiple sources of funding beyond aid are mobilised to deliver on all SDGs. Sectors, and associated Global Goals, should be prioritised for funding at the country level in a fluid manner depending on the context and specific stage of conflict. For example, during and immediately following conflict, prioritising the CPS sector for funding may be appropriate as a prerequisite for long-term development, with priority shifting towards other sectors only as a country becomes more stable.

Where does it come from?

The EU was the largest CPS ODA donor in 2014, providing contributions totalling US$0.62 billion – almost one-fifth of all CPS ODA. Of country donors, the US provided the largest volume of spending (US$0.56 billion), followed by Germany (US$0.41 billion), and the UK (US$0.29 billion) (see Figure 10). The US, Germany and the UK have consistently provided the most since 2011.

The UNPBF and the Organisation for Security and Co-operation in Europe (OSCE) invest the largest shares of their ODA in CPS activities (see Figure 11) when compared with other donors. Both have specific mandates to promote peace and security. In 2014, the UNPBF allocated almost half of its ODA budget to CPS (US$32 million), and the OSCE over a fifth (US$27 million), reflecting similar proportions to the previous two years. Most of the remainder of UNPBF's ODA was spent on a variety of activities that were related to CPS but captured under other categories in OECD DAC's aid reporting system. For example,

33% of total UNPBF spending in 2014 was reported to the 'government and civil society – general' category, of which around three-quarters was allocated to the 'legal and judicial development' purpose code. This clearly illustrates the limitations in capturing all relevant spending on peace and security through the CPS purpose code on the CRS (see Box 3).

Of country donors, Estonia allocated the largest proportion of its ODA to CPS in 2014 (9%), followed closely by the Slovak Republic (8.6%) and Slovenia (8.0%) (see Figure 11). Proportions in 2014 are fairly consistent with the previous year, varying by less than a percentage point in all cases. Of the donors providing the largest 10 volumes of funding in 2014 (see Figure 10), Norway allocated the highest proportion of its funding to CPS (5.4%), followed by Switzerland (4.5%), and Netherlands (4.2%) (see Figure 11). Of these 10 donors, the US allocated the lowest proportion to CPS

in 2014 (2.0%) followed by the UK (2.6%), and Denmark (2.9%).

It is difficult to draw any solid conclusions on how donors prioritise peace and security from the proportion of ODA that they have allocated to the CPS sector over recent years. CPS-related activities may have been reported by the donor under other relevant purpose codes in the OECD DAC's single-purpose reporting system (see Box 3). Or other activities relevant to promoting peace and security may have been prioritised in fragile states, such as stabilisation or state-building. Further research is needed to better understand the alignment between donor spending and policy prioritisation on peace and security; this could be undertaken in the wider framework of monitoring the delivery of the Global Goals. It would require a more thorough understanding of how individual donors define 'peace and security' and other related concepts, and allocate spending in

EU, US and Germany are the largest providers of CPS ODA
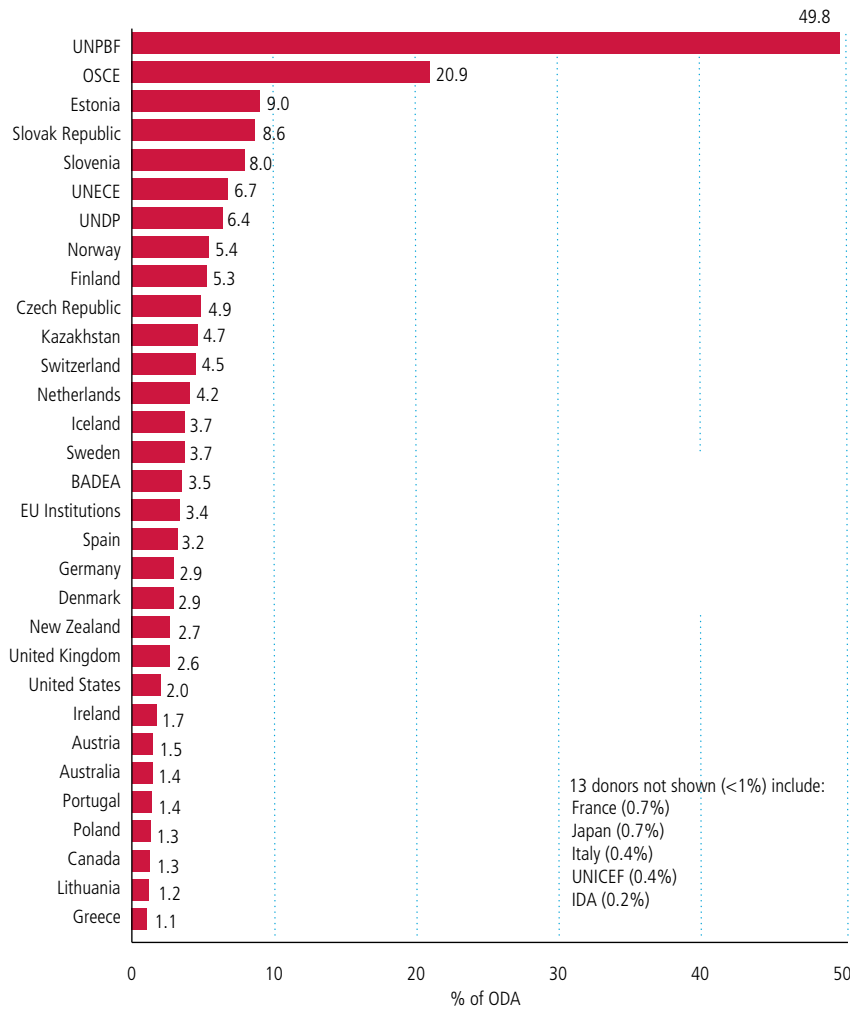
Largest providers of CPS ODA, 2014
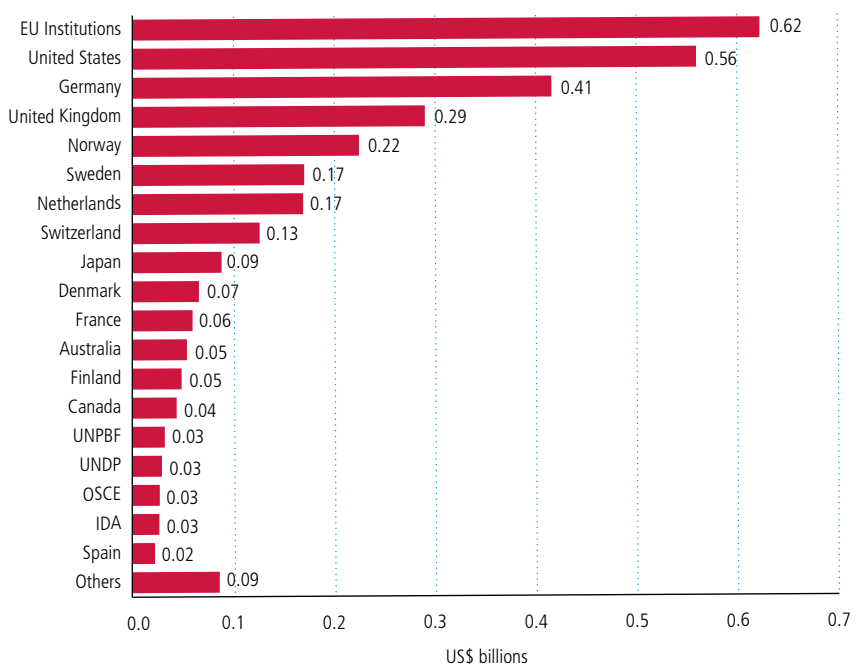
Source: DI calculations based on CRS online database and CRS 2014 download.

FIGURE 11

Two conflict-focused multilaterals invest the largest shares of their ODA in CPS

Donors providing the most CPS ODA as a share of overall aid programmes, 2014
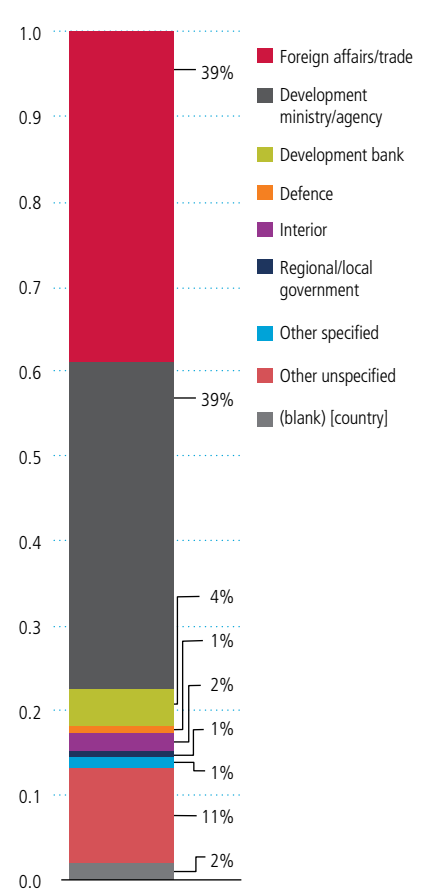

Donor	% of ODA
UNPBF	49.8
OSCE	20.9
Estonia	9.0
Slovak Republic	8.6
Slovenia	8.0
UNECE	6.7
UNDP	6.4
Norway	5.4
Finland	5.3
Czech Republic	4.9
Kazakhstan	4.7
Switzerland	4.5
Netherlands	4.2
Iceland	3.7
Sweden	3.7
BADEA	3.5
EU Institutions	3.4
Spain	3.2
Germany	2.9
Denmark	2.9
New Zealand	2.7
United Kingdom	2.6
United States	2.0
Ireland	1.7
Austria	1.5
Australia	1.4
Portugal	1.4
Poland	1.3
Canada	1.3
Lithuania	1.2
Greece	1.1

13 donors not shown (<1%) include:
France (0.7%)
Japan (0.7%)
Italy (0.4%)
UNICEF (0.4%)
IDA (0.2%)

Source: DI calculations based on CRS online database and CRS 2014 download.

FIGURE 12

Foreign ministries and development agencies dominate sources of country donors' CPS ODA

Country donors' official sources of CPS ODA, 2014

Legend:
- Foreign affairs/trade
- Development ministry/agency
- Development bank
- Defence
- Interior
- Regional/local government
- Other specified
- Other unspecified
- (blank) [country]

- 39%
- 39%
- 4%
- 1%
- 2%
- 1%
- 1%
- 11%
- 2%

Source: DI calculations based on CRS 2014 download.
Note: Excludes multilaterals, for which agency data are not available apart from EU European Code of Export Compliance/EDF split.

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their individual budgets and through various funding mechanisms.

To count as ODA, projects must contribute to the 'economic development and welfare' of developing countries under current OECD DAC rules. Discussions are underway that may redefine ODA to explicitly focus on poverty reduction and leaving no-one behind.

In donor countries, different ministries and agencies may provide ODA, each with its own mandate, policies and aid allocation systems. For CPS ODA, the majority (78%) is provided by

standalone development ministries or agencies (such as the UK's Department for International Development) or foreign affairs and trade ministries, some of which also cover development (as in Canada and Australia) or manage implementing agencies (as in Germany) (see Figure 12). Development banks, interior ministries and regional and local government also provide small shares of CPS ODA. Funding from defence agencies is a small proportion (1%), as most military activities are not deemed eligible to be classed as ODA. However, this may change as a result of current discussions on the broadening out of ODA definitions to

include a wider set of security-related activities with a development objective.

Some donors, such as the UK, have created new cross-departmental funds for responding to conflict and insecurity that make funds available to a wider range of government departments. The Conflict, Stability and Security Fund was established in April 2015 and has made funding on peace and security accessible to a wider range of departments and agencies (including the Home Office and National Crime Agency) and those that were involved in the delivery of the former Conflict

Prevention Pools (the Department for International Development, the Foreign & Commonwealth Office and the Ministry of Defence). It will be interesting to assess how this shift impacts on the distribution of CPS ODA between donor government departments over time.

What is it invested in?

During the last decade, peacebuilding activities have consistently received the majority of CPS ODA (52.5% in 2014) (see Figure 13). This may partly reflect that 'peacebuilding' as a category covers a broader range of activity types than do other CPS purpose codes such as small arms and light weapons (SALW) control, mine clearance, child soldiers and security sector seform (SSR), each of which is related to a specific type of technical activity. Peacebuilding is a wide category including support to peace processes, political negotiations, conflict sensitivity, community security/peacebuilding/mediation/resilience initiatives, support to local governance, capacity building for civil society, and technical support/advisory services.

Investments in SSR have increased substantially since 2009, driving overall CPS ODA upwards. This increase, more than doubling from US$0.3 billion in 2005 to US$0.7 billion in 2014 (see Figure 13) may reflect a greater donor prioritisation of a joined-up and systematic approach to strengthening the provision of security and justice in post-conflict contexts. Examples during this period are Sierra Leone, Kosovo, Georgia, Albania and Uganda. This shift also coincided with the launch of the OECD DAC Handbook on Security Sector Reform,[15] which provided donors with a basis for promoting an integrated approach to security and justice sector reform in fragile and conflict-affected contexts.

Most CPS ODA goes to peacebuilding activities

Trends in aid to CPS sub-sectors, 2005–2014
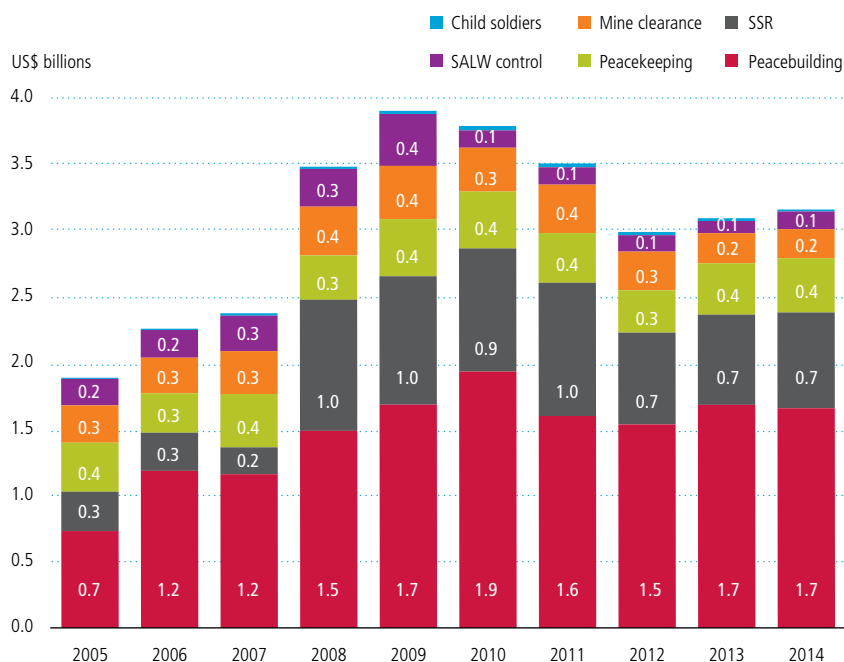
Source: DI calculations based on CRS 2014 download.
Note: Sub-categories stated are abbreviated from full names in the CRS (see Annex 1 for full sub-category names and descriptions).

In contrast, investments in mine clearance and (SALW) have fallen over the last decade. Investments in addressing SALW fell from 10.0% of total CPS ODA in 2009 (US$391.7 million) to 4.2% in 2014 (US$133.2 million). This decline may be explained by a shift in donors' focus from supporting standalone programmes on SALW in favour of supporting broader cross-sector security programmes such as SSR that may still include a focus on small arms but which would then fall under the purpose code for SSR.

Analysis in this report has focused on assessing spending against the current CPS purpose codes in the OECD DAC reporting system. However, as the Goal 16 targets provide the framework for future efforts to build peace and security, a thorough review is needed to better understand the current alignment between existing

financial reporting systems and the targets for Goal 16. This should identify opportunities for building on existing mechanisms and areas where alignment could be strengthened. This is explored further in Box 4.

Strengthening reporting on aid to CPS in line with Goal 16 targets

Currently, targets for Goal 16 and purpose codes used in the OECD DAC reporting system for CPS (as listed below) are distinct, highlighting the challenges of mapping them against one another.

Goal 16 targets	
16.1:	Significantly reduce all forms of violence and related death rates everywhere
16.2:	End abuse, exploitation, trafficking and all forms of violence against and torture of children
16.3:	Promote the rule of law at the national and international levels and ensure equal access to justice for all
16.4:	By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime
16.5:	Substantially reduce corruption and bribery in all their forms
16.6:	Develop effective, accountable and transparent institutions at all levels
16.7:	Ensure responsive, inclusive, participatory and representative decision-making at all levels
16.8:	Broaden and strengthen the participation of developing countries in the institutions of global governance
16.9:	By 2030, provide legal identity for all, including birth registration
16.10:	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
16.a:	Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime
16.b:	Promote and enforce non-discriminatory laws and policies for sustainable development

Current 'government and civil society' purpose codes (CRS)	
150:	Government and civil society
151:	Government and civil society (general)
15110:	Public sector policy and administrative management
15111:	Public finance management
15114:	Tax policy and tax administration support
15112:	Decentralisation and support to subnational government
15113:	Anti-corruption organisations and institutions
15130:	Legal and judicial development
15150:	Democratic participation and civil society
15151:	Elections
15152:	Legislatures and political parties
15153:	Media and free flow of information
15160:	Human rights
15170:	Women's equality organisations and institutions
152:	Conflict prevention and resolution, peace and security
15210:	Security system management and reform
15220:	Civilian peacebuilding, conflict prevention and resolution
15230:	Participation in international peacekeeping operations
15240:	Reintegration and SALW control
15250:	Removal of landmines and explosive remnants of war
15261:	Child soldiers (prevention and demobilisation)

Some initial suggestions for where alignment could be strengthened for consideration by the OECD DAC and other actors involved in the delivery of Goal 16 include:

- Breakdown 'peacebuilding' projects into subcategories to specify whether they are focused at the national level on supporting peace processes and political negotiations or at the local level on initiatives to support community-led security provision, community mediation or local governance. This would assist in understanding the extent to which projects are focused on government actors (in line with the focus on 'state-building' and developing 'effective institutions' (target 16.6)), or on civil society and communities through initiatives that seek to empower vulnerable people in line with efforts to leave no-one behind. The voluntary option to report sub-nationally in the OECD DAC's reporting system by completing the 'geography' column could be used as a way of capturing support to local level and/or community-based initiatives.

- Include a purpose code for reporting on efforts to combat 'illicit financial flows' – including the trade of illicit goods and organised crime – in line with the focus on this in SDG target 16.4. The purpose code on SALW (15240) could be expanded to include these wider activities. Alternatively a new purpose code could be created on CPS in the OECD aid reporting system that captures efforts to combat illicit financial flows, and the category 'narcotics control' under purpose code 160 could be folded into this.

- Integrate relevant elements of purpose code 150 (general government and civil society activities) and 151 (government and civil society) with reporting on CPS under purpose code 152. For example, reporting on justice-related activities (under purpose code 151) could be better integrated in reporting on CPS. The Goal 16 targets seek to strengthen the provision of justice alongside security through a joined-up approach, and so it would be helpful to connect reporting on security and justice in line with this.

- Expand CRS purpose code 15261 (child soldiers) to capture a wider set of activities that seek to address the abuse and exploitation of children (in line with Goal 16 target 16.2).

FIGURE 14

Technical cooperation, cash grants and 'mixed project aid' are the dominant modes of delivery in CPS ODA

Donors' CPS ODA 'unbundled' into types of aid, 2014
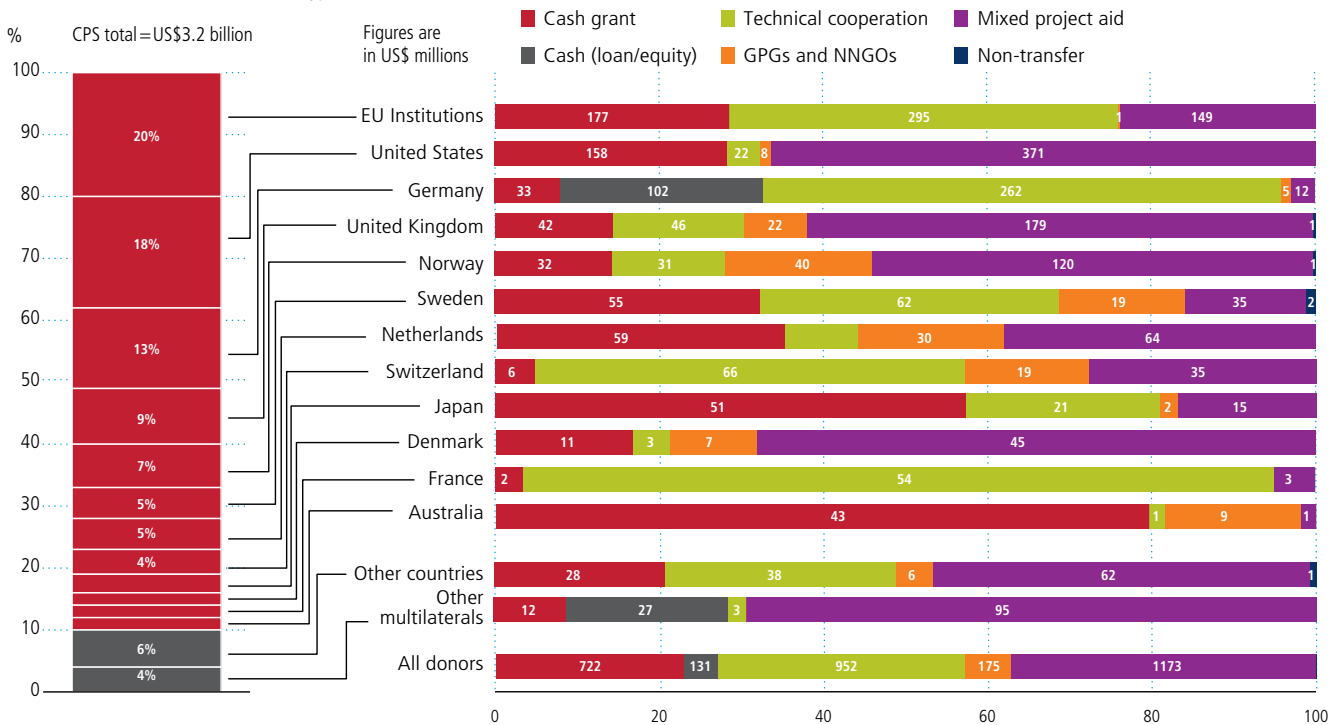
Source: Development Initiatives calculations based on DAC data.
Note: DI bundle methodology applied to CRS 2014 download, see Annex 1 for details.

Japan and Australia provide their CPS ODA mainly in the form of cash grants (57% and 79% respectively). Among government donors, Germany is unique in providing a significant proportion of CPS ODA in the form of cash loans/equity (25%) (see Figure 14).

In contrast, France provides 90% of CPS ODA investments in the form of technical cooperation, followed by Germany (63%), Switzerland (52%), and the EU, the largest overall donor (48%). Mixed project aid – a mix of cash grants and aid-in-kind, including technical cooperation – accounts for over half of the CPS ODA provided from several donors, including three of the five largest donors to the sector: the US (66%), UK (62%) and Norway (54%) (see Figure 14). It is not possible with available data to break this down further into its constituent elements. The level of CPS ODA provided in the form of mixed project aid is much higher than for ODA in general. Around one-fifth of ODA as a whole (22%) was classed as mixed project aid in 2014.

How does it get there?

How CPS ODA is channelled – and the cost-effectiveness and appropriateness of this transaction – determines its impact in addressing the needs of vulnerable and conflict-affected people. Donors have different preferences for how they direct CPS ODA:

- to multilateral agencies to support the multilateral system and its flexibility to respond

- to the public sector (including bilateral funding to recipient country and donor governments as categorised on the CRS) so as to have more influence over the targeting of resources and to more easily illustrate results

- directly to non-governmental organisations (NGOs)/civil society organisations (CSOs) to support community-led initiatives and have greater direct reach to and impact with affected communities.

Most donors strike a balance between these various channels.

The proportion of CPS ODA channelled through donor and recipient governments (the 'public sector' in CRS categorisations), multilateral agencies and NGOs/CSOs has increased over the last decade. Figure 15 shows that this is largely because funding reported in the 'unknown' category fell substantially during this period – from 52% in 2005 to just 1.2% in 2014. This suggests an improvement in reporting on channels of CPS funding over the last decade.

While funding through the public sector comprised the largest proportion of total CPA ODA in 2014 (32.7%), this has declined since 2009 (40.2%). By comparison, funding to

The public sector was the largest delivery channel for CPS ODA in 2014

Channels of delivery for CPS ODA trends, 2005–2014
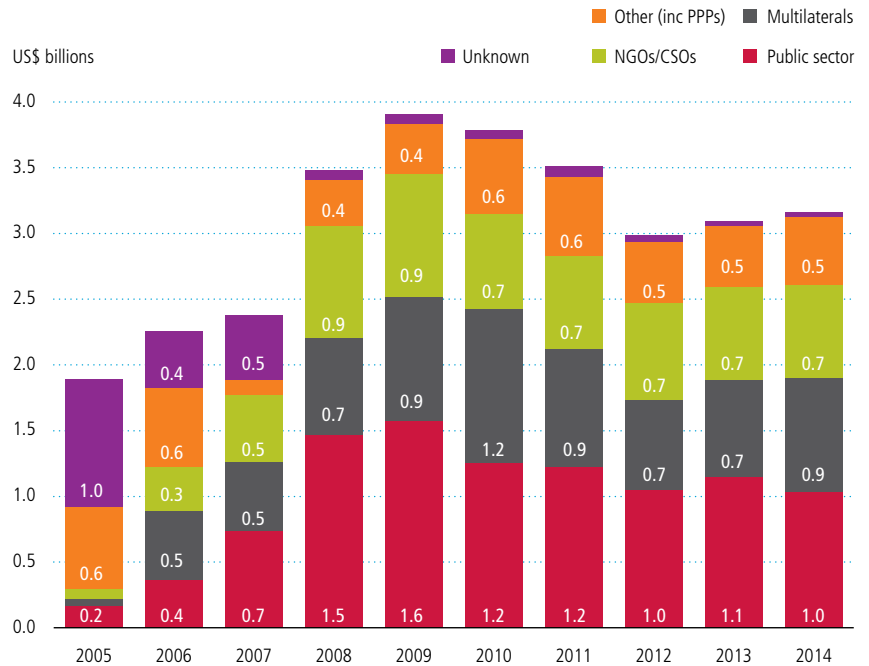
Source: DI calculations based on CRS 2014 download.

multilateral institutions has increased slightly from 24.1% in 2009 to 27.7% in 2014. Funding to NGOs/CSOs has remained fairly constant during this period, accounting for 11.2% of all funding in 2014.

Further, while public sector channels are the most substantial route of delivery, only 16.1% of this CPS ODA was reported to be channelled through 'recipient governments' in 2014, as opposed to delivery through donor governments directly. This is lower than the 24.9% of total ODA delivered through recipient governments in the same year. This may reflect the greater challenges in funding and working directly with governments in fragile and conflict-affected contexts where they may be a party to the conflict, where risks are higher and where public financial management systems are often weak or nonexistent.

However, 55.6% of projects reported in the 'public sector' channel in 2014 were 'not specified' (US$575 billion), so the proportion of funding actually channelled to 'recipient governments' may in fact be significantly higher.

Where does it go?

Afghanistan received the most by country – over a seventh of total CPS ODA in 2014 (15.4%), followed by Colombia at 5.9% of total funding, while Syria received 4.5% (see Figure 16).

In line with the overall funding picture (see Figure 13), the largest proportion of CPS funding to the largest 10 recipient countries went to peacebuilding. This category of CPS ODA accounted for more than half of CPS ODA to Afghanistan, Syria, Somalia, Libya and Lebanon, and was also the largest for West Bank & Gaza

FIGURE 16

Afghanistan received the largest proportion of CPS ODA in 2014

Sub-sectors for largest CPS ODA recipient countries, 2014

Syria
US$ 143.38 billion

Afghanistan
US$485.50 billion

Myanmar
US$39.06 billion

Lao People's Democratic Republic
US$31.06 billion

Lebanon
US$68.64 billion

West Bank and Gaza Strip
US$65.91 billion

Iraq
US$39.69 billion

Somalia
US$117.61 billion

Sudan
US$33.65 billion

South Sudan
US$61.37 billion

Ukraine
US$96.98 billion

Georgia
US$35.83 billion

DRC
US$95.22 billion

Bosnia and Herzegovina
US$46.75 billion

Kosovo
US$82.28 billion

Mali
US$42.11 billion

Côte d'Ivoire
US$30.74 billion

Niger
US$31.97 billion

Libya
US$78.92 billion

Colombia
US$186.89 billion

Amount of CPS ODA received (US$million)

- 200+
- 150–200
- 100–150
- 50–100
- 0–50

Breakdown of CPS ODA received (%)

- Peacebuilding
- SSR
- Peacekeeping
- Mine clearance
- SALW control
- Child soldiers

Source: Development Initiatives' calculations based on CRS 2014 download.

Strip (see Figure 16). Kosovo and Colombia stand outside of this overall trend with over half of funding going instead to peacekeeping. For Ukraine, the largest sub-sector is SSR as donors provide assistance to strengthen security provision in light of the country's recent conflict.

How is it targeted?

Poverty, vulnerability, fragility and crisis are intimately connected. Poverty makes people more vulnerable to conflict, while these shocks deepen their poverty, making them more vulnerable to other risks. Four out of ten (41%) of people living in extreme poverty live in countries that are politically fragile.[16]

Responses by international actors in these areas are often focused on the same countries and situations – even if these responses are not coherent or well coordinated. There is often overlap in the caseload between humanitarian response and development cooperation to fragile states, as for example humanitarian assistance often continues to provide basic services where other international and national investments are absent.

Almost three-quarters (72%) of humanitarian assistance from OECD DAC donors went to long-term

fragile state recipients in 2013 (see Figure 17) as a result of protracted and recurring crises. This highlights the pressing importance of strengthening efforts on resilience, conflict prevention and development but also raises questions about how to target development assistance and leverage wider resources. Greater coordination between actors across the development, humanitarian and peace and security spheres can help break cycles of poverty, vulnerability and crisis and release overstretched humanitarian resources from protracted or recurring conflicts and target them better at meeting acute needs.

Figure 18 illustrates the close relationship between the targeting of humanitarian assistance and peace and security responses, as conflict often leads to humanitarian crisis. Syria, for example, was the largest country recipient of international humanitarian assistance in 2014, and the third largest recipient of CPS ODA. Similarly, the Democratic Republic of Congo was the sixth largest country recipient of CPS ODA and the tenth largest country recipient of humanitarian assistance in 2014.

Combined, the analysis presented in Figures 17 and 18 highlights the importance of building collaboration between the different actors engaging in fragile and conflict-affected contexts
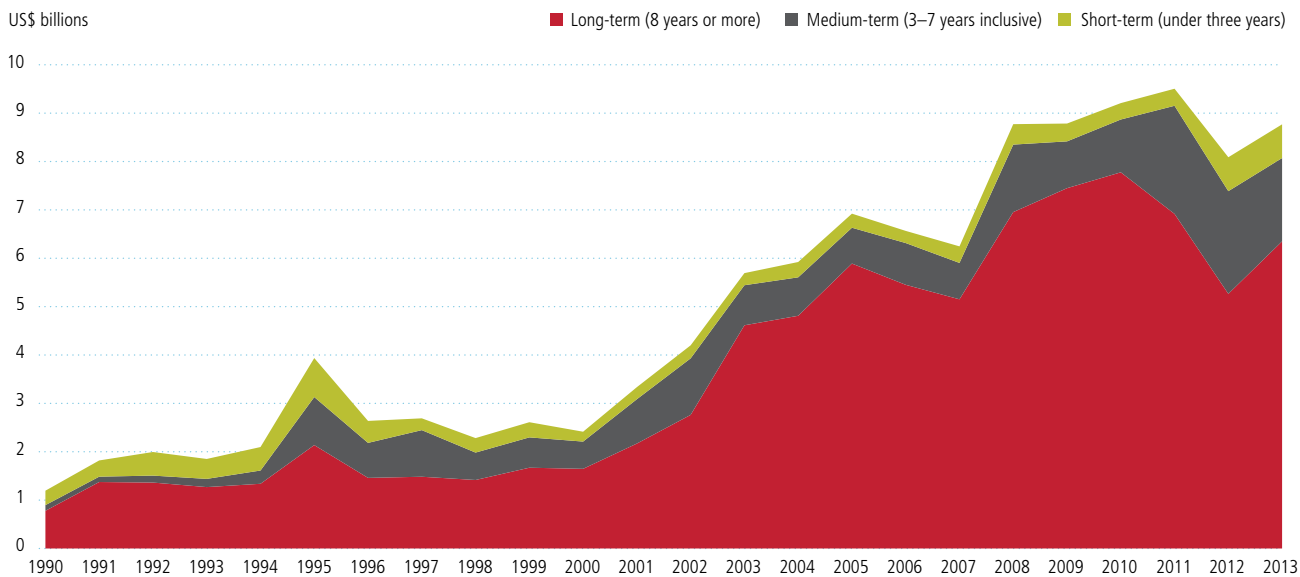
where this is possible and appropriate. This includes those with humanitarian, development, and peace and security remits to help vulnerable people and meet the ambition set out in the 2030 agenda – to leave no-one behind. After all, it is often the same vulnerable and poor people who are being targeted by these different actors, and disconnected responses only undermine impact. To achieve this, a holistic and multi-stakeholder approach must be taken at country and international level.

However, coordination between peace and security and humanitarian actors is not always possible or advisable, and the extent to which it can be achieved depends on the context. In situations where the government is a party to the conflict, such as in South Sudan, integrated responses risk undermining the neutrality of humanitarian response and the preservation of humanitarian principles. In other contexts, such as refugee-hosting countries where this risk is lower, integrated responses can strengthen effectiveness in responding to the needs of vulnerable people. A good example is the UN Regional Refugee and Resilience Plan (3RP) for the Syria crisis being delivered in more stable countries such as Jordan and Lebanon, which includes components for building community stability and cohesion.

FIGURE 17

Most official humanitarian assistance from DAC donors goes to long-term fragile states

Long, medium and short-term fragile state recipients of official humanitarian assistance from DAC donors, 1990–2013

US$ billions

Long-term (8 years or more) ■ Medium-term (3–7 years inclusive) ■ Short-term (under three years)

Source: Development Initiatives based on OECD DAC and UN CERF data and list of fragile states used in OECD DAC 'States of Fragility 2015' Report.
Note: Long, medium or short-term classification is determined by the length of time the country has received an above-average share of its ODA in the form of humanitarian assistance. Calculations are based on shares of country-allocable humanitarian assistance. Long-term recipients are defined as those receiving a greater than average proportion of ODA (excluding debt relief) in the form of humanitarian assistance for more than eight years between 1999 and 2013. 'Medium term' refers to those receiving a higher than average proportion for between three and seven years inclusive, and 'short term' means under three years.

FIGURE 18

Humanitarian and peace and security actors often target the same countries

Country receipt of CPS ODA against country receipt of humanitarian assistance, 2014
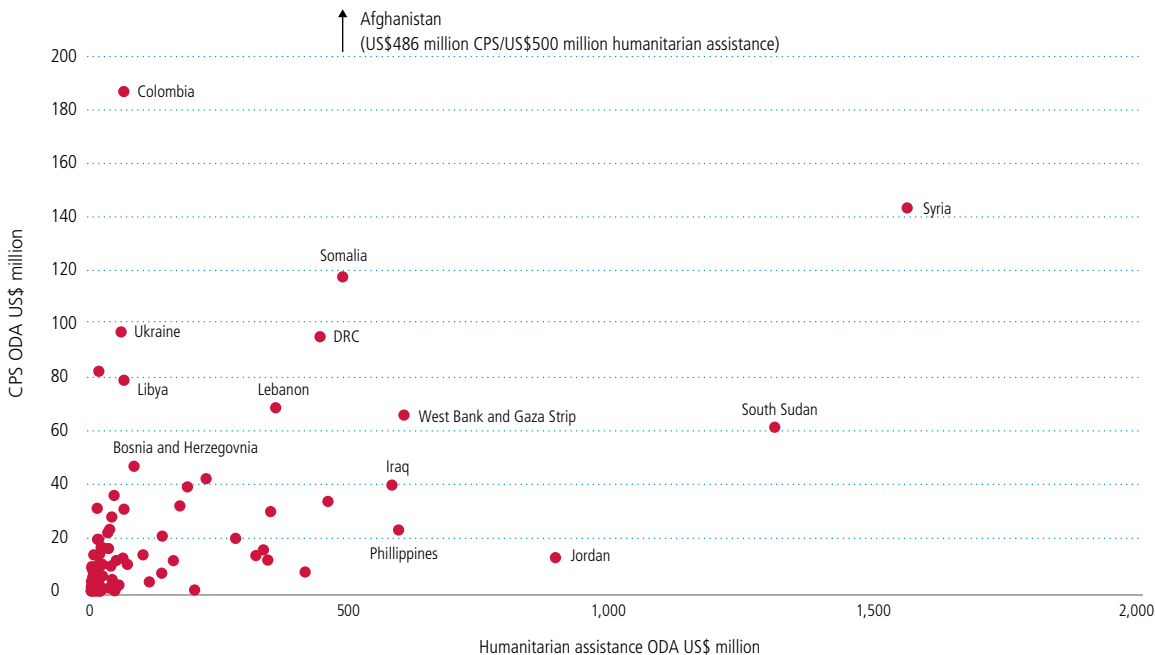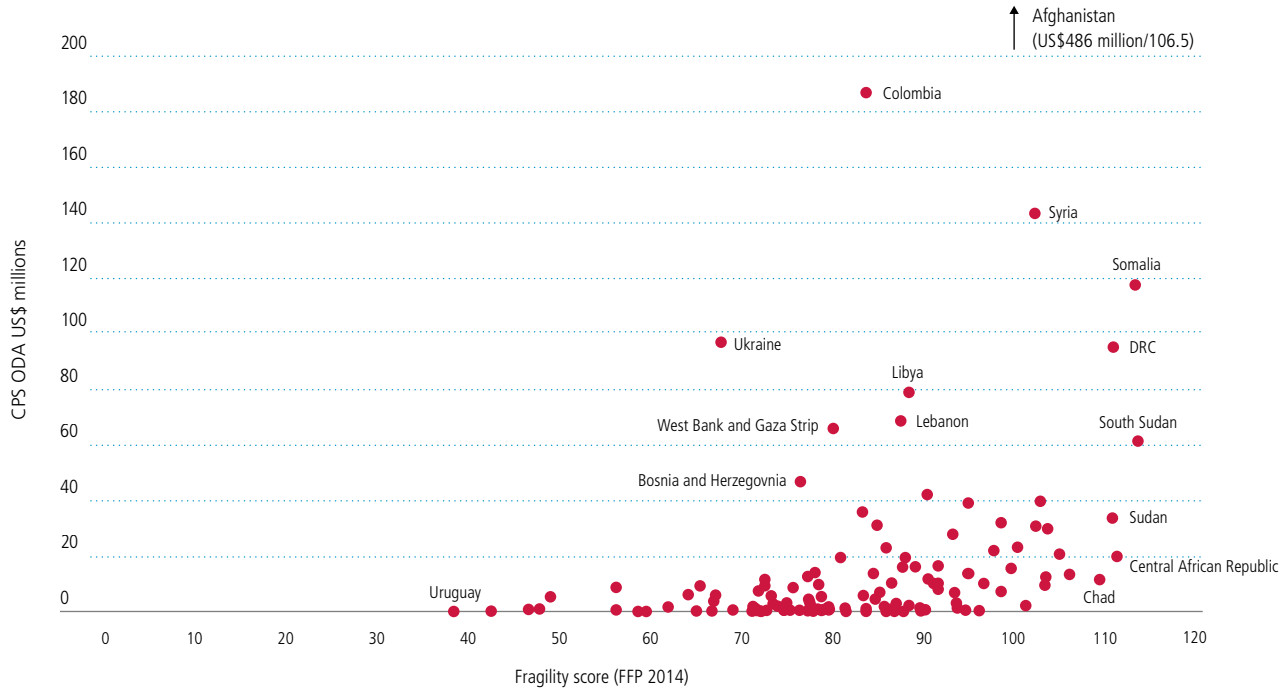

Source: DI calculations based on 2014 CRS data.

FIGURE 19

Certain countries experiencing long-term fragility and conflict are prioritised for funding, while others are missing out

Country receipt of CPS ODA against fragility score, 2014

Source: DI calculations based on 2014 CRS data and the 2014 Fund for Peace Fragile States Index[17]
Note: Chart omits seven countries that received a 3.6% (US$87.5 million) of CPS ODA in 2014 but that have no fragility score, notably Kosovo (see annex for details). Palestine figure is "included as part of the assessment of Israel, since international law places governance responsibilities on the occupying power." (see FFP note).[18]

Unsurprisingly, given the links between fragility, violence and conflict, there is a relationship between the volume of CPS ODA invested in a country and its level of fragility (see Figure 19). Countries with higher fragility scores tend to receive larger volumes of CPS ODA, especially countries classified as 'alert' or 'very high warning' in the 2014 Fund for Peace Fragile States Index (with index scores of 80.1 and above). Afghanistan, for example, received the most by country in 2014, and had the seventh-highest fragility score in 2014. Syria, Somalia, Democratic Republic of Congo, South Sudan, Lebanon and Libya also rank highly on both measures. Similarly,

countries with very low fragility scores tend to receive either no or only small amounts of CPS ODA.

Yet while some countries experiencing long-term fragility and conflict are prioritised for funding, others are not. Both Chad and the Central African Republic have higher fragility scores than Afghanistan, scoring 108.7 and 110.6 compared with 106.5 for Afghanistan), yet both received smaller volumes of CPS ODA in 2014 (US$11.5 million and US$19.8 million respectively). Ukraine was the fifth largest recipient country in 2014 despite a comparatively low fragility score (67.2).

It is not clear why certain long-term fragile and conflict-affected countries are prioritised for funding to a greater extent than others, but is likely to reflect competing demands on finite resources, individual donor preferences and decision-making on the basis of national security, strategic and political interests. But to leave no-one behind and ensure that the needs of vulnerable and conflict-affected people are met, donors' ODA spending decisions must be based primarily on people's needs and risks. A key challenge is the distinct lack of available data on poverty and vulnerability in fragile and conflict-affected contexts (see Box 5).

The need for better data on poverty and vulnerability in fragile and conflict-affected contexts

Collecting data on poverty and vulnerability is critical to ensuring that available domestic and international resources are targeted effectively towards meeting the needs of the poorest and most vulnerable people. Collecting disaggregated data to inform effective targeting and monitor progress against the delivery of the Global Goals is a central focus of the 2030 Agenda for Sustainable Development in line with the ambition to leave no-one behind.

However, the collection of data on poverty and how this links to vulnerability and crisis is particularly challenging in fragile and conflict-affected countries where domestic capacities are low and access to affected areas is constrained. For 7 of the 20 largest recipient countries of CPS ODA, there is no poverty data available – these are Afghanistan (the largest recipient country in 2014), Lebanon, Syria, Somalia, South Sudan, Iraq and Myanmar.

The absence of comprehensive baseline data at the global level on the risks and needs of vulnerable and conflict-affected people makes it difficult for donors to make

coordinated and needs-based decisions on how to effectively allocate finite humanitarian and CPS resources. Various tools are used by different actors to analyse risk, vulnerability, fragility and conflict – including the EU/ Inter-Agency Standing Committee's INFORM index, UN Humanitarian Needs Overviews, UN High Commission for Refugees data on displacement, and various fragile states indices – but these tools are not joined-up to provide a global picture. Furthermore, given the weakness of the data in these contexts, it is difficult to go beyond numbers of casualties and national-level measures to assess the impact of conflict and insecurity on people at the sub-national level. To ensure that resources are allocated effectively to the most vulnerable people, and donors are coordinated in their response, we urgently need greater investment in better quality and comparable data on poverty, vulnerability and crisis, including disaggregated and sub-national data.

To achieve this, donors should invest in efforts to strengthen domestic statistical capacity where this is possible, particularly administrative

data such as civil registration of births and deaths. Where this is not possible, particularly in countries where governance institutions are weak or absent, support should be given to international actors to invest in improving data, while encouraging a long-term strategic direction to fund the strengthening of systems for collecting core administrative data, and sustainable country-led development planning and policymaking.

In the most complex and conflict-affected countries, the collection and analysis of data is obviously significantly more challenging and in many cases impossible. A differentiated approach to data collection and analysis should therefore be taken in fragile and conflict-affected countries: one that is appropriate to the specific stage of conflict and responds to the types of challenges experienced. To achieve this and inform the work of national and international actors in this area, we must have better evidence on what data collection methodologies are effective in these different contexts, perhaps including new and innovative technologies.

Multilateral bodies allocated notably high proportions of their ODA investments on CPS in 2014 to countries with high fragility scores: 'alert' or 'very high warning'. The Organisation of Petroleum Exporting Countries' (OPEC) Fund for International Development (OFID) allocated all of its US$500 million of CPS ODA to such countries. The International Development Association (IDA, part of the World Bank) allocated 97.6% of its CPS ODA investments to such countries, followed by the UNPBF (86.0%), UNICEF (79.6%)

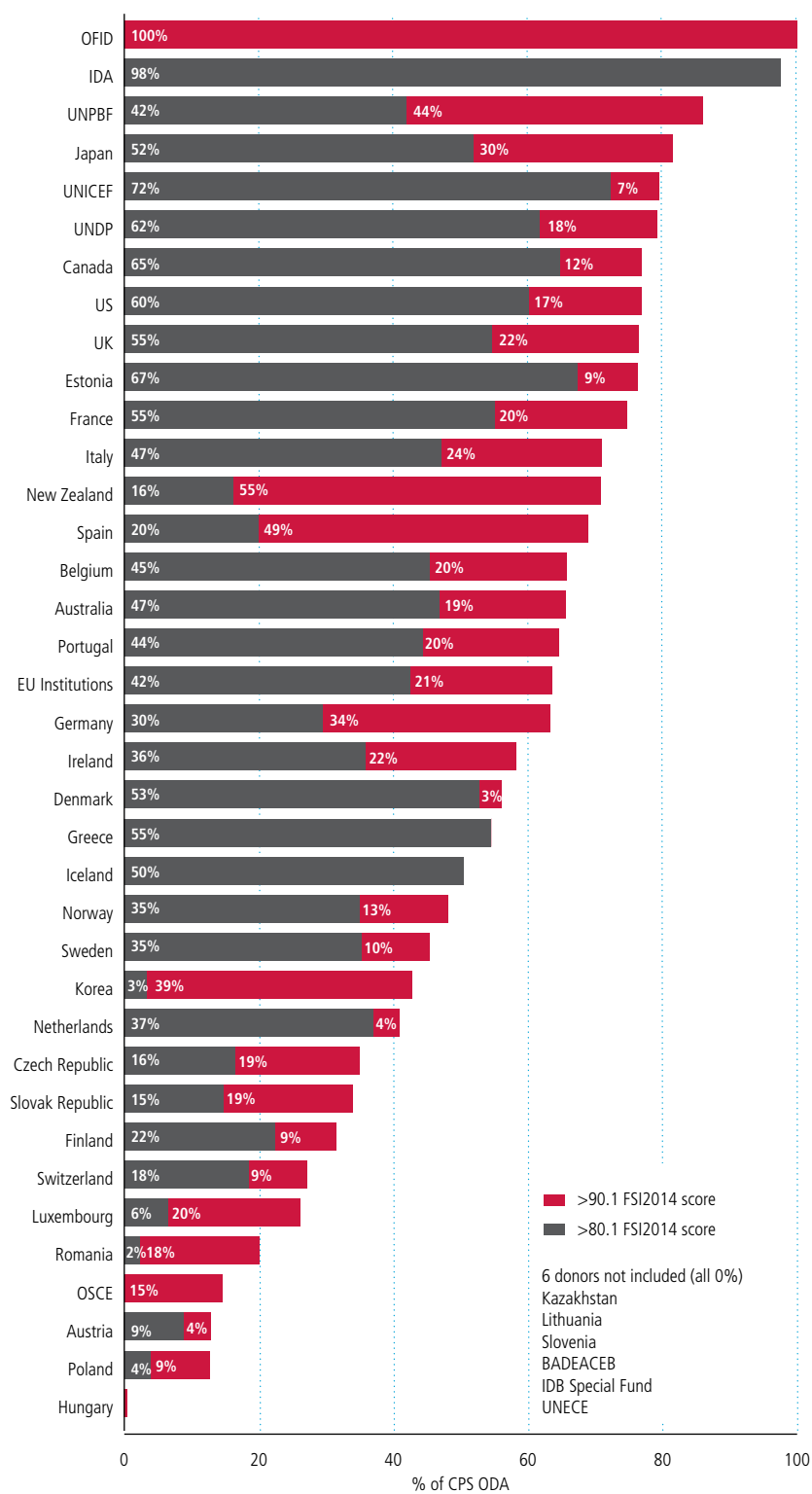and the United Nations Development Programme (UNDP) (79.2%) (see Figure 20).

Among the largest 10 country donors (see Figure 10), Japan allocated the highest proportion of its CPS ODA (82%) to countries with the highest fragility scores (see Figure 20), followed by the US and the UK (each allocating around three-quarters). Norway and Sweden were both among the largest ten CPS donors in 2014 (see Figure 10) and allocated a notably high proportion of ODA to CPS compared

with other country donors (see Figure 11). But they provided comparatively low proportions of these funds to countries with the highest fragility scores (48% and 45% respectively) (see Figure 20). This suggests that spending decisions by certain donors may be driven by risk to a greater extent than others.

FIGURE 20

Multilateral agencies tend to allocate a high share of CPS ODA to countries with high fragility scores

Shares of CPS ODA going to fragile states (>90.1 and >80.1 Fund for Peace Fragile States Index 2014 scores)

Donor	>90.1 FSI2014 score	>80.1 FSI2014 score
OFID	100%	
IDA		98%
UNPBF	44%	42%
Japan	30%	52%
UNICEF	7%	72%
UNDP	18%	62%
Canada	12%	65%
US	17%	60%
UK	22%	55%
Estonia	9%	67%
France	20%	55%
Italy	24%	47%
New Zealand	55%	16%
Spain	49%	20%
Belgium	20%	45%
Australia	19%	47%
Portugal	20%	44%
EU Institutions	21%	42%
Germany	34%	30%
Ireland	22%	36%
Denmark	3%	53%
Greece		55%
Iceland		50%
Norway	13%	35%
Sweden	10%	35%
Korea	39%	3%
Netherlands	4%	37%
Czech Republic	19%	16%
Slovak Republic	19%	15%
Finland	9%	22%
Switzerland	9%	18%
Luxembourg	20%	6%
Romania	18%	2%
OSCE		15%
Austria	4%	9%
Poland	9%	4%
Hungary		

6 donors not included (all 0%)
Kazakhstan
Lithuania
Slovenia
BADEACEB
IDB Special Fund
UNECE

% of CPS ODA

Source: DI calculations based on 2014 CRS data and the 2014 Fund for Peace Fragile States Index.
Analysis includes multilateral and government donors.
Note: Uses shares of CPS ODA going to countries with FSI2014 scores above 80.1 (very high warning) and 90.1 (alert).

4

Conclusion and the way forward

To address vulnerability, insecurity and conflict, we need better data on exactly where affected people are, their short and long-term needs, and the impact that different resources have on their lives. The collection of data in fragile and conflict-affected contexts is particularly challenging given low domestic capacities and access constraints. In complex and conflict-affected contexts, it is often simply impossible to collect such data as communities are displaced and armed groups control large areas. This report has highlighted the pressing need to address data gaps and strengthen transparency in the following areas:

- **Data on investments in fragile and conflict-affected contexts beyond aid.** Data on peace and security resource flows beyond aid are particularly weak, with a distinct lack of information available on the disaggregation of international military, peace and security spending in different countries. Better data is vital to understanding how these resources – working in coordination with other actors in fragile and conflict-affected contexts – could play a role in addressing the needs of vulnerable and conflict-affected people. This is also particularly pertinent in light of recent movements towards broadening ODA's definition to include wider security-related activities with a development objective, and the imperative to continue to ensure that all aid is transparent. Data on the wider resource flows in fragile and conflict-affected countries – domestic and international, public and private – is also critical to informing how different financing can come together to systematically address crisis, risk and poverty towards a shared vision of leaving no-one behind.

- **Data on aid investments on peace and security**: While data on CPS ODA is stronger, transparency could be improved. Low proportions of ODA being spent on CPS may reflect low prioritisation of the sector by donors, but it may also in part result from the single purpose-code reporting system used by the OECD DAC. A significant amount of spending on CPS may be hidden in wider projects. Applying a multiple code reporting system – as used by IATI – would strengthen the granularity and accuracy of reporting the delivery of Global Goal 16.

- **Data on vulnerable and conflict-affected people to inform better targeting.** This data is lacking – we do not have an accurate picture of where people are, or of the specific needs of excluded and vulnerable groups including women, children, youth, disabled people and elderly people. Greater investment in disaggregated and sub-national data is critical, including through efforts to strengthen domestic statistical capacity. Recognising the real challenges involved in collecting and analysing data in complex conflict contexts, a differentiated approach to data collection and analysis should be taken in fragile and conflict-affected countries, appropriate to the specific stage of conflict and challenges experienced. To achieve this, we need better evidence on what data collection methods work in these different contexts.

Global discussions on addressing fragility, conflict and insecurity through development assistance are currently coalescing around the delivery of Goal 16. How to track financing against the goal's targets will be a central aspect of this debate. Further research

is needed to understand how current financial reporting mechanisms can be better aligned to the Goal 16 targets and used to monitor the delivery of these global commitments.

There may be a case for increased ODA allocated to the CPS sector in line with policy commitments to promote peace and security as a prerequisite for lasting development. But it is important that we aim to meet all Global Goal targets – including those that address the root causes of fragility and conflict.

Achieving this with finite resources will be a challenge for many donors. In line with the 2030 agenda, the mobilisation of resources beyond aid will be critical.

Annex 1: Methodology

Official development assistance

Official development assistance (ODA) to conflict prevention, peace and security (CPS) is defined as aid investments reported to the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) as ODA under the 'conflict, peace & security' sector code (152). Wider 'government and civil society' sector codes were not examined in detail. There are some areas that potentially overlap but donors are advised to use the CPS sector if, for example, justice support is linked to security sector reform. See the OECD code list[19] for more details of these codes.

All ODA data is for gross disbursements as reported by donors to the OECD DAC Creditor Reporting System (CRS). These will remain the latest available data until December 2016 when detailed 2015 data is expected. All ODA figures are in constant 2013 prices. Trends over time are taken from the online CRS tables, while detailed 2014 data analysis of ODA is based on the full CRS download.

The 2014 CRS data cover the 28 DAC donor countries and the European Union (EU), plus 10 non-DAC countries and 11 multilateral donors that report their ODA to the DAC. These are:

- Non-DAC countries (10): Czech Republic, Estonia, Hungary, Iceland, Kazakhstan, Lithuania, Poland, Romania, Slovak Republic, Slovenia;

- Multilaterals (11):
  - International Bank for Reconstruction and Development (IBRD)
  - International Development Association (IDA)
  - Islamic Development Bank (IDB) United Nations Development Programme (UNDP)
  - UNICEF
  - UN Peacebuilding Fund
  - UN Economic Commission for Europe (UNECE)
  - Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development
  - Arab Bank for Economic Development in Africa
  - Organization for Security and Cooperation in Europe (OSCE)
  - Council of Europe Development Bank.

Country totals do not include an allocation of any regional or multi-country projects that those countries may have received.

The top 20 recipients of humanitarian aid in 2014 based on CRS data are:

- Afghanistan
- Central African Republic
- Democratic Republic of the Congo
- Ethiopia
- Iraq
- Jordan
- Kenya
- Lebanon
- Mali
- Myanmar
- Pakistan
- Philippines
- Sierra Leone
- Somalia
- South Sudan
- Sudan
- Syrian Arab Republic
- Turkey
- West Bank and Gaza Strip
- Yemen

CPS other official flows (OOFs)

There was US$48.9 million of CPS OOFs from International Bank for Reconstruction and Development (IBRD), Operational Risk Committee (ORC), CEC (17 CRS records).

Private development assistance

Private assistance is not covered here. The Bill & Melinda Gates Foundation also reports aid projects to the CRS, but as it is not a government body or agency, this is classed as private grant aid rather than ODA. The foundation reported US$1.2 million in private grants to CPS in 2014, equivalent to 0.04% of CPS ODA.

Fragility

The Fund for Peace Fragile States Index 2014,[20] July 2014, has been used here, focusing on 'alert' (red) countries (scoring between 90.1 and 120.0; 34 out of 178 countries in 2014) and 'very high warning' (scoring between 80.1 and 90.1). See Fund for Peace[21] methodology for details.

Note that several countries have not been allocated a score. Kosovo is excluded until its 'political status and UN membership is ratified'.

Aid bundles

To estimate the proportions of ODA that are transferred to a recipient country and, of this, what are the relative shares of cash versus in-kind resource transfers, this report uses a number of categorisations of aid, taken from the OECD CRS database. The database does not state explicitly how much ODA is in the form of money, how much is in other forms or how much is spent in the donor country. Development Initiatives has examined each record in the CRS database for the years 2006 to 2011 and classified these according to whether the record was most likely to represent a transfer of cash, an in-kind transfer, ODA not transferred to the recipient country, or spending on global public goods, or core support to northern non-governmental organisations (NGOs). This required an analysis of the aid type, flow code, finance type, purpose code, channel code, technical cooperation marker and recipient code of each record. This was supplemented by a text analysis of the short and long descriptions associated with CRS records to classify some of the ODA for which the analysis of the record codes was inconclusive.

Non-transferred aid

Non-transferred aid consists of CRS records that were marked as debt relief, administrative costs, students in donor countries, refugees in donor countries and subsidies paid to donor country banks. Also included in this category are any other CRS records that are specifically flagged by the donor as being spent through donor country government bodies (not including technical cooperation, food or commodity aid).

Global public goods and donor country non-governmental organisations

ODA to research bodies or to special-purpose funds with no specific geographic focus were counted as contributing to global public goods (GPGs). CRS records coded as promotion of development awareness were also considered to be a form of GPG. Also in this category is ODA that was given as core support to donor country NGOs.

Aid in kind

The aid in kind category consists of aid records marked as free-standing technical cooperation, food aid or commodity aid.

Cash

The CRS database contains no explicit information on how much ODA is actually transferred as money to developing countries. Therefore the cash category of the aid bundle consists of those types of ODA considered to be most likely to result in cross-border flows of money. These categories are:

- budget support grants (both general and sector budget support)

- pooled and special-purpose funds with a specific geographic focus

- core support to developing country NGOs

- ODA to public-private partnerships

- grants by development banks over US$1 million

- all loans and equity investments.

Any record with apparently contradictory coding, such as a record with an aid type of budget support, but a marker or purpose code indicating that it is actually technical cooperation or food aid, is counted under the relevant non-cash category. For example US$122 million of ODA with an aid type of budget support has been classified in the report as aid in kind because the technical cooperation flag for the records shows that this ODA has been delivered in the form of freestanding technical cooperation.

Mixed project aid

For a proportion of the records in the CRS database, it is not possible to make a meaningful assessment of the form that the ODA was delivered in and this is recorded in the report as 'mixed project aid' because all of these records have an aid type of 'project support'. As these records do not come under any of the categories of spending in the donor country, it is assumed that they represent transfers to recipient countries consisting of a mixture of cash and in-kind components.

TABLE 2

OECD DAC CRS purpose codes for spending on 'conflict prevention and resolution, peace and security'[21]

Security system management and reform (15210)	Technical co-operation provided to parliament, government ministries, law enforcement agencies and the judiciary to assist review and reform of the security system to improve democratic governance and civilian control; technical co-operation provided to government to improve civilian oversight and democratic control of budgeting, management, accountability and auditing of security expenditure, including military budgets, as part of a public expenditure management programme; assistance to civil society to enhance its competence and capacity to scrutinise the security system so that it is managed in accordance with democratic norms and principles of accountability, transparency and good governance. [Other than in the context of an international peacekeeping operation (15230).]
Civilian peacebuilding, conflict prevention and resolution (15220)	Support for civilian activities related to peace building, conflict prevention and resolution, including capacity building, monitoring, dialogue and information exchange. Bilateral participation in international civilian peace missions such as those conducted by the UN Department of Political Affairs (UNDPA) or the European Union (European Security and Defence Policy), and contributions to civilian peace funds or commissions (e.g. Peacebuilding Commission, Peacebuilding thematic window of the MDG achievement fund etc.). The contributions can take the form of financing or provision of equipment or civilian or military personnel (e.g. for training civilians). [Use code 15230 for bilateral participation in international peacekeeping operations.]
Participation in international peacekeeping operations (15230)	Bilateral participation in peacekeeping operations mandated or authorised by the United Nations (UN) through Security Council resolutions, and conducted by international organisations, e.g. UN, NATO, the European Union (Security and Defence Policy security-related operations), or regional groupings of developing countries. Direct contributions to the UN Department for Peacekeeping Operations (UNDPKO) budget are excluded from bilateral ODA (they are reportable in part as multilateral ODA, see Annex 2 of DAC Directives). The activities that can be reported as bilateral ODA under this code are limited to: human rights and election monitoring; reintegration of demobilised soldiers; rehabilitation of basic national infrastructure; monitoring or retraining of civil administrators and police forces; security sector reform and other rule of law-related activities; training in customs and border control procedures; advice or training in fiscal or macroeconomic stabilisation policy; repatration and demobilisation of armed factions, and disposal of their weapons; explosive mine removal. The enforcement aspects of international peacekeeping operations are not reportable as ODA. ODA-eligible bilateral participation in peacekeeping operations can take the form of financing or provision of equipment or military or civilian personnel (e.g. police officers). The reportable cost is calculated as the excess over what the personnel and equipment would have cost to maintain had they not been assigned to take part in a peace operation. International peacekeeping operations may include humanitarian-type activities (contributions to the form of equipment or personnel), as described in paragraphs 184 and 185 of DAC Directives. These should be included under code 15230 if they are an integrated part of the activities above, otherwise they should be reported as humanitarian aid. NB: When using this code, indicate the name of the operation in the short description of the activity reported.
Reintegration and SALW control (15240)	Reintegration of demobilised military personnel into the economy; conversion of production facilities from military to civilian outputs; technical co-operation to control, prevent and/or reduce the proliferation of small arms and light weapons (SALW) – see para. 45 of the DAC Statistical Reporting Directives for definition of SALW activities covered. [Other than in the context of an international peacekeeping operation (15230) or child soldiers (15261)].
Removal of land mines and explosive remnants of twar (15250)	All activities related to land mines and explosive remnants of war which have benefits to developing countries as their main objective, including removal of land mines and explosive remnants of war, and stockpile destruction for developmental purposes [other than in the context of an international peacekeeping operation (15230)]; risk education and awareness raising; rehabilitation, reintegration and assistance to victims, and research and development on demining and clearance. Only activities for civilian purposes are ODA-eligible.
Child soldiers (Prevention and demobilisation) (15261)	Technical co-operation provided to government – and assistance to civil society organisations – to support and apply legislation designed to prevent the recruitment of child soldiers, and to demobilise, disarm, reintegrate, repatriate and resettle (DDR) child soldiers.

Source: OECD DAC CRS code list spreadsheet[22]

Wider resources (Figures 1 and 2)

All data on wider resource included in Figures 1 and 2 is in 2014 current US$. Negative values are set to zero at the country level.

Data on ODA and OOFs is taken from the OECD DAC aggregate tables – both include data on gross disbursements.

Long-term debt data is sourced from the International Debt Statistics (IDS) database and differentiated between official and commercial. For official long-term debt, overlaps between what is reported by the OECD as OOFs and ODA loans and what is reported by the IDS as long-term debt are removed by subtracting the former from the latter at the country level. Data on short-term debt and portfolio equity are also sourced from the IDS and are reported in net terms.

Data on foreign direct investment (FDI) is taken from the United Nations Conference on Trade and Development's FDI statistics (FDI received by developing countries), and represents net inflows of FDI (new investments minus disinvestment).

Remittances data is taken from the World Bank Migration and Remittances Factbook database.

Domestic public revenue

Domestic public revenue is defined as all non-grant revenue collected by a government. Grant revenue has not been included as is included in ODA allocations. Forms of government financing (domestic and international) have also been excluded.

Data is taken from the countries 2014 financial year. In some cases, the 2014 financial year refers to a 2013/14 fiscal year.

Domestic public resource information is sourced from International Monetary Fund article IV staff reports and the October 2015 World Economic Outlook database.

'Developing countries' for analysis of international resource flows and domestic public revenue are defined as countries eligible to receive ODA as per the OECD DAC list.[23] However, for each resource flow, data is not available for a small number of countries.

Notes

1 www.pbsbdialogue.org/en/new-deal/about-new-deal/

2 https://sustainabledevelopment.un.org/sdg16

3 UN High Level Panel on Humanitarian Financing (January 2016) Too important to fail – addressing the humanitarian financing gap. reliefweb.int/report/world/high-level-panel-humanitarian-financing-report-secretary-general-too-important-fail

4 www.inform-index.org/

5 Boston University (October 2013), Remittance Flows to Post-Conflict States: Perspectives on Human Security and Development. Pardee Centre Taskforce Report. www.bu.edu/pardee/files/2013/10/Pardee-CFLP-Remittances-TF-Report.pdf

6 This is not an exhaustive list and there may be additional relevant global resources and resource flows to fragile and conflict-affected countries. Further research is needed to provide a comprehensive typology of such investments.

7 SIPRI website, Frequently asked questions, What is the SIPRI definition of military expenditure? www.sipri.org/research/armaments/milex/copy_of_faqs#back-to-top. Accessed on 02.02.2016. Note that SIPRI includes military aid in their definition of military expenditure; however we have included military aid as a separate category.

8 www.sipri.org/research/armaments/milex/milex_database

9 www.sipri.org/research/armaments/milex/milex_database

10 www.aidtransparency.net/

11 OECD DAC (2008), Is it ODA? Factsheet. www.oecd.org/dac/stats/34086975.pdf. Accessed on 2 February 2016

12 NATO webpage, 'Operations and missions: Part and Present' www.nato.int/cps/en/natohq/topics_52060.htm. Accessed on 2 February 2016

13 Analysis in this section is based on reporting of spending against OECD DAC CRS codes under sector 152 on 'Conflict prevention and resolution, peace and security'.

14 UNPBF website, 'Who we are' www.unpbf.org/who-we-are/. Accessed on 3 February 2016.

15 www.oecd.org/governance/governance-peace/conflictandfragility/oecddachandbookonsecuritysystemreformsupportingsecurityandjustice.htm

16 Development Initiatives (December 2015), Progress in Delivering the Busan Partnership for Effective Development Co-operation in States of Fragility. devinit.org/post/progress-in-delivering-the-busan-partnership-for-effective-development-co-operation-in-states-of-fragility

17 library.fundforpeace.org/fsi14

18 fsi.fundforpeace.org/faq-02-why-some-countries-not-included

19 www.oecd.org/dac/stats/dacandcrscodelists.htm

20 fsi.fundforpeace.org/rankings-2014

21 fsi.fundforpeace.org/faq-05-heat-categories

22 www.oecd.org/dac/stats/purposecodessectorclassification.htm, accessed on 07/01/2016

23 http://www.oecd.org/dac/governance-peace/conflictfragilityandresilience/oecddachandbookonsecuritysystemreformsupportingsecurityandjustice.htm

Development Data Hub
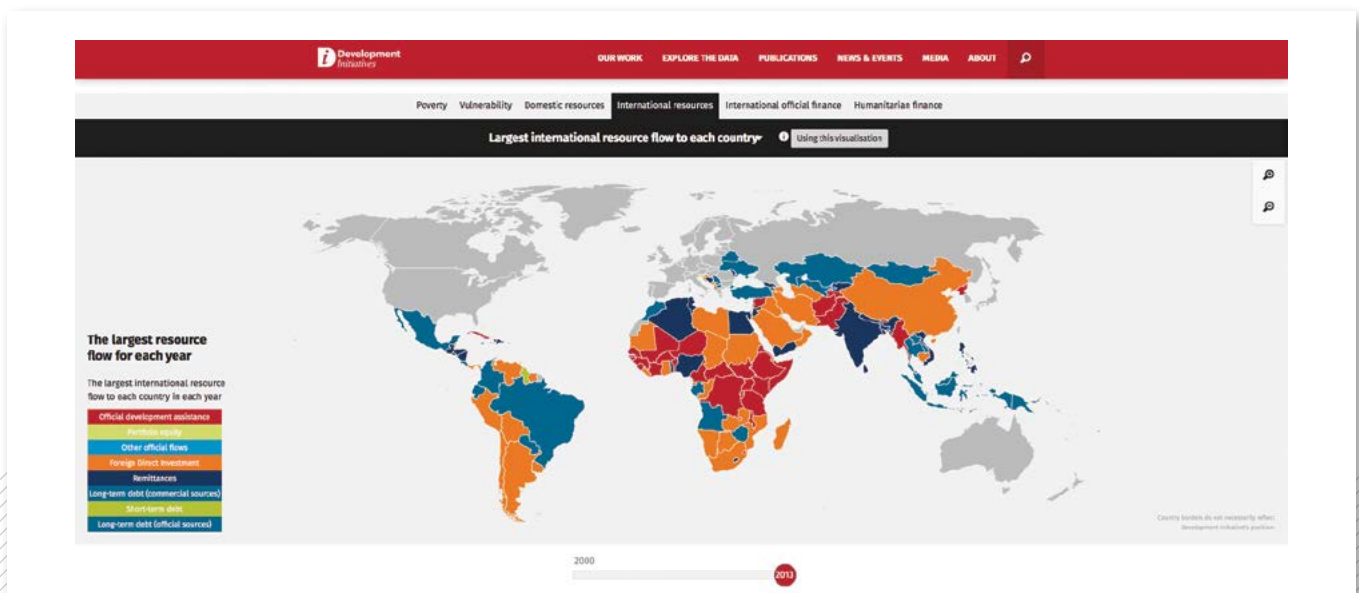
The Development Data Hub, launched in early 2015, is the most comprehensive online resource to date for financial flow data alongside poverty, social and vulnerability indicators. This resource makes an important contribution to realising the widely shared vision of a world without poverty by helping ensure that the right decisions about resourcing the end of poverty are being made.

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